



# DEVELOP LOUISVILLE

*LOUISVILLE FORWARD*

## RENTAL, HOMEOWNERSHIP & LEASE PURCHASE PROGRAM APPLICATION GUIDELINES

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### **Disclaimers**

The information presented in these pages should not be construed as an exhaustive list of all regulations and requirements governing Louisville Metro financing for this program. Additional regulations and requirements may apply.

While some projects may receive funding for predevelopment costs, developers assume all risk for any expenditures occurring before funding is formally approved.

## **Introduction:**

Thank you for your interest in developing affordable housing in Louisville Metro. Each year, Louisville Metro Government (LMG) receives funding allocations from the HOME Investment Partnership Program (HOME), Community Development Block Grant (CDBG) and other programs from the U.S. Department of Housing and Urban Development (HUD). The LMG Office of Housing (OH) directs the use of these allocations to expand the supply of affordable housing and to support neighborhood revitalization. The 2019 NOFA is for HOME funding for non-profits, Community Housing Development Organizations (CHDOs), Community Development Corporations (CDC) and for-profit developers.

LMG has allocated a maximum amount of **\$2,627,000.00** in HOME and **\$100,000.00** in CDBG funding for this NOFA. The HOME Program requires at least 15% of LMG's allocation be set-aside for investment only in housing to be owned, developed, or sponsored by CHDOs. LMG has set-aside a minimum of **\$440,000.00** of the total HOME allocation for the CHDO set-aside. Although this NOFA summarizes portions of the HOME requirements, applicants should refer to the effective HOME Final Rule (Published July 24, 2013) in its entirety for a comprehensive description of all requirements.

## **Purpose of this Manual:**

This document contains basic program production guidelines for LMG OH's Rental, Homeownership and Lease-Purchase programs. This manual introduces the programs, explains rules and requirements, and provides instructions on how to apply for funding.

How to Apply for Funds:

- a) Prior to an Application Completion, please read this document in its entirety.
- b) Determine the applicable application which contains the relevant Pro Forma, for your project.
- c) The excel-based Application and Proforma will be posted to the OH website. Please note there are separate excel-based applications for your respective Program:
  - Homeownership Production,
  - Rental Production; and
  - Lease-Purchase Production.
- d) Submit a Complete 2019 HOME NOFA Application. The deadline for submission of the application is December 13, 2019 at 5:00 pm.

Formal submissions must include:

1. One (1) digital Application/Proforma, with all the required attachments noted in the Application Proforma Instructions Tab, submitted through the OH website application portal, **OR**;

2. One (1) digital Application/Proforma, with all the required attachments noted in the Application Proforma Instructions Tab, submitted via thumb drive or CD and mailed to the OH address listed above.

Regardless of the submission type, all Applications must be submitted to OH by December 13, 2019 at 5:00pm.

#### Additional Federal Requirements

All projects must comply with the HOME program regulations applicable to the particular project. Information on HOME requirements included in these instructions provides an overview; nonprofit developer(s) should review federal rules and regulations governing the use of HOME funds in 24 CFR part 92 – Published July 24, 2013, which is available at: <https://www.hudexchange.info/home/home-laws-and-regulations>. In addition to the HOME regulations, all projects must comply with the federal cross-cutting regulations noted at the end of the guidelines.

Projects shall also comply with the December 26, 2016 Final Rule for Broadband Infrastructure in HUD-Funded New Construction and Substantial Rehabilitation of Multifamily Rental Housing. Metro will do so by requiring developers of multi-family housing assisted with CDBG and/or HOME funding to comply with the following telecommunications installation standards. This requirement will be implemented and enforced through funding agreements.

Visitability is a design concept, for very little or no additional cost, that enhances the ability of persons with disabilities to interact with their neighbors, friends, and associates in the community. Although not a requirement, it is recommended that all design, construction, and alterations incorporate, whenever practical and economical, the concept of visitability in addition to the requirements under Section 504, the Architectural Barriers Act, Title II of the Americans with Disabilities Act and the Fair Housing Act. See [www.huduser.org/publications/pubasst/strategies.html](http://www.huduser.org/publications/pubasst/strategies.html).

Note that **no work** or property acquisition may be undertaken (**including work or acquisition undertaken with other sources of funds**) or funds committed or expended (federal or other) until completion of the environmental review and LMG receiving a Release of Federal Funds from HUD.

**Section 1.**

**Rental Production Overview and Compliance**

Program Goals:	To offer a variety of rental housing choices across income ranges by contributing to "Quality-of-Place" neighborhoods with a diverse blend of affordable housing types, access to employment opportunities, transit, and other amenities.
Target Geography:	This is a Metro-wide program.
Funding Preferences:	<p>Projects that rehabilitate existing structures, including historic structures.</p> <p>Projects that build upon Metro's revitalization efforts and investments in neighborhoods across Metro Louisville.</p> <p>Projects that redevelop Metro owned, or affiliated, real estate (Richmont Terrace RFP, Land Bank Authority, Urban Renewal Commission, etc.).</p> <p>Projects that build on existing and emerging neighborhood anchors such as a school, church, full-grocery store, hospital, park, or public transportation route within a .25 mile. Projects with safe, walkable sidewalks connecting the development to neighborhood amenities are given further preference.</p> <p>Projects that increase affordable housing for low-and moderate-income households in census tracts that are not predominantly low-income; promoting mixed income neighborhoods.</p> <p>Projects that do not permanently displace existing residents.</p> <p>Projects that incorporate energy efficient, renewable, and sustainable building materials, practices, and designs. Further preference given to projects that achieve Energy Star, LEED, Green Enterprise Community and/or similar nationally-recognized certifications.</p>
Eligible Activities:	Acquisition, Rehabilitation, and New Construction.
Eligible Applicants:	<p>Non-profit developers, certified Community Housing Development Organizations (CHDO's), and for-profit developers. Applicants must demonstrate housing development experience, financial capacity, and availability. Applicants for CHDO funds must meet the definition of Owner or Developer.</p> <p>Applicants must be in good standing on current and past projects funded by LMG. Applicant(s) should not have</p>

