

Kentucky Housing Corporation
Housing Contract Administration Department

NOTICE OF FUNDS AVAILABLE & APPLICATION GUIDELINES:

2025 Funding Round for

- 1) Single-Family Homebuyer Development**
- 2) AHTF Home Repair**

Funded by:

Kentucky's Affordable Housing Trust Fund (AHTF)

HOME Investment Partnership Program (HOME)

November 2024



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Introduction and Notice of Funds Available

Kentucky Housing Corporation (KHC), through its Housing Contract Administration (HCA) department, is pleased to offer a competitive funding application process to affordable housing developers, builders, and organizations across the state through the HOME Investment Partnerships Program (HOME) and the Kentucky Affordable Housing Trust Fund (AHTF)

These guidelines govern 2024 applications for two programs: **Single-Family Homebuyer Development** and **AHTF Home Repair**. Applicants must submit two separate applications should they wish to apply for both programs. Policy Manuals for both programs are found on the [HCA Partner Agency Portal](#).

NOTE: KHC reserves the right to amend these guidelines as needed.

Important Notes for all Prospective Applicants

- 1) **Applicants are required to read and follow the program policy manual(s) relevant to the program funding being requested.** Ignorance of changes to KHC program design and/or policy will not be an acceptable reason for failing to complete a successful application. In the past, KHC has included detailed program requirements within its application guidelines. Now most of this information has been removed from this application document and can be found within the policy manuals for both programs located on KHC's HCA [Partner Agency Portal](#).

Proposed projects must be in accordance with the policy manuals. Some information requested by the application, such as the sources and uses summaries, requires familiarity with program policies, which may not be detailed in this document.

- 2) **Applications and Fees.** Applicants MUST submit a complete application through the [KHC Universal Funding Application](#) (UFA) system by 11:59 p.m. ET on Friday, January 10, 2025. Application fees must be submitted through the UFA fee payment system BEFORE an application is submitted and no later than 5:00 p.m. ET on January 10, 2025.
- 3) **The AHTF Home Repair Program is designed to stabilize the residences of low-income homeowners with essential repairs needed to keep or make their home habitable.** Repairs should bring owner-occupied units up to KHC Minimum Habitability Standards, and the AHTF cap is \$25,000 per unit (see policies for guidance on caps). Be sure to review the 2024 AHTF Home Repair Program Policy Manual closely.
- 4) **Partners can apply for HOME and AHTF funding in one Single-Family Homebuyer Development application.** However, HOME and AHTF may NOT be blended in an individual unit. Applicants that apply for both funding sources are likely to receive larger awards than those applicants applying for only one source.
- 5) **Single-Family Homebuyer Development does not allow for applicants to receive administrative fees.** Instead, applicants can earn a developer fee of up to the lesser of 15 percent of total development costs excluding acquisition or \$15,000 for each unit completed.
- 6) **AHTF Home Repair only allows for 7.5% in administrative fees;** no developer fees are allowed.
- 7) **Questions regarding this NOFA, application, and programs should be submitted via the HCA [Partner Agency Portal](#).** This is also where applicants can find KHC forms and templates to be uploaded in the UFA.
- 8) **Notice of Policy Change for all HOME Applicants - HUD's regulations at 24 CFR 58.22 prohibit applicants from committing or spending HUD or non-HUD funds on any activity that could have an**

adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environment review once a project has become "federal." This prohibition on "choice-limiting actions" prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions.

The restriction on undertaking or committing funds for choice-limiting actions does not apply to undertakings or commitments of non-federal funds before a project participant has applied for HUD funding. A party may begin a project in good faith as a private project and is not precluded from later deciding to apply for federal assistance. However, when the party applies for federal assistance, it will generally need to cease further choice-limiting actions on the project, using either federal or non-federal funds, until the environmental review process is complete through issuance of the release of funds. Therefore, the Environmental Review covers the entire project, not just the portion funded by HOME. Except under very limited circumstances, no funds, including both HOME and non-HOME resources, may be committed or expended on a project prior to the release of funds under the Environmental Review process. Any such expenditure will make the entire project ineligible for funding under the HOME program.

