

Louisville

Affordable Housing

Trust Fund

Open the Door.

2027 FUNDING
APPLICATION GUIDELINES
AND
PROJECT / PROGRAM POLICIES

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Chapter 1: Purpose of the LAHTF

The Louisville Affordable Housing Trust Fund (LAHTF) was created in 2008 as a vehicle for the investment of public funds Louisville into much-needed affordable housing for our community: for seniors and others on fixed incomes; for young families just starting out; for veterans; and for working people whose wages are not enough to afford market rate housing in Louisville. The LAHTF is founded on the principle that a place to call home opens the door to opportunity, and that the whole community does better when everyone has a decent place to call home.

How Are the Funds Spent?

The LAHTF is designed to be flexible and respond to evolving community needs by giving grants and/or loans for affordable housing-related activities including homeownership and rental housing acquisition, new construction, rehabilitation, emergency repair, down payment assistance, temporary rental assistance, technical assistance and training for developers and low-income housing consumers, support services designed to keep special at-risk people in safe and stable housing, foreclosure intervention, and housing-related asset-building.

Our priorities are set periodically in our Needs Assessment, available at www.loutrustfund.org.

Currently the LAHTF is focusing on:

- Homeownership opportunities in the urban core or other Tax Diversion Districts;
- Adaptive rehab and re-use of vacant, abandoned properties;
- Developments in non-impacted areas;
- Energy efficient projects and projects incorporating universal design;
- Projects that include units for households with incomes of 30% AMI or less; including permanent supportive housing projects; and
- Have relatively low LAHTF participation per unit costs.

Further consideration and priority will be given for **projects** that:

- Are mixed income and integrate low-income housing with market rate housing and related uses;
- Incorporate other types of funding needed for gap filling or developer subsidy, such as Louisville CARES funds, Kentucky Housing Corporation funds, HOME funds or private sources of funding;
- Align with other Louisville Metro Government (“LMG”) priority areas;
- Are complementary to current LMG projects or programs.

Who can apply?

Eligible applicants include non-profit or for-profit housing developers, public housing authorities, and housing and homeless service providers. Funds will be underwritten and awarded through a formal application process.

Please note: All applicants and all partners should be in good standing with the Sec. of State, HRC, and all agencies within LMG, as well as in good standing with LAHTF. If the applicant, or any of the parties or partners of the submitted project have experienced default, non-compliance or other negative performance project issues with either the LAHTF or Louisville Metro Government in the past seven (7) years, it may result in a less than favorable review by the LAHTF and it may not be funded. The LAHTF and any subcontractors the LAHTF may contract with, in relation to the application review, reserves the right to use its discretion during the review process.

Additionally, applicants submitting for their second or subsequent projects may be requested to complete their initial, or previous projects, prior to submitting a new application. The decision will be based on project progress.

By ordinance, public funds invested through the LAHTF must serve those who earn no more than 80% of area median income. In addition, at least half of these funds must serve households at or below 50% of the area median income. The following table outlines 2027 income levels for Louisville/Jefferson County as defined by the U. S. Department of Housing and Urban Development (HUD):

FY2026 Area Median Income = \$99,000
(Household Size of 4)

	1	2	3	4	5	6	7	8
50% - Very Low Income	\$34,650	\$39,600	\$44,550	\$49,500	\$53,500	\$57,450	\$61,400	\$65,350
30%- Extremely Low Income	\$20,800	\$23,800	\$27,320	\$33,000	\$38,680	\$44,360	\$50,040	\$55,750
80% - Low Income	\$55,450	\$63,400	\$71,300	\$79,200	\$85,500	\$91,900	\$98,250	\$104,550

Source: [US hud.gov/portal/datasets](https://www.hud.gov/portal/datasets)

Any private funds received by the trust fund **may** serve households earning as much as 100% of the area median income (in 2027, \$99,000 for a family of four). However, all funds for this application period are limited to projects for households at 80% AMI or lower. For more information on area median income in the Louisville MSA visit:

<https://www.huduser.gov/datasets/il/il2027/summary?reporttype=hmfa&year=2027&hmfa=METRO31140M31140&q=Louisville,%20KY-IN%20HUD%20Metro%20FMR%20Area>

2027 FUNDING APPLICATION GUIDELINES AND PROGRAM POLICIES

Who Makes Funding Decisions?

The Affordable Housing Trust Fund is governed by a 13-member Board comprised of representatives of the community as established by Metro Council Ordinance No. 82-2008, approved 5-28-2008; Lou. Metro Am. Ord. No. 149-2009, approved 9-29-2009, appointed by the Mayor and approved by Metro Council. The LAHTF produces a periodic needs assessment which then determines the types of projects Louisville most needs. The 2018 and 2023 Housing Needs Assessment was written in conjunction with Louisville Metro Government and can be found at <https://loutrustfund.org/lahtfreports/>. The LAHTF Program Work Group, which is comprised of LAHTF board members and experts from various local stakeholders, review applications and makes recommendations to the LAHTF Board. Additional input from Metro Council members and the Mayor may be obtained by the LAHTF and considered as part of the application review.