	<p>delinquent property taxes or property code violations. Applicants must be current on Metro payable loans with a consistent payment history. Applicants must be in good standing related to performance on Metro projects. Applicants with outstanding property taxes and/or unresolved property code violations are ineligible.</p> <p>Developers that have requested and received loan modifications and/or loan forgiveness from Metro programs at any time in the past are eligible to submit applications to this NOFA, however such past requests shall be considered during review of developer’s capacity.</p>
Eligible End Beneficiaries:	Households earning incomes at or below 60% of Area Median Income for HOME funded rental activities
Types of Assistance:	Construction Financing and/or Permanent Financing
Terms of Assistance:	<p>Varies based on underwriting Interest rates between 0% to market, Forgivable or Repayable, or a combination thereof</p> <p>As of July 1, 2018, all multi-family rental projects awarded HOME funds by OH will be subject to a compliance monitoring fee payable in full at construction finance closing. This fee is based on the project’s total unit count and inspection schedule, and must be included in the final project underwriting.</p>
Amount of Assistance	There is no maximum application request; however, LMG reserves the right to fund at a lesser amount or request more units than requested to meet projected production goals as outlined in the 2019 Action Plan.
Construction Financing	A short-term or interim loan to cover the cost of constructing or rehabilitating a project, with one or more long-term, permanent loans paying off the construction loan at project completion. LMG will verify that permanent financing is available before making such a loan.
Permanent Financing:	Proceeds may be used to repay the construction loan. If this loan replaces other loans, original loans must be used for HOME-eligible costs. LMG may choose to finance part or all of the total development costs. HOME assistance must have been part of the original financing package. LMG may also choose to provide long-term financing to be repaid from the operating income from a rental project.

## Regulatory Compliance for Rental Projects

### A. Term of Affordability

If HOME Funds are used to develop mixed-income projects, only HOME-eligible tenants may occupy HOME assisted units. Rental units rehabilitated or constructed with HOME funds must remain affordable to income qualified households for varying lengths of time depending upon the amount of HOME funds invested per unit. All loans shall be secured by a lien, through a recorded HOME Mortgage and Regulatory Agreement, and Deed & Use Restrictions for HOME Funds. The minimum Period of Affordability (POA) is defined by the amount of subsidy per assisted unit, as follows:

Activity Type	Subsidy Per Assisted Unit	Period of Affordability
Rehab	Less than \$15,000	5 years
	\$15,000 to \$40,000	10 years
	More than \$40,000	15 years
New Construction	Any amount	20 years

### B. Tenant Income Limits

The HOME Program Rule and LMG require that no initial HOME rental tenants' Area Median Income (AMI) exceeds 60% AMI. The current income limits for LMG are as follows:

Household Size (persons)	HOME 60% AMI Income Limit
1	\$32,100
2	\$36,720
3	\$41,280
4	\$45,840
5	\$49,560
6	\$53,220

*Effective as of 6/23/2019*

### C. HOME Requirements

In development projects which include five (5) or more HOME-assisted units, at least 20% of HOME units must be occupied by households with annual income at or below 50% AMI, and rents must be set at or below the "Low" HOME rent limit listed below.

### D. Maximum Rents

Each year HUD publishes maximum rent limits for HOME. *Rent Limits always include utilities.* If any utilities are paid directly by the tenant, the maximum rent must be reduced by



a standardized utility allowance. The total rent charged to the tenant PLUS estimated utilities paid by the tenant cannot exceed the rent limits below. Utility allowances are estimated in the Application & Proforma Program excel file.

HOME GROSS Rent Limits New Rent Limits

Bedroom Type	Low-HOME	High-HOME
0 BR	\$602	\$602
1 BR	\$688	\$688
2 BR	\$853	\$853
3 BR	\$993	\$1,158
4 BR	\$1,108	\$1,307

*Effective as of 6/28/2019*

E. Rent limit exception

If the unit receives Federal or State project-based rental subsidy **and** the very low-income family (below 50% of AMI) pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

F. OH Real Estate Transaction Agreements

The Developer(s) selected will be required to enter into a Conditional Commitment Agreement with OH, formalizing OH's intent to commit funds for eligible Project expenses. In addition to the pending completion of the environmental review, the Conditional Commitment Agreement will require certain deliverables, (attachments, documents, etc.) as detailed in the Application/Proforma. Upon satisfactory receipt of these documents, the Developer(s) will be required to enter into a Development Agreement with OH that shall include the following:

- a. Mortgage
- b. Loan Agreement
- c. Security Agreement
- d. Regulatory Agreement
- e. Deed and Use Restrictions
- f. Deed of Trust
- g. Promissory Note

These Agreements apply to the Rental, Homeownership and Lease-Purchase projects.

G. Lease Up Period

HOME Rental and Lease-Purchase Development Projects must lease-up within 18 months of construction completion or the project shall be deemed failed by HUD and repayment of HOME funds for non-occupied HOME units will be required. Within 18 months of receiving a certificate of occupancy, all HOME units must be leased. If 100% of the HOME units in a project are not leased within 6 months after receiving a certificate of occupancy, the project must submit a marketing plan as to how it will achieve full occupancy by 18 months.

H. Nondiscrimination Against Rental Assistance Subsidy Holders

The owner cannot refuse to lease HOME assisted units to a certificate or voucher holder of Section 8 Tenant-Based Assistance based on the status of the prospective tenant as a holder of such certificate, voucher or comparable document.