Funding Round Dates

Below are dates relevant to this funding round:

November 18, 2024	Application Opens in KHC’s Universal Funding Application (UFA)
January 8, 2025	Deadline for application question submission via HCA Partner Agency Portal
January 6, 2025	Deadline to submit set-ups, draws, and/or PCRs for threshold consideration
January 17, 2025	Application closes (at 11:59PM) & last day to pay Application Fee (by 5:00PM)
March 2025	Awards announced

Available Funds

Single Family Homebuyer Development and AHTF Home Repair funds will be awarded via separate competitive processes. Applicants may apply for either or both programs. If an eligible applicant is awarded both HOME and AHTF for eligible homebuyer activities via the annual competitive allocation, each specific housing unit must use only AHTF OR HOME. Combination of HOME and AHTF on a specific unit is prohibited. KHC reserves the right to swap HOME and AHTF funding on a specific unit based on homebuyer eligibility and funding availability.

Funding Sources Available by Program/Activity	Amount Available*	
	HOME** <i>Federal</i>	AHTF <i>State</i>
1) Single-Family Homebuyer Development	\$4,000,000	\$1,600,000
2) AHTF Home Repair	---	\$1,200,000

*Amount of available funds is approximate.

** A minimum of \$2,278,335 of HOME will fund projects proposed by Community Housing Development Organizations (CHDO).

Maximum Funding Requests

KHC limits the amount of funds an applicant may request:

Use of Funds	Maximum Funding an Applicant May Request	
	HOME	AHTF
1) Single-Family Homebuyer Development	\$500,000	\$400,000
2) AHTF Home Repair	---	\$200,000

NOTE: HOME and AHTF funds may NOT be invested in the same address/unit.

Single-Family Homebuyer Development Applicants: Maximum request is \$500,000 of HOME and \$400,000 of AHTF funds, inclusive any applicable developer fees. No administrative fees will be funded.

AHTF Home Repair Applicants: Maximum request is \$200,000 of AHTF, inclusive of allowable administrative fees.

KHC reserves the right to award lesser 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 KHC deems appropriate and necessary.

KHC also reserves the right to swap HOME and AHTF funding on a specific unit based on homebuyer eligibility and funding availability.

Eligible Activities

Program	Eligible Activities	Funding Source(s)
1) Single-Family Homebuyer Development	<ul style="list-style-type: none"> New construction for new homebuyers (<i>CHDO-eligible</i>). Acquisition rehab for new homebuyers (<i>CHDO-eligible</i>). Reconstruction for an existing homeowner (<i>NOT CHDO-eligible</i>). 	HOME AHTF
2) AHTF Home Repair	<ul style="list-style-type: none"> Home stabilization via repairs that bring a home up to KHC's <i>Minimum Habitability Standards</i>. Improvements needed to make a home habitable for a disabled member of the household. 	AHTF

Programs are described in greater detail in program policy manuals found on the [HCA Partner Agency Portal](#).

Application Fee

KHC charges a modest, non-refundable application fee for each program. Applicants must pay separate fees if they are submitting applications for both Single-Family Homebuyer Development and AHTF Home Repair.

Program/Activity	Application Fee
------------------	-----------------

1) Single-Family Homebuyer Development	\$100
2) AHTF Home Repair	\$50

Applicants must pay their fee using KHC’s online payment system within the [UFA](#). Please note, this online payment option is ONLY AVAILABLE PRIOR TO APPLICATION SUBMISSION. Once an applicant submits an application via the UFA, they will not be able to access the online payment system without recalling (and then resubmitting) their application. Recalling the application is not possible after the January 17, 2025, 11:59 p.m. ET application submission deadline. If KHC has not received the application fee by 5:00 p.m. ET on Friday, January 17, 2025, the application will not be reviewed.