Effective with the FY'2027 application period, the LAHTF has added a point system to quantify the appropriateness of project approval. Projects can earn a total of 100 points with a minimum of 65 points being **required to be considered for funding. Please note that passing score thresholds only enables the application to move forward for consideration.**

The Threshold Scoring Model is as follows:

		Possible Points	Points Obtained
1.	Complete and Accurate Application with All Attachments	40 points	
2.	At least 50% of requested Units will be reserved for which population? (Max points is 15 points) ➤ Up to 30% AMI ➤ Up to 50% AMI	15 points 10 points	
3.	Repayment Options (Max points is 15 points) ➤ Beginning within 0 – 5 years ➤ Within 6 – 10 years ➤ At maturity or no repayment ➤ Cash flow payments whose payments begin before after year 12	15 points 10 points 0 points 5 points	
4.	Is project site appropriately zoned for project	5 points	
5.	Does project specifications include universal design	5 points	
6.	Is application compliant with Greenbuilding Techniques	5 points	
7.	Leverage (Max points is 10 points) ➤ Does this request represent less than 25% of the total project costs? ➤ Does this request represent between 26% - 50% of the total project costs?	10 points 5 points	
8.	Is this project compliant with the Anti-Displacement Ordinance?	5 points	

Please note - Negative, prior performance with LAHTF loans may result in a deduction of up to 30 points.

Who Provides the Funding?

In June 2026, Louisville Metro Government allocated \$10 million in funds for the LAHTF for FY'2027. The funds will be used as follows:

- \$9 million for development activities, rehab/reuse of vacant/abandoned properties, and mixed income projects integrating low-income housing, of which:
 1. At least \$5 million for units reserved for households with incomes at or below 50% AMI;
 2. Balance may be used for households with incomes between 51% and 80% AMI.
- At least \$4 million will be used for the Trust Fund's Revolving Loan fund.
 - Full or partial repayment may be required (based on population served and underwriting); and,
 - Range of 0% to 4% interest rate.
- \$1,000,000 for program administration, of which \$100,000 will be used to create a grant pool for Supportive Housing Services.

To effectively address Louisville's housing needs, the LAHTF requires a dedicated source of ongoing public revenue, key to success of all housing trust funds. In 2008, the Louisville Metro Council established by ordinance a goal of identifying \$10 million in dedicated annual public revenue for the LAHTF. The source of this commitment has not yet been identified.

Establishing dedicated ongoing public revenue, which gives the LAHTF both stability and flexibility, remains a top priority for the organization.

HOUSING DEVELOPMENT PROJECT GUIDELINES

Chapter 2: Introduction to the Funding Process

The goals of this funding process are to ensure that the LAHTF's investments are made in effective, efficient and viable projects and result in the creation of high-quality homes. This Chapter instructs applicants on how to apply for funding available through the LAHTF application funding process and further explains program criteria and basic requirements, application expectations, and review processes.

All applications will be reviewed against the priorities set by the LAHTF Board of Directors, the Needs Assessment and the criteria outlined herein.

Eligible Uses of Funding—General Loan Pools

Eligible uses of funds include:

- Development or preservation of permanent supportive housing units.
- Sustaining/preserving affordable housing.
- Construction loan financing.
- Gap funding or reasonable developer subsidy (which may include forgivable loans); and,
- Low cost, permanent financing (terms and interest rates based on pro forma review to determine the ability to repay).
- Purchasing existing units in high opportunity areas to be reserved for income-eligible households.
- In some cases, a reasonable developer fee is acceptable for funding through the LAHTF. No more than 12% fee for new construction and 15% fee for renovation will be paid from LAHTF funds. Total fees should not exceed 18%. The payout schedule will be as follows:
 - 25% payable at time of closing.
 - 65% payable during construction.
 - 10% payable upon completion.

Funds may only be used on eligible affordable housing projects located in Louisville-Jefferson County. If funded, projects will be governed by the cumulative information contained in these guidelines, as well as any applicable federal, state, and local requirements.

Recipients of funds will be expected to be familiar with and adhere to the guidelines and project design requirements described in this document and other applicable LAHTF documents.

***PAYING OFF EXISTING DEBT IS NOT AN ELIGIBLE USE OF
TRUST FUND DOLLARS!***

Funding Limit

LAHTF may limit the amount of funds an applicant may receive based on the availability of funds at the time of application.

Currently, there is no limit on the amount of funds an applicant may request. However, please note that, due to the limited amount of funds available, the LAHTF reserves the right to make multi-year approvals to fund gaps in projects with greater need. Please keep in mind that this will have an impact on future funds available and the number of housing units produced.

Eligible Uses of Funding—Supportive Housing Services

By definition, **Supportive Housing** Services are a combination of **housing** and **services** intended as a cost-effective way to help people live more stable, productive lives.

Services may include, but are not limited to programs that:

1. Provide HUD approved housing counseling and education services;
2. Provide employment and workforce housing skills;
3. Increase household financial stability; and
4. Other projects as submitted and deemed to align with ensuring the success of a housing project development plan focused on serving Low to Moderate Income Individuals as that term is defined by USHUD.

Funds may only be used on eligible affordable housing projects located in Louisville-Jefferson County. If funded, projects will be governed by the cumulative information contained in these guidelines, as well as any applicable federal, state, and local requirements.

Recipients of funds will be expected to be familiar with and adhere to the guidelines and project design requirements described in this document and other applicable LAHTF documents.

Funding Availability

A total pool of \$100,000 is available for funding.

Funding Limit

LAHTF may further limit the amount of funds an applicant may request due to the availability of funds at the time of application.

Maximum request for funding is \$25,000 per organization.

Chapter 3: Application Submission Requirements

Application Submission Process

All applicants are required to submit a complete, typed application to LAHTF, including all documentation, photos, and attachments requested. INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED. The LAHTF requires electronic submissions, including all required attachments. File names must clearly indicate the contents of each individual file. Electronic files shall be submitted to LAHTF via Builders Patch.