I. Management and Maintenance Service Standards

All HOME funded developments must provide management and maintenance services to the housing provided. The developer will be required to submit a Management Plan and Agreement for review and approval prior to the issuance of the HOME Rental Development Funding Agreement.

J. Annual Re-Certification

Rental projects funded are inspected as follows:

- a. 1-4 unit project is inspected every three (3) years
- b. 5-25 unit project is inspected every two (2) years
- c. 26 or more unit project is inspected annually

At minimum, an annual certification report, along with any supplemental documents deemed necessary, must be submitted to OH. An on-site monitoring of Certification of tenant income and Rent and utility allowance, compliance with local building codes and Owner's Written Agreements, including Affirmative Fair Housing Marketing Plan, Management Plan and Management Agreement, is required per the same annual inspection schedule.

K. Compliance Monitoring Fee

As of July 1, 2018, all multi-family rental projects awarded HOME funds by OH will be subject to a compliance monitoring fee payable in full at construction finance closing. This fee is based on the project's total unit count and annual re-inspection schedule and must be included in the final project underwriting. To determine the project's compliance monitoring fee, see the Compliance Monitoring tab on the NOFA Rental Application.

L. Additional Regulatory Compliance Requirements

The following information is required by the OH Loan Specialist annually; 1) Insurance listing Metro as a Loss Payee and (2) Financial Statements. OH will perform annual financial performance reviews, as required for projects with 10 or more HOME assisted units. OH has the discretion to perform such financial reviews on all projects applying for funding. Additional regulatory requirements regarding the construction of the project are included in Section 3 of this manual.

M. Broadband Infrastructure

Louisville Metro will comply with the December 26, 2016 Final Rule for Broadband Infrastructure in HUD-Funded New Construction and Substantial Rehabilitation of Multifamily Rental Housing. Metro will do so by requiring developers of multi-family housing assisted with CDBG and/or HOME funding to comply with the following telecommunications installation standards. This requirement will be implemented and

enforced through funding agreements.

Developers of HOME assisted rental housing shall be required to:

Install a spare telecommunication 4-inch conduit from the right of way to the electrical/mechanical room of any new multi-family development in addition to the telco example: AT&T, cable TV and electric feeds;

Use split duct within the conduit to provide for access by multiple providers;

Include with the conduit a stub up on the utility pole or intersect with underground cable path for telecommunications providers in the right of way;

Install a tied off at each end of the conduit; and,

A 12-inch pull box should be installed to allow for easier installation of fiber/cable in the future, if the duct makes more than three 90 degree turns.

**Section 2.**

**Homeownership Production Overview and Compliance**

Program Goals:	To offer a variety of homebuyers and lease-purchasers’ choices across income ranges by contributing to “Quality-of-Place” neighborhoods with a diverse blend of affordable housing types, access to employment opportunities, transit, and other amenities.
Target	This is a Metro-wide program.
Funding Preferences:	<p>Projects that rehabilitate existing structures, including historic structures.</p> <p>Projects that build upon Metro’s revitalization efforts and investments in neighborhoods across Metro Louisville.</p> <p>Projects that redevelop Metro owned, or affiliated, real estate (Richmont Terrace RFP, Land Bank Authority, Urban Renewal Commission, etc.).</p> <p>Projects that build on existing and emerging neighborhood anchors such as a school, church, full-grocery store, hospital, park, or public transportation route within a .25 mile. Projects with safe, walkable sidewalks connecting the development to neighborhood amenities are given further preference.</p> <p>Projects that increase affordable housing for low-and moderate-income households in census tracts that are not predominantly low-income; promoting mixed income neighborhoods. Projects that do not permanently displace existing residents.</p>

	<p>Projects that incorporate energy efficient, renewable, and sustainable building standards, practices, and designs. Further preference given to projects that achieve Energy Star, LEED, Green Enterprise Community and/or similar nationally-recognized certifications.</p>
<p>Eligible Applicants:</p>	<p>Non-profit developers, certified Community Housing Development Organizations (CHDO's), and for-profit developers. Applicants must demonstrate housing development experience, financial capacity, and availability.</p> <p>Applicants for CHDO funds must meet the definition of Owner or Developer.</p> <p>Applicants must be in good standing on current and past projects funded by LMG. Applicant(s) should not have delinquent property taxes or property code violations.</p> <p>Applicants must be current on Metro payable loans with a consistent payment history. Applicants must be in good standing related to performance on Metro projects.</p> <p>Applicants with outstanding property taxes and/or unresolved property code violations are ineligible.</p> <p>Developers that have requested and received loan modifications and/or loan forgiveness from Metro programs at any time in the past are eligible to submit applications to this NOFA, however such past requests shall be considered during review of developer's capacity.</p>
<p>Eligible Activities/Costs:</p>	<p>New Construction of single family homebuyer units</p> <p>Land/property acquisition in conjunction with new construction of homebuyer properties.</p> <p>Acquisition, rehabilitation, and resale of affordable single family homeownership housing.</p> <p>Lease Purchase activities.</p> <p>Hard and soft costs associated with the development of affordable homeownership activities.</p>
<p>Eligible End Beneficiaries:</p>	<p>For homebuyer activities households earning incomes at or below 80% of Area Median Income.</p>