Eligible Applicants

Eligible applicants vary by funding source, as delineated in the table below. PLEASE NOTE that organizations should only apply if they themselves will develop affordable single-family homes and/or repair existing owner-occupied homes with KHC funds. KHC will NOT award funds to intermediary subrecipients.

Eligible Applicant Type	Funding Sources
Nonprofit organizations, faith-based organizations, regional/statewide housing-assistance organizations; community service organizations; and local governments.	HOME, AHTF
Private, for-profit developers	HOME
Public Housing Authorities	AHTF

Eligible Household Income Limits

Funding Source	Maximum Household Income	Source of Income Limits
HOME	80% of Area Median Income	HUD Exchange
AHTF	The greater of either: 60% of Kentucky's state median family income <u>OR</u> 60% of HUD area median income	KHC's HCA Partner Agency Portal

KHC has revised its definition of the income limits for Kentucky's Affordable Housing Trust Fund (AHTF). The AHTF applicable income limit is the GREATER of either: 60% of Kentucky's state median family income OR 60% of area median income. Both limits are published annually by the U.S. Department of Housing and Urban Development (HUD). The [AHTF income limits](#) will be published annually on KHC's website and on the [HCA Partner Agency Portal](#). The [HOME income limits](#) are published annually by HUD.

Applicable Policies and Regulations

NOTE: There are SEPARATE Program Policy Manuals and UFA Applications for Single-Family Homebuyer Development and AHTF Home Repair Programs!

These guidelines govern applications for two programs: Single-Family Homebuyer Development and AHTF Home Repair. Applicants must submit two separate applications should they wish to apply for both programs. Policy Manuals for both programs are located on the [HCA Partner Agency Portal](#).

All applicants are expected to be familiar with all applicable federal regulations, state and local requirements, the HOME Program, and HOME/AHTF Administrative Certifications, and to incorporate them into their project design and implementation procedures.

If funded, projects will be governed by and must adhere to the cumulative information contained in these guidelines, as applicable:

- HOME Program regulations (24 CFR Part 92)
- AHTF Regulations (Kentucky Revised Statutes §198A.700 TO §198A.730)
- *KHC Single-Family Homebuyer Development 2023 Policy Manual*
- *KHC Single Family Homebuyer Development Project Set-Up Template*
- *KHC AHTF Home Repair 2023 Policy Manual*
- *KHC CHDO Manual*
- KHC's HUD Consolidated Plan
- KHC's HUD Annual Action Plan
- The applicant's application for funding
- Grant agreement(s) between the applicant and KHC
- The HOME/AHTF Administrative Certifications

Preparing Your Application

The remainder of this document provides guidance related to the application(s) for KHC funds. Unless otherwise noted, all of the following information applies to BOTH Single-Family Homebuyer Development and AHTF Home Repair.

Universal Funding Application (UFA)

The application is created and submitted through KHC's online UFA system. The application(s), attachments, and fee(s) must be submitted via KHC's online UFA: wapps.kyhousing.org/UFA/User/Login. Applicants should not send any application components to KHC staff via electronic mail, traditional mail, or facsimile. KHC will send an e-mail notification to the applicant once the application has been transmitted successfully.

Applicants must submit two separate UFA applications and pay two application fees if they wish to apply for both Single-Family Homebuyer Development funding and AHTF Home Repair funding.

NOTE: When naming application(s) in the UFA system, applicants must use the following naming model, incorporating the agency's name:

- **Single Family Homebuyer Development:** "[Agency Name] 2025 S-F Homebuyer Application"
- **AHTF Home Repair:** "[Agency Name] 2025 Home Repair Application"

Public Information and Open Records Act Requests

KHC will publish, via a public [eGram](#), an announcement of all awarded applications for the current application round. The list will be made available within sixty days of the current application deadline.