The application focuses on the overall proposed project concept; project design; income groups to be served; site information; readiness to proceed; capacity to undertake the project; projected budget; and other funding requests.

Underwriting Criteria

The LAHTF underwriting model is designed to be consistent with models used by other funders so as not to over-burden applicants. Given this information, applications will be evaluated by the LAHTF staff, Program Work Group and Board of Directors based on the following criteria:

- 1. Development Team Capacity** -This includes a review of the team's experience with affordable housing developments as well as its financial capacity.
- 2. Project Design**-This includes reviews related to unit size, effect on the neighborhood, type of construction, compliance with applicable laws, amenities, tenant relocation plan and energy enhancements to reduce utility costs.
- 3. Financial Feasibility**-This includes a review of the statement of sources and uses of funds as well as a 15-year pro forma for multi-family developments. These statements must be consistent with those presented to other funders. A post-rehab or new-construction appraisal may be required. For multi-family rental projects, a minimum Debt Coverage Ratio (DCR) of 1.15 will be required. The amount of total outstanding loans to the LAHTF also will be considered.
- 4. Readiness to Proceed.** This includes a review of the project development timeline as well as status of zoning; property acquisition, other resources; and related matters that may affect project timing.
- 5. Maintenance and Sustainability Plan**-This includes a review of ongoing maintenance plan including FTE ratio per unit, tenant services, etc.
- 6. ALL Projects** - Compliance with The Anti-Displacement Assessment Tool (ADA Tool) –The Anti-Displacement Ordinance passed by Louisville Metro City Council in November 2023 requires that new residential developments in the region that utilize Louisville Metro subsidies be evaluated for their potential impact to displace existing residents. The ADA Tool concludes with a Results Matrix, which determines the eligibility of projects for Louisville Metro subsidies. coproduced with the Office of Housing and Community Development – provides an easy way to assess how a new housing project would fit into existing neighborhoods. The coproduced with the Office of Housing and Community Development – provides an easy way to assess how a new housing project would fit into



existing neighborhoods. You can find the tool and complete a self-assessment at https://anti-displacement-matrix.shinyapps.io/Anti_Displacement_Tool/. However, LAHTF staff MUST complete the tool to determine compliance.

Other Requirements and Guidelines

Applicants must provide evidence of good standing with the Kentucky Secretary of State and, if applicable, the Louisville Metro Revenue Commission.

Development of affordable rental housing and acquisition of property for such development must minimize displacement of households. Any temporary relocation or permanent displacement of households must comply with all applicable provisions of law, and a relocation plan must be provided as part of the project design documents submitted with the project application. This plan will be considered in the review of any application that proposes household displacement.

Funded developments are required to affirmatively market vacant units using marketing methods designed to reach persons from all segments of the community, including minorities, persons of color and persons with disabilities. In addition, developers of rental housing projects are strongly encouraged to inform operators of emergency shelters and transitional housing developments about their projects and to promote opportunities for households living in these temporary accommodations to move into permanent housing where possible. Funded developers will be required to maintain records of their affirmative marketing efforts and to report annually to the LAHTF on them. All funded projects are required to include the LAHTF logo on project or construction signage and all project marketing materials.

Developers and their general contractors shall be encouraged to take actions to increase opportunities for women and minority business enterprises (WMBE) to participate in LAHTF-funded projects. The LAHTF encourages efforts to increase such participation, including internships, apprenticeships and other training opportunities.

All LAHTF-funded buildings must comply with all state and local building codes including accessibility standards, applicable federal accessibility laws (including Fair Housing Accessibility Guidelines) and the Americans with Disabilities Act Accessibility Guidelines.

All LAHTF-funded developments must comply with the Uniform Residential Landlord Tenant Act.

Where applicable, LAHTF-funded developments must participate in the Kentucky Homeless Management Information System (KY-HMIS: <http://www.kyhousing.org/Specialized-Housing/Pages/KYHMIS.aspx>) and associated common assessment process.

All LAHTF-funded developers are encouraged to implement the Universal and Minimum Design Standards of the Kentucky Housing Corporation (KHC) to ensure energy-efficient design and

2027 FUNDING APPLICATION GUIDELINES AND PROGRAM POLICIES



construction practices are utilized in their projects. Developers undertaking rehabilitation projects are encouraged to incorporate KHC's Universal Design standards when it is feasible. These standards are available on KHC's web site www.kyhousing.org.

All LAHTF-funded rehabilitation projects consisting of 12 or more units will be required to submit a detailed scope of work, in addition to a contractor's proposal, as part of the standard application process. However, a physical needs assessment (PNA) **will be** required prior to closing on loan documents. Additionally, the LAHTF reserves the right to deny the project if the PNA exceeds the previously estimated costs of repairs by 20% or more. Please note – the developer is responsible for any additional costs identified.

Any affordable housing unit funded in whole or in part by the LAHTF will be inspected at least once per calendar year to ensure compliance with any affordable housing standards adopted by the LAHTF Board, which may include, but are not limited to building and property maintenance codes applicable in the Commonwealth of Kentucky or within Louisville; requirements for design-based security such as Secured by Design; and other standards as set forth by the LAHTF Board or Louisville Metro Government. Drive by inspections to determine progression of work will occur monthly.

Any affordable housing unit funded in whole or in part by the LAHTF shall be subject to regular compliance reviews to ensure developer adherence to tenant income requirements, rent restrictions, pledged amenities and all other commitments made in application for funding.