Form of Assistance:	<p>Construction financing, permanent financing, or direct homebuyer assistance when combined with construction financing.</p> <p>Gap Financing is the preference.</p> <p>There is no maximum application request; however, LMG reserves the right to fund at a lesser amount or request more units than requested to meet projected production goals as outlined in the 2018 Action Plan.</p>
Development Subsidy:	<p>The appraised value is lower than total development costs (TDC), therefore a development subsidy is required.</p>
Homebuyer Assistance:	<p>Direct homebuyer assistance including down-payment assistance, principal reduction and closing cost assistance when combined with construction financing.</p> <p>Maximum homebuyer assistance is 20% of the Sales Price.</p> <p>Buyer's housing-to-income ratio must fall below 30%. And back-end ratio must not exceed is 50% for non-housing debt.</p> <p>Buyers must contribute a minimum of \$500 of their own cash.</p> <p>The housing must be a single family home or condominium.</p> <p>All purchasers of homeownership projects will be required to complete a pre-purchase, HUD-approved homebuyer education course.</p>
Security:	<p>Minimum of 5 years, depending on the amount of direct subsidy to the buyer.</p> <p>All HOME funds shall be secured by a Homebuyer Agreement, Mortgage, and Promissory Note, which may be subordinated to other construction or permanent mortgage financing.</p>
Affordability:	<p>The affordability restrictions shall be secured by a separate Restrictive Covenant that will be released when the affordability period expires. The pre-payment of a HOME loan prior to the expiration of the affordability period does not terminate the affordability requirements.</p>
Ineligible Activities:	<p>Direct financial assistance to homebuyer without construction financing.</p> <p>Refinancing of existing debt.</p> <p>Rehabilitation of owner occupied units.</p>

## Regulatory Compliance for Homeownership Projects

### A. Eligible Activities and Homebuyers

Funds under this program may be used for the acquisition, rehabilitation and/or new construction of homeownership units that must be sold to households earning incomes at or below 80% of Area Median Income (AMI), as determined by HUD annually. If a house has previously been purchased with HOME funds, the buyer should remain in this home as the principle residence throughout the Period of Affordability.

The current income limits for the LMG Government are as follows:

HOME Program Income Limits

Household Size (persons)	HOME 80% AMI Income Limit
1	\$42,800
2	\$48,900
3	\$55,000
4	\$61,100
5	\$66,000
6	\$70,900

*Effective 6/23/2019*

### Maximum Purchase Price

Units rehabilitated or constructed with HOME assistance must be modest and affordable to income-eligible buyers. Therefore, the purchase price limits for low and moderate-income home purchasers must be sold at prices not exceeding current HUD homeownership value limits listed below.

Home Purchase Price Value Limits		
Unit Type	Existing Homes	New Homes
Single-Family	\$157,000	\$248,000
2-Family	\$201,000	\$317,000
3-Family	\$243,000	\$348,000
4-Family	\$301,000	\$475,000

*Effective 6/28/2019*

A contract sales price less than the appraised value will, over time, deflate a market. Therefore, all HOME units should have a contract sales price that is equal to the appraised value.

B. Standards for Development Costs & Underwriting

Please see the worksheet titled "Compliance Info" in the Excel-based application/pro forma.

C. OH Real Estate Transaction Agreements

The Developer (s) selected will be required to enter into a Conditional Commitment Agreement with OH, formalizing OH's intent to commit funds for eligible Project expenses. In addition to the pending completion of the environmental review, the Conditional Commitment Agreement will require certain deliverables, (attachments, documents, etc.) as detailed in the Application/Proforma. Upon satisfactory receipt of these documents, the Developer(s) will be required to enter into a Development Agreement with OH that shall include the following:

- Mortgage
- Loan Agreement
- Security Agreement
- Regulatory Agreement
- Deed of Trust
- Promissory Note
- Funding Agreement

D. HOME Mortgage and Compliance Period

Depending upon the amount of funds provided as direct assistance to a homebuyer, HOME subsidy will be secured via a non-servicing subordinate mortgage coinciding with the required Period of Affordability as delineated earlier in this manual. Upon sale or transfer of the home some or all of the homebuyer assistance may be recaptured per the recapture provisions 24 CFR 92.254 (a)(S)(iii).

E. Homeowner Warranty Requirement

Developers must provide a third party warranty on the home for a minimum of one year.

F. HOME Units Not Sold within 9 Months of Completion will Convert to Rental

Any homeownership unit that does not have a viable sales-contract within nine months of receiving a certificate of occupancy will be converted to long-term HOME rental units. Therefore, developers should have a substantial pool of willing buyers for the market area for which they are building and should have a buyer identified prior to the start of construction and that the architectural design of these units meets market demand and that pre-sales are actively pursued with professional marketing. For any unit that is unsold after six (6) months, a detailed marketing plan will be required to be submitted to LMG. If the unit remains unsold, or without a viable sales contract after nine (9) months, the property will convert to rental housing and all rental rules and regulations will apply.

H. Additional Regulatory Compliance Requirements

Additional regulatory requirements regarding the construction of the project are included in Section 3 of this manual.

I. Annual Recertification of Homebuyer

Loan Services must annually receive the Proof of Insurance with LMG as Loss Payee, and an Affidavit of Primary Residence. LMG staff will verify that property taxes are paid and that there are no property liens.

Single Family Homeownership Production Funding Example

<b>Permanent direct homebuyer assistance, development subsidy and repayment to LMG, example:</b>	
<b><i>100% LMG Construction Financing</i></b>	
Total Project Development Costs (TDC)	\$120,000
Unit Sales Price (based on appraised value)	\$110,000
<b>Development Subsidy</b>	\$ 10,000
<b><i>Permanent Direct Homebuyer Subsidy</i></b>	
Unit Sales Price	\$110,000
Closing Costs and Realtor Fees	\$ 10,000
Total Funds for closing	\$120,000
Buyer Conventional Mortgage	\$100,000
Buyer Cash Investment (\$500 minimum)	\$ 500
HOME Gap needed (total <b>Direct Permanent Subsidy</b> to buyer)	\$ 19,500
<b>HOME funds repaid to LMG (or CHDO Proceeds)</b>	\$ 90,500

**Section 3.**

**Regulatory Compliance Applying to All Projects**

This funding comes through a local government and utilizes federal funds, which impose various local requirements and other regulations. These apply to all applicants and all applicants should understand the impact of each on the submitted application. Following is a list of the key compliance areas you should understand before applying for funding.