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 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 must place all documents viewed as confidential in a sealed envelope marked “Confidential.” 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.

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 5:00 p.m. ET on January 17, 2025.
- 4) Be submitted to KHC by 11:59 p.m., ET, January 17, 2025.
- 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 HOME and/or AHTF projects, including awards made to any other applicants.
- 8) Applicants requesting HOME funds must also submit project information to the [Kentucky eClearinghouse](#) via the State’s online system. 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. If applicant is not eligible to register with the state clearinghouse, please submit a memo for the required attachment, explaining the reasons for ineligibility, which, most commonly, is previous federal awards do not exceed the required threshold for clearinghouse approval.

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, KHC may request clarification from the designated applicant contact person. If three or more contradictory statements appear in an application, KHC reserves the right to disqualify that applicant.

General Application Guidance

Applicants should provide responses in the following manner:

- **Do not assume that KHC reviewer knows your organization or program.** Make sure to write responses to each question as if the reviewer does not know anything about your program or your processes.
- Demonstrate to the reviewer your knowledge of and experience with HOME and/or AHTF regulations, policies and procedures (as applicable).
- In some cases, you may be asked to answer questions similar to those asked in other sections of the application. Do not skip these. Answer them all fully.
- Pay attention to the instructions found in the application itself, especially when they indicate what is required to receive maximum points. You might provide a lengthy response, but if you are not

responsive to the specific information requested, you will not receive full points. Review the scoresheet to fully understand the criteria used to score applications.

- Applicants will be scored on the extent to which a thorough explanation was provided to application questions as well as on the quality of the response.

KHC Capacity Scorecard

To create consistency and equity, KHC utilizes a “Capacity Scorecard” for all program areas that have competitive applications or a formula grant allocation process. The scorecard is used to determine the overall capacity of the applicant and/or development team members. The scorecard is divided into three sections:

1. Capacity Scorecard Threshold Requirement

This section consists of minimum thresholds that must be achieved. If the Entity or Development Team does not meet any of the Capacity Scorecard Threshold Requirements, the application may not be eligible for submission. In any instance where the applicant does not meet a threshold requirement, the applicant is required to provide an explanation as to circumstances of the infraction. KHC will review the response when determining whether the applicant may apply through this funding round.

Capacity Scorecard Threshold Requirements will be verified at both the submission of the application and reviewed again prior to funding award announcement. If the status of a Capacity Scorecard Threshold Requirement changes prior to announcement of funding, the application may be disqualified.

2. Capacity Scorecard Self-Certification

This section is a series of statements to which the applicant must certify. This is a non-scoring section but will be used by KHC review staff to ensure there are no outstanding issues that could prevent the project from being awarded funds. There is a response section in the self-certification section that can be used to provide additional information to any of the self-certification questions. KHC review staff may request additional information for clarification purposes. Applicants will need to complete the certification acknowledgement that states the responses to the self-certification statements are true and accurate, to the best of their knowledge. Falsification of these statements could result in a recapture of funds or suspension/disbarment from KHC.

3. Capacity Scorecard Overall Performance

This section is the part of the scorecard where KHC staff will indicate if a capacity deduction will be applied. A capacity deduction can be determined at any time throughout the administration of a project/program and through the affordability/compliance period. The capacity deduction can apply to the applicant or any development team member.

It is not KHC’s intention to issue capacity deductions on minor occurrences. A capacity deduction can occur if the applicant has repeated administrative issues or unresolved compliance findings for which corrections have been requested and not received. At the time a capacity deduction is issued, the agency or organization will receive a written notice from KHC explaining the reason for the capacity deduction and the amount of time the deduction will be applicable. KHC typically looks back 3 years from the date of application submission to determine capacity related issues.

Once the scorecard is completed, applicants may proceed to the rest of the application but should be aware that responses on the scorecard may result in the applicant not being allowed to ultimately submit the application or be awarded funding if the application has already been submitted.