Any LAHTF-funded development found to have inspection and/or compliance issues that are not timely addressed and remedied will be subject to recapture or repayment of funds, with interest where applicable, and other penalties as determined by the LAHTF Board or available by law or equity.

Any LAHTF-funded development found to not be in compliance with any applicable laws will be subject to full recapture or repayment of funds, with interest where applicable, and other penalties as determined by the LAHTF Board or available by law or equity.

During project construction, project progress reports are to be submitted monthly to the LAHTF. **NO EXCEPTIONS!** Upon project completion, financial and property reports are required to be submitted on an annual basis to the LAHTF. **FAILURE TO SUBMIT MONTHLY OR ANNUAL REPORTS WILL DEEM THE PROJECT NON-COMPLIANT!** The content of these reports will be determined by the LAHTF Board.

The LAHTF may review costs associated with construction to ensure their reasonableness. The fund will follow the cost containment guidelines utilized by KHC. These can be found at www.kyhousing.org

The LAHTF may require a site visit as part of the application review process. Applicants will be

notified and must schedule the site visit to occur within five business days of the LAHTF request.

All applicants must demonstrate project leverage in order to be considered for funding from the LAHTF. Leverage includes any federal dollars, loaned funds, donated materials or services, property donation or below-market rate sale, waived fees and taxes, and/or owner cash to be used in financing the project being reviewed for funding by the LAHTF.

Applications will **not** be considered if there is an outstanding issue with an existing project being developed by or involving any member of the development team.

Multi-Family Tax Credit Developers – please note that the LAHTF should be notified of ANY change in the GP structure! NO EXCEPTIONS! Anyone looking to replace the current borrower MUST submit an application prior to approval of the transfer and loan assumption!

Additional Requirements – Single Family Rehab

Single-Family Rehab Housing Projects must meet the following rehab requirements:

- All SF properties developed on vacant land/lots MUST present proof of survey or, if the lots will form a development, must present proof of an approved plat by Metro, prior to construction and loan closing. **NO EXCEPTIONS!**
- All units **MUST** be sold with complete kitchen appliance packages. Information should be listed within the scope of work. **NO EXCEPTIONS!**
- Concrete driveways, sidewalks and steps must be repaired or replaced. Wood steps must be replaced with concrete unless extenuating circumstances exist and the project is grandfathered in with wood stairs. These may include deck steps and other steps leading to a primary entrance to the funded unit.
- HVAC units and water heaters must have at least a 92% efficiency rating.
- Installation of insulation of at least R-20 rating for exterior walls, R-19 for floors and at least R-30 for attics and ceilings must be installed unless otherwise approved.
- ***At least one bathroom*** must have a wall-installed grab bar for safety.
- If the roof has less than two years remaining life, as determined by a qualified roofing inspector, it must be repaired or replaced. In the event of a repair, a qualified roofing inspector must certify that the repair has extended the roof's useful life by a minimum of five years.

Minimum Submission Requirements

- **The LAHTF maintains a rolling deadline.** Applications received on or before the 10th of the month will be evaluated for funding within 60 days of receipt of the application. Applications received after the 10th will be considered within 90 days of receipt of the application.
- There is a non-refundable \$300 application fee for non-profit organizations and a \$500

application fee for for-profit applicants. All multi-family loan projects are subject to an additional \$500 underwriting fee also due at the time of application.

- The fee must be submitted no later than five (5) days following the application submission date. Checks may be made out to: Louisville Affordable Housing Trust Fund and can be mailed or delivered to 1024 S. Third Street, Louisville KY 40203.
 - Electronic submission of applications, including all attachments, is required. File names must clearly indicate the contents of each individual file. Electronic files shall be submitted to LAHTF via Builders Patch.
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Chapter 4: Policies and Procedures

1. All households receiving direct assistance through LAHTF funds must be income-eligible based on their anticipated gross income as determined by the Section 8 method of income determination. (24 CFR, Part 5: [see_ https://www.hud.gov/sites/documents/DOC_35699.PDF](https://www.hud.gov/sites/documents/DOC_35699.PDF)) All household income and assets must be third-party verified when possible. Household income includes the actual or imputed income from assets of all household members. Imputed asset income will be determined using current passbook savings rate as published by HUD.
2. Income and asset verifications are valid for 90 days prior to execution of a written agreement. If more than 90 days pass after the verifications are complete, but before the LAHTF legal documents are executed, the loan recipient must re-verify all household income and assets using the method outline above.
3. LAHTF funds cannot be used for Tenant -Based Rental Assistance or to provide or improve housing that is not intended to be permanent housing.

Cost Containment

To maximize the impact of LAHTF funds, project cost effectiveness must be considered as part of every application that comes before the LAHTF. Prior to loan closing, for each unit of housing for which LAHTF funding is preliminarily committed, the applicant must submit a spec sheet, cost projection worksheet, and construction cost breakdown. The applicant may use any generally accepted forms for these documents. The LAHTF will provide sample documents at the applicant's request, which may be used as a guideline for completing these requirements.

LAHTF, at its discretion, may request and review work write-ups, contractor bids, and cost estimates to ensure cost reasonableness and reserves the right to reduce funding on projects deemed not to be cost-reasonable. LAHTF may require additional supporting documentation for any activity that appears to have unusual or elevated development costs.

The Single-Family Mortgage Limits under Section 203(b) of the National Housing Act set the maximum per-unit mortgage amount for households at various income levels, adjusted for individual counties. LAHTF has further restricted the purchase price or post-rehabilitation value limits for single family homes to **FHA limit is \$541,287.** LAHTF for existing structures and newly constructed housing in Louisville-Jefferson County for families at or below 80% AMI. Please note the purchase price is the contract purchase price and does not include settlement charges, and that the purchase price limit varies by the household income of the intended buyer.