**General Regulations & Requirements**



A. Per Unit Subsidy Limits

The **minimum** amount of HOME funds that can be awarded to a project is \$1,000 **per unit**. The **maximum** amount of HOME funds that can be invested cannot exceed the maximum per unit subsidy limits established by HUD for the Section 234-Condominium Housing, elevator-type, and basic mortgage limits Louisville, Kentucky multiplied by the high cost percentage of 239%. The applicable limits are listed in the following table. The number of HOME-assisted units in a project must be in proportion to the amount of HOME funds requested for the project

Bedrooms	Maximum Subsidy
0	\$147,074
1	\$168,600
2	\$205,018
3	\$265,229
4	\$291,137

*Effective 6/4/2018*

B. HOME Development and Loan Agreement

Successful applicants will be required to enter into a Development Agreement and Deed of Restriction, Mortgage & Note at construction closing, which will incorporate all regulatory compliance and project-specific information.

C. Loan Agreement

Successful applicants shall be required to enter into a Loan Agreement with a Mortgage and Note within 10 months of receiving a commitment from the Division.

D. HOME Project Timelines

HOME funding establishes the following project timing requirements:

- If acquisition only, construction must begin within 12 months.
- Homebuyer units must sell within 9 months of construction completion.
- Rental units must lease-up within 18 months of construction completion.
- All projects must be completed and occupied within 48 months of entering into a written agreement for HOME funding. Projects not completed within four years from the date of project commitment will be considered terminated and the Participating Jurisdiction must repay HOME funds invested in the project.

E. Special Considerations for CHDOs

Community Housing Development Organizations (CHDOs) enjoy special status under HUD's HOME program. A CHDO is a private, nonprofit, and community-based service organization whose primary purpose is to provide and develop decent, affordable housing for the community it serves. CHDO certification is determined solely by LMG's Office of

## Housing.

HUD requires LMG to set aside at least 15% of its total HOME allocation for CHDO-eligible project activities which include:

- a. Acquisition and/or rehab of homebuyer or rental property
- b. New construction of homebuyer or rental housing
- c. Lease Purchase

To qualify for set-aside funds, a certified CHDO must act as the project developer, sponsor, and/or owner.

### 1. Certification

To receive funds from the 15% HOME set-aside, CHDOs must be certified by LMG, indicating they meet HOME Program requirements and local requirements regarding:

- a. Organizational Status and Mission
- b. Board Composition
- c. Sponsorship/Independence
- d. Relationship/Service to the Community
- e. Financial Management and Capacity
- f. Development Capacity

### 2. CHDO Certification & Reporting

CHDOs must be certified each time LMG signs an Agreement with the CHDO. LMG assesses existing CHDOs to insure they continue to meet HUD and local requirements.

### 3. CHDO Proceeds

On a CHDO-by-CHDO and project-by-project basis, LMG may allow, at its sole discretion, a CHDO to retain proceeds-exclusive of the developer fee-received through a HOME development project. For instance, if HOME is used for construction financing and a portion is repaid by a permanent homebuyer mortgage, the CHDO might be allowed to retain these funds to invest in additional affordable housing activities. Allowable uses must be specified in written CHDO Agreement.

## F. Other Federal Cross Cutting Regulations

### 1. **Conflict of Interest (24 CFR part 92.356 (f))**

No persons described in who is an employee, agent, consultant, officer, or elected official or appointed official of LMG or the Applicant, who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any

contract, subcontract, or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

2. **Employment and Contracting**

- a. Equal Employment Opportunity (Executive Order 11246, as amended and implementing regulations at 41 CFR part 60)
- b. Minority, Women, and Small Business Enterprise Requirements under Executive Orders 11625, 12138, and 12432
- c. Section 3 of the Housing and Urban Development Act of 1968

3. **Fair Housing and Equal Opportunity and Non-Discrimination**

No person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds. Additionally, the following anti-discrimination laws are applicable:

- a. Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d *et seq.*)
- b. The Fair Housing Act (42 U.S.C. 3601-3620)
- c. Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- d. Age Discrimination Act of 1975, as amended (42 U.S.C. 6101)
- e. American with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225)

4. **Labor Requirements**

- a. Davis-Bacon and Related Acts (40 U.S.C. 276) apply to every contract for construction of housing (new or rehabilitation) that consists of twelve (12) or more units assisted with HOME funds. Davis-Bacon wage rates should be considered when preparing the cost estimate if the Project will consist of 12 or more HOME-assisted units.
- b. Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333)
- c. Copeland Anti-Kickback Act (40 U.S.C. 276c)
- d. Fair Labor Standards Act, as amended (29 U.S.C. 201, *et seq.*)

5. **Uniform Relocation Act, if applicable (24 CFR pt. 35, subparts A, B, J, & R).**

Applicants must take all reasonable steps to minimize displacement and follow the requirements of URA.

6. **Lead Safe Housing**

Any project involving the rehabilitation of a property built before 1978 must comply with the Residential Lead-Based Hazard Reduction Act of 1992 and the EPA's Lead Renovation, Repair, and Painting Program. Applicable projects will be required to have a lead risk assessment, lead risk mitigation plan, and EPA certified staff on the project site. For additional information, contact Lead Safe Louisville at (502) 574-4377. As an alternate, please check the HUD Lead regulations related to HOME funding.

7. **Minority, Women and Small Business Enterprise Requirements**

Consistent with Presidential Executive Orders 11625, 12138, and 12432, the Developer shall make efforts to ensure that minority, women and small business enterprises, labor surplus area businesses, and individuals or firms located in or owned in substantial part by persons residing in the area of a Public Housing Agency project are used in conjunction with the project when possible. Such efforts shall include, but shall not be limited to:

- a. Placing qualified small, minority and women business enterprises on solicitation lists;
- b. Ensuring that small, minority and women business enterprises are solicited whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority and women business enterprises;
- d. Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small, minority and women business enterprises; and
- e. Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and state and local governmental small business agencies.