Applicants will NOT need to answer question #4 in the Capacity Scorecard Threshold Requirements section and will NOT need to answer question #4 in the Capacity Scorecard Self-Certification section. These questions will not be scored.

Analysis of Impediments to Fair Housing

Impediments to fair housing are outlined in the [Commonwealth of Kentucky 2019 Analysis of Impediments to Fair Housing Choice](#). Applicants must identify which of those impediments to fair housing their project will address. In addition, applicants must address how the project will reduce or eliminate impediments to fair housing. If the application does not identify which impediments to fair housing will be addressed and explain how the project will reduce or eliminate these impediments, your application will not be reviewed.

Thresholds

To be eligible to apply in this application round, previous HOME/AHTF recipients must meet the following thresholds:

- HOME and/or AHTF funds awarded in 2020 (project numbers beginning with HB20 and/or HR20): 100% expended no later than the threshold evaluation deadline of January 10, 2025.
- HOME and/or AHTF funds awarded in 2021 (project numbers beginning with HB21 or HR21): 70% committed and 50% expended no later than the threshold evaluation deadline of January 10, 2025.
- HOME and/or AHTF funds awarded in 2022 (project numbers beginning with HB22 and/or HR22): 50% committed and 30% expended no later than the threshold evaluation deadline of January 10, 2025.
- HOME and/or AHTF funds awarded in 2023 (project numbers beginning with HB23 and/or HR23): One setup submitted to hcadev@kyhousing.org no later than the threshold evaluation deadline of January 10, 2025.
- In the past three years all projects expended at least 85% of the funding before the contractual completion date unless project delayed due to a natural disaster (e.g., flooding/tornados)?

If an applicant is unsure if they meet the thresholds, please contact hcadev@kyhousing.org.

NOTE: COVID-19 delays on project thresholds will result in a point deduction.

If an applicant fails to meet the above thresholds, the application offers an opportunity for the applicant to explain why thresholds have not been met and why KHC might consider allowing the application to be considered for funding. Such allowances will be granted on a case-by case basis at KHC's sole and absolute discretion.

Additional Funding Sources

Traditional match and leverage are not required for HOME or AHTF projects funded through this application round. However, applicants are asked for information about additional funding (cash or in-kind) brought to the project. KHC aims to get a picture of other partners as well as the type and amount of funding that will be coming from them. Outside partners and/or funding is not mandated. However, if applicants propose additional funding in this application round, KHC will request evidence of it, such as award letters, grant agreements, and/or documentation of cash balances available in agency accounts.

Program Design

In this section of the application(s), applicants are asked to describe their organization's experience in successfully implementing projects similar to those for which the applicant is seeking funding. Applicants are also asked to describe the scale and scope of their proposed project.

Financial Design

In this section of the application(s), applicants are asked questions related to the financing of the project, amount to be invested per unit, and so on. Applicants are required to submit a completed Summary of Sources and Uses provided for the specific application (Single-Family Homebuyer Development or AHTF Home Repair).

Readiness to Proceed

In this section of the application(s), applicants are asked question pertaining to the likelihood their project will be completed successfully and on time.

Attachments

Each application has a range of required and optional attachments, as listed below:

Attachments for Single Family Homebuyer Development Applications

Attachment	Notes
1) Summary of Sources & Uses (Excel)	Use template on the KHC Website
2) IRS 501(c)(3) Determination Letter	PDF of IRS letter.
3) Kentucky eClearinghouse Submission Confirmation (or memo explaining the reason(s) for clearinghouse ineligibility) if requesting HOME funding.	Kentucky eClearinghouse
4) Other documents as applicable: <ul style="list-style-type: none"> ○ 1-3 page description of applicant's previous homebuyer development experience. 	KHC recommends that applicant submit these additional documents.
5) Existing program brochure(s).	
<u>CHDOs Only:</u>	Many documents available on the HCA Partner Agency Portal .
6) KHC CHDO Certification Application	
7) CHDO - Certificate of Good Standing from the Kentucky Secretary of State Office	
8) CHDO - Certification of Board Status	
9) CHDO - Certification of Low Income	
10) CHDO - Charter or Articles of Incorporation	
11) Financial Accountability: Notarized Statement, CPA Certification, Operating Budget, IRS Form 990	
12) Staff Roster	