Home Buyer Counseling

LAHTF requires the successful completion of HUD approved pre-purchase home buyer education for prospective homebuyers to be served by LAHTF-funded developments involving home purchase.

Income Limits

All LAHTF-funded projects must be affordable to those living at or below 80% or 50% of AMI, as specified in the application. “Affordable” is defined as the cost of housing plus utilities, and this sum must be equal to or less than 30% of the total household income. For example, if the intended purchaser is a family of four, then the cost of the housing plus average utility cost must be less than or equal to 30% of the household’s total gross income for that income level. (See page 4 of these guidelines for current income limits.)

Construction Management

- Applicants must develop construction management and procurement procedures that outline contract provisions for the contractor and subcontractors, payment requests, forms to be completed, inspection procedures, and project completion procedures.
- Applicants must maintain construction documentation.
- All variances from the approved construction plan must be submitted to LAHTF as soon as the need for the variances is known to the developer.
- Applicant must notify LAHTF at least three weeks prior to the start of construction.
- Once construction has started, all requests for funding extensions will require a formal Extension Request as well as the payment of an Extension Request Application Fee. (\$300 – nonprofit developers / \$500 – for-profit developers).

Other Applicable Fees to the LAHTF (other applicable legal fees may apply)

1. MF Loans only – Additional underwriting Fee of \$500 due at time of Application
2. Property Swap - \$300 – nonprofit developers / \$500 – for-profit developers
3. Refinance Request - \$300 – nonprofit developers / \$500 – for-profit developers
4. Subordination Request - \$300 – nonprofit developers / \$500 – for-profit developers
5. Borrowers seeking a loan assumption are required to submit a full application with the applicable fees.

Inspection Policy

Recipients of LAHTF funds are required to have 100 percent of their LAHTF-funded units inspected by a qualified inspector at the recipient’s cost. Inspection reports provided to other funding entities are acceptable. Disbursements of funds to LAHTF recipients will not be made until inspections and draw sheets have been submitted and approved by the LAHTF.

Borrowers should expect to pay a \$275.00 inspection fee with each inspection required by the LAHTF.

1. For single family properties, inspections should be completed at the 50% and final completion marks. Final inspection documents may be submitted from a source outside of the LAHTF.
2. Multi-Family project borrowers **MUST** submit inspection reports at the 1/3 completion and 2/3 intervals. Certificates of Occupancy **MUST** be provided upon receipt. Borrower **MUST** inform the LAHTF personnel if a non-LAHTF inspector will be used for compliance purposes.

Compliance Monitoring

Annual and Monthly Reports - Each recipient of LAHTF funds will be **REQUIRED** to make available all documentation requested by LAHTF as outlined in the loan agreement documents, mortgage/deed, promissory note, and/or developer agreement. Additionally, monthly project updates will be required from ALL borrowers! **All rental projects will require annual tenant income certifications, as well as proof of insurance and borrower financial statements.**

(Tenant income certification (TIC) is a legal document that verifies that a household's income meets the requirements to live in a unit. It's often required when a new tenant moves in, but existing tenants may not need to recertify annually.)

Non-compliance with submitting monthly or annual reports in a timely manner may result in a default determination for your project and result in legal action from the LAHTF.

Conflicts of Interest

Potential conflicts of interest may arise from many situations. During application submission, ALL LAHTF applicants must disclose conflicts of interest, whether real or perceived, to the LAHTF. **THIS DOES NOT DISQUALIFY YOU FROM APPLYING AND/OR RECEIVING FUNDING!** If there is the need for disclosure, please request a Conflict of Interest Disclosure form from the staff if not available on the website.

Chapter 5: Funding Commitment Requirements

- LAHTF may, at its discretion, award an amount of funds less than requested by the applicant and negotiate different terms and conditions to developers as a condition of approval.
- No applicant will be allowed to change the type of activity for which it was funded following an award of funds by the LAHTF. Unless an exception is noted, this will trigger recapture of funds.
- Applicants are responsible for retaining legal counsel, at their cost, on any legal matter pertaining to the administration of the project.
- LAHTF may require ANY funding commitments to be disbursed on a pre-determined draw schedule. This schedule will be developed based on percentage of project completion.
- If the LAHTF loan has not closed within 12 months of approval, or if the development project is not complete by the maturity date, and an extension is requested, an extension fee will be required. (See page 14 for Extension Fee amount)
- LAHTF reserves the right to withdraw or recapture its funding commitment if
 - Technical submission items are not submitted by the applicant by the date referenced in the commitment letter;
 - Legal agreements are not signed in a timely manner;
 - Leverage funds are not committed and/or expended;
 - Construction is not completed by the dates referenced in the funding agreement;
 - LAHTF determines whether the project is no longer feasible or is not progressing in a timely manner so as to meet agreed-upon project deadlines;
 - The applicant has not met the expenditure deadline(s) as referenced in the funding agreement(s), and LAHTF has not elected to extend the date for performance;
 - The project substantially changes after the funding commitment.
 - Monthly progress reports are not received in a timely manner. This includes pre- and post-closing documents/reports.
 - LAHTF determines the project is in default for non-compliance of required terms and conditions.

LAHTF reserves the right to periodically review the applicant's progress toward timely commitment and expenditure of funds.