8. **HUD Section 3 Requirements (24 CFR Part 135)**

To the greatest extent feasible, efforts shall be made to provide opportunities for employment and training for lower income residents within the project area, and to award subcontracts for work in connection with the project to business concerns which are located, or owned in substantial part, by persons residing in the area of the project, as described in HUD Regulations 24 CFR 135.

All contracts with LMG over \$100,000 trigger the Section 3 obligations to the Developer/Contractor. HUD's "Section 3" seeks to ensure that employment and other economic opportunities are directed to low and very low-income persons. A Section 3 Compliance Plan will be required to insure project compliance.

You can also check HUD’s Section 3 Registry at the following website to locate Section 3 registered business in the Louisville Metropolitan Area:  
<https://portalapps.hud.gov/Sec3BusReg/BRegistry/UpdateBusiness.action>

9. **Historic Review**

Section 106 of the National Historic Preservation Act of 1966 (revised) requires that all federally funded agencies consider the effect of the proposed project on existing historic resources. Any rehabilitation or new construction project subsidized by the OH must be reviewed under the Section 106 procedures established by the Federal Advisory Council on Historic Preservation.

10. **Environmental Review Requirements (24 CFR Part 58)**

No work or property acquisition may be undertaken (*including work or acquisition undertaken with other sources of funds*) or funds committed or expended (federal or other) from the time the applicant submits its application to LMG until completion of the environmental review and LMG receiving a Release of Federal Funds from HUD.

In accordance with HUD regulations, the environmental effects of each activity carried out with federal funds must be assessed. LMG is responsible for conducting an environmental review of projects selected for funding. Compliance with environmental review requirements is mandatory prior to the applicant entering into any choice-limiting agreements or taking any physical action on a site. Selected applicants shall be responsible for providing information and documents necessary to accomplish the environmental review. For some projects LMG will require a Phase I environmental assessment conducted in accordance with standards developed by the American Society for Testing and Materials, and if applicable, a follow-up Phase II assessment. The length of time for the Environment Review generally takes around 90-120 days.

11. **Affirmative Fair Housing Marketing Plan**

All developments of five (5) units or more financed with federal funds are required to submit an Affirmative Fair Housing Marketing Plan that outlines methods for providing information to and attracting eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, sexual orientation, gender identity, religion, familial status or disability: This plan must also delineate how units will be marketed to those least likely to apply for the available housing and must be updated every three years.

12. **Prevailing Wage Requirement (Davis-Bacon)**

Metro OH will provide applicable wage decisions for each project. For residential HOME Projects, developments of twelve (12) HOME units or more whose construction is financed with HOME funds are required to document that all construction laborers are paid at rates not less than the prevailing wages as determined by the U.S. Secretary of Labor.

13. **Handicapped Accessibility**

The HOME regulations also require adherence to the three following regulations

governing the accessibility of federally assisted buildings, facilities and programs:

- a. Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225 provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. ADA states that discrimination includes the failure to design and construct facilities that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.
- b. Fair Housing Act requires that multi-family dwellings must also meet the certain design and construction requirements that implement the Fair **Housing Act**
- c. Section 504: Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in federally assisted programs on the basis of handicap and ensures that "qualified individuals with handicaps" have access to programs and activities that receive Federal funds.

14. **Site and Neighborhood Standards**

Multi-family housing provided through this program must promote greater choice of housing opportunities. That is, that housing that is provided housing must be suitable from the standpoint of facilitating and furthering full compliance with the Title VI of the Civil Rights Act – 1964 and Executive Order 11063.

G. Planning & Design and/or Construction Review

Larger projects might require further review by LMG's Planning & Design Services Division, which provides a combined process for reviewing, modifying, and approving development projects. All projects, regardless of scale will be reviewed by the Codes and Regulations Department.

H. Development & Property Standards

All developments funded with HOME shall comply with all local building codes, rehabilitation standards, ordinances, zoning, and federal regulations regarding hazardous materials. LMG has adopted the 2007 Kentucky Building Code and the 2007 Kentucky Residential Code. Projects must comply with Energy Star building practices. If a project property/building is in a historic neighborhood, additional requirements apply.

Additionally, any new construction, single family or multi-family must include the installation of broadband infrastructure. *Broadband infrastructure* means cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure that is capable of providing access to Internet connections in individual housing units that meet the definition of "advanced telecommunications capability" determined by the Federal Communications Commission under section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302).

I. Other Requirements

1. **Abstracts, Title Reports, Title Insurance and Disbursement of HOME Funds**

LMG requires smaller HOME deals to include Abstracts and Title Reports, with Title Exception.

Language required in the HOME Rental Development Funding Agreement:

Owner/Developer acknowledges that Metro shall not be required to disburse any HOME Funds for the Project or to close on the Loan unless it has received in form and substance satisfactory to Metro all of the following:

1. **Indemnification.** Owner shall indemnify, defend and hold harmless Metro, its elected and appointed officials, employees, agents, and successors in interest from all claims, damages, losses and expenses including attorneys' fees, arising out of or resulting directly or indirectly from Owner's (or Owner's contractors) performance or breach of this Agreement, provided that such claim, damage, loss, or expense is not caused by the gross negligence or willful misconduct of Metro or its elected and appointed officials and employees acting within the scope of their employment. This indemnification and hold harmless clause shall in no way be limited by any financial responsibility of insurance requirements and shall survive the termination of this Agreement.