Attachments for AHTF Home Repair Applications

Attachment	Notes
1) Summary of Sources & Uses (Excel)	Use template on the KHC website
2) IRS 501(c)(3) Determination Letter	PDF of IRS letter.
3) Other documents as applicable: <ul style="list-style-type: none"> ○ 1 to 3-page description of applicant's previous home repair experience. ○ Existing program brochure. 	KHC recommends that applicant submit these additional documents.

Application Review Process

Application Scoring and Evaluation

KHC's score sheets for each program are available on the [HCA Partner Agency Portal](#). KHC Housing Contract Administration staff will review and score all applications that fulfill Capacity Scorecard and Threshold requirements. KHC may, at its discretion, request additional information from applicants.

KHC intends to award funds to the highest scoring projects. In addition, KHC will seek to ensure 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. In addition, KHC aims for a majority of AHTF funding to be allocated to rural counties and may make funding decisions in pursuit of this goal. KHC also reserves the right to allocate funds to lower scoring projects supporting natural disaster recovery efforts.

Communications with KHC Credit Committee Members

Applicants and their representatives are prohibited from having ex parte communications with KHC's Credit Committee regarding their application, from submission of their application until KHC renders its final determination. Any violation of this prohibition may result in disqualification of a pending application and suspension from participation in the next competitive funding cycle for the applicant.

Additional Policies

KHC reserves the right to:

- Award an amount of funds less than that requested by the applicant, at KHC's discretion. KHC may also swap HOME and AHTF funds when a homebuyer's income makes them eligible for one program or another. KHC reserves the right to reduce or limit professional fees, developer fees, or any fees that KHC deems excessive.
- Withdraw its conditional funding award if technical submission items are not submitted by the applicant by the date referenced in the award letter.
- Periodically review an applicant's progress toward timely commitment and expenditure of KHC funds. De-obligate funds if funds are not committed, expended and a project completed by the dates in the funding agreement, or if the project substantially changes after funding commitment. No applicant will be allowed to change the type of activity for which they were funded.
- De-obligate funds if the project substantially changes after funding commitment. No applicant will be allowed to change the type of activity for which they were funded.
- De-obligate funds for any applicant who becomes suspended or debarred in accordance with KHC Suspension and Debarment Policy.

Funding Announcements

Funding recommendations are made by the application review team within KHC's Housing Contract Administration Department.

Staff recommendations are presented to KHC's Credit Committee for funding approval. Once funding approval is received, they will be posted on KHC's website and will also be sent through [KHC's eGram](#) system. Approved projects will receive a conditional award letter based upon technical submission requirements. If a conditional funding award is cancelled, the applicant may reapply in the next competitive funding round. Execution of funding agreements will occur at the project level after all terms and conditions are met.

KHC will publish via a public [eGram](#), an announcement of all awarded applications for the current application round. The list will be made available within sixty days of the current application deadline.

FOR INFORMATION ON DISPUTING A KHC DECISION RELATED TO YOUR APPLICATION, SEE THE APPENDIX.

APPENDIX

Purpose of Each Funding Source

HOME Investment Partnerships Program (HOME)

Created by Congress in 1990 and administered by U.S. Department of Housing and Urban Development (HUD), the HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use to fund a range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. KHC administers and monitors the program for HUD, awarding funding to eligible applicants throughout Kentucky.

The purpose of the HOME Program is to expand the supply of quality, affordable housing for low- and very low-income households. The HOME Program's flexibility empowers local communities to design and implement strategies tailored to their own needs and priorities.