- LAHTF requires applicants to expend all funds as follows:
 - Within 36 months of loan closing for MF housing developments.
 - Within 36 months of loan closing for SF housing with 10 properties or more
 - Within 24 months of loan closing for SF housing with 5 to 9 properties.
 - Within 18 months of loan closing for SF housing with 4 or less properties.
- LAHTF may choose to disburse funds for SF properties as follows:
 - 50% of funds at loan closing;
 - Final 50% of funds at 50% completion (Based on construction or rehab schedule).
- LAHTF reserves the right to extend the date for performance under any loan agreement if LAHTF determines, in its sole discretion, that extenuating circumstances prevented the borrower from meeting the performance deadline.
- The LAHTF reserves the right to pay sub-contractors directly.
- Borrowers are responsible for ensuring that the required financial records are maintained for all federally-assisted projects. Each borrower is responsible for maintaining applicable federal compliance.
- If the project proposes demolition and reconstruction, the dilapidated structure must be demolished in accordance with all applicable laws and regulations and the appropriate permits provided. In the case of mobile home replacement, the dilapidated mobile home must be demolished or salvaged (a salvage title must be obtained) and the salvage value should be reinvested into the new unit. For all demolition and reconstruction projects, a demolition agreement must be executed with the property owner.
- Applicants may not begin the scope of work for which funding is requested until the project has been approved by LAHTF and loan commitments have been executed.

SUPPORTIVE HOUSING SERVICES PROGRAM GUIDELINES

Application Submission Requirements

Application Submission Process

Electronic submission of applications, including all attachments, is required. File names must clearly indicate the contents of each individual file. Electronic files shall be submitted to LAHTF via Builders Patch.

Any application missing one or more of the required documents will be considered incomplete and will not be reviewed.

The LAHTF maintains a rolling application deadline. Applications received on or before the 10th of the month will be evaluated within 60 days of the application's receipt. Applications received after the 10th will be considered within 90 days of the application's receipt.

The application for Supportive Housing Program funds focuses on the overall concept of the proposed project, as well as: project design; income groups to be served; site information; readiness to proceed; capacity to undertake the project; projected budget; and funding requests.

Review Criteria

The LAHTF review model is designed to be consistent with those used by other funders so as not to over-burden applicants. Given this information, applications will be evaluated by the LAHTF staff, Program Work Group and Board of Director based on the following criteria:

1. **Capacity of the Supportive Housing Services Team**—This includes a review of the team's experience with its area of expertise as well as their financial capacity.
2. **Program Design**—This includes a review of the overall program, its components and its intended purpose.
3. **Program Timeline**—This includes an overview of major and minor milestones in program implementation.

Policies and Procedures

1. All households to be assisted with LAHTF funds must be income eligible based on the anticipated gross income as determined by the Section 8 (24 CFR, Part 5) method of income determination. All income and assets must be third-party verified when possible. The income of the household includes all household income and the actual or imputed income from assets of all household members. Imputed asset income must be determined using current passbook savings rate as published by HUD, which is currently two (2) percent.

2. LAHTF funds cannot be used for Tenant Based Rental Assistance or housing that is not

intended to be permanent housing.

3. A Program Completion Report will be due within 60 days of Program Completion. A report template will be provided.

Conflicts of Interest

Potential conflicts of interest may arise from many situations. During application submission, ALL LAHTF applicants must disclose conflicts of interest, whether real or perceived, to the LAHTF. **THIS DOES NOT DISQUALIFY YOU FROM APPLYING AND/OR RECEIVING FUNDING!** If there is the need for disclosure, please request a Conflict of Interest Disclosure form from the staff if not available on the website.

Funding Commitment Requirements

- LAHTF may, at its discretion, award an amount of funds less than the requested by the applicant.
- No applicant will be allowed to change the type of activity for which they were funded.
- Applicants are responsible for retaining legal counsel, at its cost, on any legal matter pertaining to the administration of the project.
- LAHTF reserves the right to withdraw its funding commitment if technical submission items are not submitted by the applicant by the date referenced in the commitment letter; or to recapture funds if legal agreements are not signed and/or funds are not committed and/or expended and construction completed by the dates referenced in the funding agreement; or if the project substantially changes after funding commitment. LAHTF reserves the right to periodically review the applicant's progress toward timely commitment and expenditure of funds.
- If LAHTF determines that the program is no longer feasible or is not progressing timely so that the imposed deadlines will be met, funds may be recaptured.
- LAHTF requires that applicants commit and expend all funds within a 12-month period.
- LAHTF may recapture funds if the applicant has not met the commitment and expenditure deadlines as referenced in the funding agreement(s). However, LAHTF reserves the right to extend the date if extenuating circumstances prevented the commitment.
- Applicants are responsible for ensuring that the required financial records are maintained for all federally-assisted programs. Each applicant is responsible for maintaining applicable federal compliance.
- Applicants must disclose all real, potential, or perceived conflicts of interest to LAHTF as outlined in 24 CFR Part 35 and 24 CFR Part 84 or 85, as applicable, regarding the receipt of, assistance provided with, or expenditure of LAHTF funds. All conflicts of interest must be disclosed and resolved prior to providing LAHTF assistance to the household.