2. **Insurance Requirements.** The Owner and all contractors and/or subcontractors shall obtain at their own cost and expense the following types of insurance through insurance companies licensed in the State of Kentucky. Insurance written by non-admitted carriers will also be considered acceptable, in accordance with Kentucky Insurance Law (KRS 304.10-040). Workers' Compensation written through qualified group self-insurance programs in accordance with Kentucky Revised Statutes (KRS 342.350) will also be acceptable. All insurance required under this Rental Development Funding Commitment Agreement evidencing Certificates of Insurance must be submitted to and approved by the Louisville/Jefferson County Metro Government's Risk Management division at the address listed. The Owner shall not allow any contractor and/or subcontractor to commence work until the insurance required of such contractor or subcontractor has been obtained and proof of such is retained in Owner's possession. Without limiting Owner's indemnification requirements, it is agreed that Owner shall maintain in force for the entire term of this Rental Development Funding Commitment Agreement the following policy or policies of insurance covering its operations, and require all contractors and/or subcontractors to procure and maintain the described policies.

A. **INSURANCE REQUIRED OF OWNER AT THE TIME OF CLOSING PURSUANT TO THIS AGREEMENT. COMMERCIAL GENERAL LIABILITY INSURANCE MUST BE MAINTAINED BY THE OWNER DURING THE TERM OF THIS AGREEMENT:**

(i) The following clause shall be added to the Owner's Commercial General Liability Policies:

"The Louisville/Jefferson County Metro Government, it's elected and appointed officials, employees, agents and successors are added as an "Additional Insured" as respects operations of the Named Insured performed relative to the Rental Development Funding Commitment Agreement."

(ii) COMMERCIAL GENERAL LIABILITY, via the Occurrence Form, with a \$1,000,000 Combined Single Limit for any one Occurrence and \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, including:

- (a) Premises - Operations Coverage
- (b) Products and Completed Operations
- (c) Contractual Liability
- (d) Broad Form Property Damage
- (e) Independent Contractors Protective Liability
- (f) Personal Injury

**B. IMMEDIATELY UPON SUBSTANTIAL COMPLETION OF ANY BUILDING IMPROVEMENTS THE Owner SHALL PROCURE OR CAUSE TO BE PROCURED REAL PROPERTY INSURANCE COVERAGE. THIS COVERAGE MUST BE MAINTAINED BY THE OWNER DURING THE TERM OF THIS AGREEMENT.**

(i) REAL PROPERTY INSURANCE insuring all real property upon completion of the construction under this Agreement. Insurance shall be written on the I.S.O (or equivalent) Special Property Form, with the limit of liability equal to the full Replacement Cost of the building, including all improvements. The policy should include the Agreed Amount endorsement, and include the perils of Flood (if the property is located in a Flood Hazard Zone) and Earthquake. If Owner deems that Earthquake coverage is not available at a reasonable cost in the commercial insurance marketplace at limits equal to the full Replacement Cost of the building including all improvements, Owner may request the Louisville/Jefferson County Metro Government to accept reduced limits as mutually agreed upon by the parties. The policy shall be endorsed to add the interest of the Louisville/Jefferson County Metro Government as Mortgagee ATIMA with respect to all real property.

**C. OWNER WILL REQUIRE GENERAL CONTRACTOR AND SUBCONTRACTORS TO PROCURE THE FOLLOWING INSURANCE COVERAGES, DURING THE CONSTRUCTION AND FINAL PHASE OF THE PROJECT AND ACCEPTANCE OF WORK. The insurance to**



be procured and maintained and minimum Limits of Liability shall be as follows, unless different limits are specified by addendum to the contract:

(i) COMMERCIAL GENERAL LIABILITY, via the Occurrence Form, with a \$1,000,000 Combined Single Limit for any one Occurrence and \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, including:

- (a) Premises - Operations Coverage
- (b) Products and Completed Operations
- (c) Contractual Liability
- (d) Broad Form Property Damage
- (e) Independent Contractors Protective Liability
- (f) Personal Injury

The following clause shall be added to the Owner's and Owner's General Contractor and Subcontractors Commercial General Liability Policies:

(ii) "The Louisville/Jefferson County Metro Government, its elected and appointed officials, employees, agents and successors are added as an "Additional Insured" as respects operations of the Named Insured performed relative to the rehab and/or construction of the Project located on the Property."

(iii) AUTOMOBILE LIABILITY, insuring all Owned, Non-Owned and Hired Motor Vehicles. The minimum coverage Liability Limit is \$1,000,000 Combined Single Limit for any one accident. The Limit of Liability may be subject to increase according to any applicable State or Federal Transportation Regulations.

(iv) Workers' Compensation insuring the employers' obligations under Kentucky Revised Statutes Chapter 342 at Statutory Limits, and Employers' Liability - \$100,000 Each Accident/\$500,000 Disease - Policy Limit/\$100,000 Disease - Each Employee.

(v) Builders Risk Insurance (IF NEW BUILDING CONSTRUCTION OR STRUCTURAL RENOVATION). Whereas the Louisville/Jefferson County Metro Government has contributed financially to the project the Owner shall procure or cause to be procured Builders Risk insurance coverage. The Owner must provide evidence of "Builders Risk" insurance coverage prior to beginning construction in either the form of a Certificate of Insurance or actual copies of policies. Owner or General Contractor shall purchase an "All Risk" (Comprehensive Form including theft of building materials, flood, earthquake, and Building Ordinance coverage including loss to the undamaged portion of the building; demolition and removal costs

of undamaged parts of the structure; and any increased cost of repairs or reconstruction) Builders Risk policy with Limits of Liability equaling the full estimated Replacement Cost of the building being constructed or full renovation costs including the Actual Cash Value of existing structure(s), plus Replacement Cost of labor and materials. The policy shall list the Louisville/Jefferson County Metro Government as a "Loss Payee" with regard to the financial contribution that the Louisville/Jefferson County Metro Government has made to the project. The maximum deductible which may be purchased under this policy is \$250,000. or 5% of the total amount of the Contract, whichever is less, and Owner shall be solely responsible for reimbursing the Louisville/Jefferson County Metro Government for the deductible amount should the building be damaged by fire or other peril prior to completion of work and acceptance by the Louisville/Jefferson County Metro Government.