Affordable Housing Trust Fund (AHTF)

The AHTF was established by the Kentucky State Legislature (see KRS §198A.700-730) to provide housing for low-income Kentuckians. The fund was created in response to economic conditions, federal housing policies, and declining resources that adversely affected the ability of very low-income persons to obtain safe, quality, and affordable housing.

There are four priorities for use of AHTF financing:

- 1) New construction projects for low-income households.
- 2) Projects using existing, privately-owned housing stock.
- 3) Projects using existing, publicly-owned housing stock.
- 4) Applications from local governments for projects demonstrating effective zoning, conversion, or demolition controls for single-room occupancy units.

AHTF funds must be used for permanent construction gap financing and/or direct homebuyer subsidy.

As required by KRS §198A.720 (6), a minimum of 40% of all funds received is to be used for rural areas of the Commonwealth. To be considered rural, properties must be in areas defined as rural by USDA Rural Development (RD). KHC reserves the right to make funding decisions to meet this requirement. Applicants can determine if the property is in a rural area by accessing the RD Property Eligibility Site <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>, "Single-Family" and then enter the property address. A copy of the USDA eligibility determination may be required at Project Set-Up.

HOME Community Housing Development Organizations

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

To count toward KHC's CHDO set aside, an organization must be designated a CHDO by KHC and be awarded HOME funds for Single-Family Homebuyer Development. CHDOs may apply for AHTF Home Repair, but this program is funded by AHTF and therefore not counted toward KHC's set-aside.

KHC's CHDO Certification Manual and other CHDO documents are currently available on KHC's [HCA Partner Agency Portal](#).

Single Family Homebuyer Development At-a-Glance

Purpose	To expand the supply of quality, affordable housing for low-income and very low-income households in Kentucky through the creation or rehabilitation of single-family detached housing units.
Funding Sources	<ul style="list-style-type: none"> HOME Investment Partnerships (HOME) Kentucky's Affordable Housing Trust Fund (AHTF)
Eligible Households	<p>Households with a combined household income of:</p> <ul style="list-style-type: none"> HOME-funded projects: $\leq 80\%$ HUD Area Median Income (AMI) AHTF-funded projects: $\leq 60\%$ of HUD AMI or KY Median Family Income, whichever is greater. <p>Income-eligible applicants should have non-home assets valued at no more than \$50,000.</p>
Eligible Properties	<p>Single-family detached homes or qualified manufactured homes. Home must be the homebuyer's primary residence.</p>
Geography	Anywhere in the Commonwealth of Kentucky.
Max Assistance	<p>Direct assistance to homebuyers: up to \$40,000, based on front- and back-end ratios. Development gap funding: up to \$45,000, depending on HERS rating.¹ KHC will allow combined subsidy (development and direct) to not exceed \$94,256 for all units except one-bedrooms (\$78,893).</p>
Eligible Activities	<ul style="list-style-type: none"> New construction and sale to new homebuyers. (<i>CHDO-eligible</i>) Acquisition, rehabilitation, and resale of existing homes to new buyers. (<i>CHDO-eligible</i>) Demolition and replacement of substandard owner-occupied homes, with an emphasis on substandard manufactured homes. (<i>NOT CHDO-eligible</i>)
Form & Term of Assistance	<p>Up to 15 years depending on amount of direct homebuyer or homeowner subsidy invested. Period of affordability is governed through forgivable mortgages (HOME and AHTF) and deed restrictions (AHTF).</p>
Eligible Applicants/Developers	<p>Private developers, nonprofit organizations, Community Housing Development Organizations (CHDOs), Faith-Based and community service organizations, units of local government in Kentucky; regional or statewide housing-assistance organizations; and Public Housing Authorities (AHTF only) who are in good standing with both the Commonwealth and KHC. Entities providing services in jurisdictions that receive direct HOME allocations from HUD are ineligible for KHC HOME funding.</p>
Developer Fee	<p>For new construction (which includes demolition/rehabilitation) projects, developer fee cannot exceed the lesser of:</p> <ul style="list-style-type: none"> 15% of total development costs, excluding acquisition; or \$15,000. <p>For acquisition/rehabilitation/resale projects, the developer fee cannot exceed the lesser of:</p> <ul style="list-style-type: none"> 20% of total development costs, excluding acquisition; or \$15,000.
Program Forms & Templates	<p>HCA Partner Agency Portal, KHC Single Family Homebuyer Set Up Template, HOME Single-Family, Affordable Housing Trust Fund</p>