APPENDIX-
REQUIRED FORMS
FOR ALL SINGLE
FAMILY PROJECTS-
REHAB
AND
NEW CONSTRUCTION

Sample Spec Sheet

Address:

Completed Structure: 3 BR/1 Bath 1 ½ story

Square footage: 1285

FOUNDATION:	Utilizing existing stucco foundation on full basement
EXTERIOR WALLS:	Utilizing existing wall structure. Brick to remain, vinyl siding to be Changed to new vinyl Dutch lap siding
FLOOR FRAMING:	Utilizing existing floor framing
SUB FLOORING:	Backer board installed in bathrooms and kitchen areas
ADD. FRAMING:	Partitions/ 2x4 studs 16" o.c.
ROOFING:	30yr dimensional shingles w/ 15 lb. felt paper under Metal roof vents Flashing & water shield where necessary Utilizing existing sheeting, replacing damaged sheeting as needed
GUTTERS & DOWNSPOUTS	5" aluminum gutters w/ 3" downspouts Splash blocks where necessary
DOORS:	Interior/ 6 panel colonial masonite (hollow core) Exterior front / Utilizing existing wood entry door Exterior rear / Utilizing existing wood entry door
WINDOWS:	Double hung white vinyl, with low-E and half screens
INSULATION:	Walls R-13, ceilings R-38
MECHANICALS:	Central air & 95+ efficient gas furnace 50 gal. electric water heater
LIVING ROOM:	Floor: hardwood Walls: painted, latex eggshell finish Ceiling: textured
KITCHEN:	Floor: ceramic tile Walls: painted, latex semi-gloss finish Ceiling: smooth / latex ceiling white paint Cabinets: Kitchen Kompact Countertop: Formica or Wilsonart Sink: double bowl stainless steel Faucet: chrome w/pull out spray Appliances: black fridge, range, microwave and dishwasher

MASTER BDRM:	Floor: carpet Walls: painted, latex eggshell finish Ceiling: textured
2 nd FLOOR BATH:	Floor: ceramic tile Walls: painted, semi-gloss finish Ceiling: smooth w/latex ceiling white Tub/shower: Steel tub w/ceramic tile wall surround Cabinet: 30" vanity w/white cultured marble top Satin fixtures Commode: white
CLOSETS:	Floor: hardwood / carpet Walls: painted, latex eggshell finish Ceiling: textured
LAUNDRY ROOM:	Basement area
BEDROOM 2:	Floor: hardwood Walls: painted, latex eggshell finish Ceiling: textured Closet: existing
BEDROOM 3:	Floor: hardwood Walls: painted, latex eggshell finish Ceiling: textured Closet: existing
HALL BATHROOM:	Floor: ceramic tile Walls: painted, latex satin finish Ceiling: smooth w/latex ceiling white paint Chrome fixtures Commode: white
LIGHTING:	Basic builder package
ALARM SYSTEM:	(1) keypad, (1) motion sensor and (2) door contacts
ELECTRICAL:	100 amp service Interior and exterior outlets per code
EXTERIOR:	New concrete steps, partial sidewalk replacement All concrete a minimum of 3500 psi with light broom finish Basic builder landscape package (4-6 shrubs and mulch)
ALLOWANCES:	Shingles, siding and shutters in stock colors only (1) light or pastel base paint color (1) carpet selection in plush or berber (2) ceramic tile selections

Development Budget

UNIT CHARACTERISTICS		Proposed	Actual	Draw 1	Draw 2	Draw 3	FINAL
Site Address		001200	001200	Jul-16	Sep-16	Nov-16	
Neighborhood - Census Tract							
No. of Bedrooms / No. of Bathrooms		1566	2334				
Finished SF / Unfinished SF							
Demolition Candidate: [Yes / No]	Yes	Yes					
Construction (hard) Costs Per SF	\$ 65.33 sf	\$ 44.04 sf					
ACQUISITION COSTS							
Purchase Price - Improved Property	\$ 35,000.00	% of (A)	\$ 35,000.00	% of (A)	\$ 35,000.00		
Purchase Price - Land Only	\$ -		\$ -				
Related Costs:							
Broker/Realtor Fees	\$ 400.00		\$ 400.00	\$ 400.00			
Metro Liens & Penalties	\$ -						
Miscellaneous Liens & Penalties	\$ -						
Prorated Taxes							
Delinquent Taxes	\$ -						
Other: Earnest Money	\$ -		\$ -	\$ -			
Total Acquisition	\$ 35,400.00		\$ 35,400.00	\$ 35,400.00	\$ -	\$ -	\$ -
HOLDING/CARRYING COSTS							
Site Security	\$ -		\$ -				
Mowing	\$ -		\$ 1,305.00		\$1,305.00		
Maintenance							
Other: Taxes							
Construction Interim Costs			\$ 250.00		\$250.00		
Other:	\$ -						
Total Holding Costs	\$ -		\$ 1,555.00	\$ -	\$ 1,555.00	\$ -	\$ -
SOFT COSTS							
Building Permits/Fees	\$ 185.00		\$ 185.00	185.00			
Construction Title and Recording	\$ 90.00		\$ 90.00	90.00			

Development Budget

[illegible]

Development Budget

	Cabinets/Countertops/Vanities		\$3,800.00		\$3,800.00				\$3,800.00	
	Subflooring		\$3,160.00		\$3,160.00				\$3,160.00	
	Ceramic Tile		\$2,776.00		\$2,776.00				\$2,776.00	
	Drywall		\$9,140.00		\$9,140.00			\$9,140.00	\$2,450.00	
	Siding		\$2,450.00		\$2,450.00				\$1,356.00	
	Gutters		\$1,356.00		\$1,356.00				\$1,625.00	
	Doors/lockssets		\$1,625.00		\$1,625.00				\$3,600.00	
	Carpentry		\$3,600.00		\$3,600.00				\$7,695.00	
	Windows		\$7,695.00		\$7,695.00				\$5,625.00	
	Roof		\$5,625.00		\$5,625.00					
	Deck									
	Other: Railing		\$750.00		\$750.00				\$750.00	
	Other: Insulation		\$2,700.00		\$2,700.00				\$2,700.00	
	Basement Work, Garage		\$1,150.00		\$1,150.00				\$1,150.00	
	Construction/Final Clean Up		\$1,200.00		\$1,200.00					
	Appliances		\$2,300.00		\$2,242.00				\$2,242.00	
	Lawn/Plantings		\$600.00		\$600.00				\$600.00	
	Drives/Walks		\$7,200.00		\$7,200.00				\$7,200.00	
	Off Site Work									
	Contractor Fees									
	Builder's Liability Insurance		\$500.00		\$500.00			\$500.00		
	Builder's Overhead		\$5,023.00		\$5,023.00				\$5,023.00	
	Builder's Profit		\$8,372.00		\$8,372.00				\$8,372.00	
	Builder's Risk Insurance									
	Construction Manager's Fee									
	General Requirements									
	Payment and Performance Bond									
	Worker's Comp		\$2,500.00		\$2,500.00			\$2,500.00		
	Other: Waterproofing									
	Doors(removed during remediation)/garage roof									
	DISINCENTIVE PENALTY DISCOUNT									
	Total Hard Costs		\$102,313.00		\$102,794.31					
	CONSTRUCTION CONTINGENCY									
15%	Construction Contingency 15%		\$15,346.95							

PROJECT SOURCES AND USES OF FUNDS

Redevelopment Team: _____

Budget Category	Overall Project Budget
-----------------	------------------------

SOURCES OF FUNDS

Loan #1	_____
Loan #2	_____
Loan #3	_____
Equity	_____
Grants	_____
Other Source #1	_____
Other Source #2	_____

TOTAL SOURCES OF FUNDS

USES OF FUNDS

Acquisition	_____
Hard Costs and FF&E	_____
Soft Costs	_____
Miscellaneous Costs	_____

TOTAL USES OF FUNDS

ADDITIONAL REQUIRED GAP
 FINANCING OR EQUITY

Homebuyer Affordability Analysis Worksheet

Template

[Note: This is an optional form which can be used by grantee to assess a prospective homebuyer's financial capacity to own. Input information only in yellow fields. Other fields are formula-driven. An example follows.]

Name of Homebuyer:

Property Address:

HOME PURCHASE & SUBSIDY DETAILS

Development Appraisal Gap *[Fill in this section only if TDC > Appraised Fair Market Value.]*

Seller's Total Development Costs

Appraised Market Value

Development Appraisal Gap

\$ -

Development Appraisal Gap Subsidies:

NSP Subsidy

AHC Subsidy

Other Subsidy

\$ -

subtotal Development Appraisal Gap Subsidies

\$ -

Homebuyer Affordability Gap

Home Sale Price (set at Appraised Market Value)

\$ -

Add: Closing Costs

Total Cost to Purchase

\$ -

Mortgage Commitment *(amount approved by Lender)*

Buyer Down Payment

subtotal available funding

\$ -

Homebuyer Affordability Gap

\$ -

Homebuyer Affordability Gap Subsidies:

NSP Subsidy

AHC Grant

Other Subsidies *(Specify)*

subtotal Homebuyer Affordability Gap Subsidies

\$0

Total Subsidies

subtotal NSP Subsidies

\$ -

subtotal AHC Grants

\$ -

subtotal Other Subsidies

\$ -

Total Subsidies

\$ -

2027 FUNDING APPLICATION GUIDELINES AND PROGRAM POLICIES

CALCULATION OF ANNUAL HOUSING COSTS				
Mortgage Rate		per annum		
Mortgage Term		years		
Principal and Interest	#NUM!	per month	#NUM!	per annum
Taxes and Insurance		per month	\$ -	per annum
Maintenance/Common Charges	\$ -	per month	\$ -	per annum
subtotal			\$ -	
Less Rental Income - 1*		per month	\$ -	per annum
Less Rental Income - 2	\$ -	per month	\$ -	per annum
subtotal			\$ -	
*assuming 25% vacancy				
Total Annual Housing Costs			#NUM!	
Minimum Annual Income to Purchase (based on Annual Housing Costs)			#NUM!	
Minimum Income (as % of AMI) Required to Purchase			#NUM!	
CALCULATION OF HOMEBUYER AFFORDABILITY				
This scenario is based on a ____-person household.				
Local HUD Area Median Income at	50%	\$ -		
Local HUD Area Median Income at	80%			
Local HUD Area Median Income at	100%	\$ -		
<i>Affordability Based on Homebuyer's Projected Housing Costs - Front-End Ratio</i>				
Homebuyer's Household Income:		as % Local AMI:	#DIV/0!	
Total Annual Housing Costs:	#NUM!			
Allowable Front-End Ratio:*	33%			
*permitted ceiling for housing expenses as % of income; <u>permitted floor of 25%</u>				
% of Homebuyer's Income Required to Cover Housing Costs:			#NUM!	
<i>Affordability Based on Homebuyer's Total Household Debt - Back-End Ratio</i>				
Total Annual Housing Costs:		#NUM!		
Other Household Debt (annualized):				
Total Household Debt:		#NUM!		
Allowable Back-End Ratio:*	40%			
* permitted Ceiling for all Household Debt				
% of Homebuyer's Income Required to Cover Total Household Debt:			#NUM!	