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AHTF Home Repair At-a-Glance

Purpose	To stabilize the residences of low-income homeowners with essential repairs to keep or make their home habitable.
Funding Source	Kentucky's Affordable Housing Trust Fund (AHTF)
Eligible Households	Homeowners with combined household income $\leq 60\%$ AMI and non-home assets valued at no more than \$50K. Homeowners must have ownership interest in the land and the home to be repaired.
Eligible Properties	Single-family detached homes or qualified manufactured homes. Home must be the homeowner's primary residence.
Geography	Anywhere in the Commonwealth of Kentucky
Maximum Assistance	\$25,000 per home. No additional AHTF assistance can go to a home during the 5-year deed restriction. Assistance can be paired with other repair, weatherization, and energy efficiency programs.
Eligible Repairs	Repairs necessary to bring a home up to KHC's Minimum Habitability Standards. When a household member is disabled, accessibility adaptations are also eligible.
Form & Term of Assistance	Deed restriction for 5 years.
Eligible Applicants/ Sponsors	Non-profit organizations and local governments with demonstrated capacity and experience who are in good standing with both the Commonwealth and KHC.
Admin Fee for Applicants/ Sponsors	7.5% of the total cost of work (maximum admin. fee = \$1,875). This limit does not include labor or construction management project costs. The admin fee is separate from the maximum assistance amount. Therefore, the maximum per-property funding is \$26,875.
Inspections	Before repair work begins, KHC must receive property photos and a detailed scope of work. Before final reimbursement is made by KHC, KHC will conduct an on-site inspection of completed work.
Program Forms & Templates	HCA Partner Agency Portal , AHTF Home Repair

Disputes and 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.

Disqualification Decisions Review Request

If KHC identifies a deficiency in an application during its review that results in the disqualification of an application, KHC will issue a preliminary decision letter to the applicant identifying the grounds for the disqualification. The applicant may then provide a written response specifically identifying the reasons why the applicant believes the application should not be disqualified. Written responses must be delivered via electronic mail with the subject line “Application Decision Review Request”, by hand delivery, or overnight mail to the attention of the Managing Director of Housing Contract Administration.

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 requested by KHC. 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 review the request and KHC’s staff’s response and issue a final determination. 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 on the review request will be final, and KHC will provide a copy of the written decision to the applicant. The Credit Committee shall consist of members of KHC’s Executive Staff or as appointed by KHC’s Executive Director.

Applicants may request a meeting with KHC’s Credit Committee or its representatives within five (5) business days of the final written decision. The applicant may offer additional explanations; however, the Credit Committee will only consider the information that is in the project file at the time of the review. The Credit Committee may modify or affirm its final decision based on information presented at the meeting.

Scoring Decision Reconsideration Request

Any applicant wishing to request a reconsideration of a preliminary scoring decision by KHC or a reduction in funding 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 with the subject line “Scoring Decision Reconsideration Request”, hand delivery, or overnight mail.

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 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 final and will be provided in writing to the applicant. The Credit Committee shall consist of members of KHC's Executive Staff or as appointed by KHC's Executive Director.

Applicants may request a meeting with KHC's Credit Committee or its representatives within five (5) business days of the final written decision. The applicant may offer additional explanations; however, the Credit Committee will only consider the information that is in the project file at the time of the review. The Credit Committee may modify or affirm its final decision based on information presented at the meeting.