(vi) PROFESSIONAL SERVICES INSURANCE REQUIREMENT. If the Owner is authorized to subcontract portions of the work to be performed under this Agreement to subcontractors relied upon principally because of the professional services rendered by their firm (such as but not limited to, surveyors, civil, structured, geotechnical, or other professional engineering services), the Owner shall also require that these subcontractors provide proof to the Owner, via a Certificate of Insurance, that the Subcontractor has purchased Professional Liability (Errors and Omissions) insurance, which includes a minimum Limit of Liability of \$1,000,000 per claim and aggregate, in addition to the other types of insurance referenced above for Subcontractors. The Owner is responsible for obtaining and maintaining copies of the Certificate of Insurance until final acceptance of work by Louisville/Jefferson County Metro Government and for making these Certificates available to Louisville/Jefferson County Metro Government, upon request.

#### D. ACCEPTABILITY OF INSURERS

Insurance is to be placed with Insurance Companies with an A. M. Best Rating of no less than "B+ VI", unless proper financial information relating to the Company is submitted to and approved by the Louisville/Jefferson County Metro Government's Risk Management Division.

#### E. MISCELLANEOUS

(i) The Owner shall procure (or cause to be procured) and maintain insurance policies as described herein and for which the Louisville/Jefferson County Metro Government shall be furnished Certificates of Insurance as required in paragraphs A, B and C above.

The Certificates shall include provisions stating that the policies may not be cancelled without the Louisville/Jefferson County Metro Government having been provided at least (30) thirty days written notice. The Certificates shall include the name and address of the person executing the Certificate of Insurance as well as the person's signature. If policies expire before the termination date of the Rental Development Funding Commitment Agreement, renewal Certificates of Insurance shall be furnished to the Louisville/Jefferson County Metro Government on or before the expiration date.

(ii) Certificates of Insurance as required above shall be furnished as called for:

Louisville/Jefferson County Metro Government  
Office of Management and Budget  
Risk Management Division  
611 West Jefferson Street  
Louisville, Kentucky 40202

**and**

Louisville/Jefferson County Metro Government  
Develop Louisville  
Office of Housing  
444 S. Fifth St., Suite 500  
Louisville, Kentucky 40202

(iii) The Owner agrees that it will not materially alter any of the insurance policies currently in force and relied on under this Agreement. Further, the Owner will not reduce any coverage amount below the limits required in this Agreement.

(iv) Approval of the insurance by the Louisville/Jefferson County Metro Government shall not in any way relieve or decrease the liability of the Owner hereunder. It is expressly understood that the Louisville/Jefferson County Metro Government does not in any way represent that the specified Limits of Liability or coverage or policy forms are sufficient or adequate to protect the interest or liabilities of the Owner.

#### F. ALTA Mortgage Title Insurance Policy

A current commitment for an ALTA Mortgagee Title Insurance Policy issued by a title insurance company acceptable to Metro in Metro's sole discretion, showing only those exceptions to title which are acceptable to Metro.”

## 2. Disclosure of Development Team Relationships & Financial Interests

In the application form, applicants are required to disclose relationships among development team members and contractors. Non-arms-length relationships and identities of interest must be disclosed.

## 3. Debarment

An applicant shall not receive LMG OH funds if any affiliated entity, board member, or member of the development team (including contractors, subcontractors, and consultants) has been debarred and listed on SAM - <https://www.sam.gov/portal/public/SAM>

## Section 4.

### Threshold Requirements for Funding

In addition to fulfilling the "Regulatory Compliance" requirements outlined in this guide, projects must meet the "Threshold Requirements" listed below. Any application that does not meet the requirements below may be rejected.

#### A. Complete Application

Only completed applications will be accepted by Metro, and a list of requirements can be found on Page 3 of this manual

#### B. Consistent with Local Needs & Demand

Projects must meet local needs/demand as outlined in the funding NOFA to which you are responding.

#### C. Development Team Experience

Applicant must provide documentation to demonstrate sufficient and professional financial, development and managerial capabilities. The managing development partner must provide evidence of experience developing housing similar to the proposed project in type and scale.

1. Developers must be in good standing with the Secretary of State, Louisville Metro Government and must be registered, along with sub-contractors, with the federal System Award Management ("SAM").
2. Resumes and references of the managing development partner(s) must be included. The skills and roles of all development partners should be indicated.
3. If applicant has developed previous projects with our Affordable Housing Development Program, it must have a satisfactory track record for those projects.

#### D. Cost Reasonableness

1. Acquisition & Proposed Home Sale Price Cost Reasonableness: Projects must provide evidence that acquisition costs are reasonable in the current market and as compared to similar transactions in the project area. Evidence may take the form of a formal appraisal, realtor's CMA report, and/or a market study.
2. If LMG funds are sought for acquisition only, an appraisal is required.
3. Projects of 10 units or less: CMA, in-house market analysis

4. Projects of 11+ units: Professional market analysis

E. Development Budget Cost Reasonableness

Project development costs must be reasonable as compared to industry standards for similar developments as evidenced by:

1. Cost per square foot as compared to similar projects
2. Cost per unit as compared to similar projects
3. Narrative justification of costs that seem unreasonable

F. Market Assessment

LMG wants to ensure that HOME funds are used for projects for which there is adequate demand. HUD via LMG will provide guidance as to what form of Market Assessment is needed to provide evidence of the current neighborhood market need for the proposed project for all projects - Rental and Homeownership.

*LMG may, in its sole discretion, consider waiving any of the following requirements.*

## **Section 5.**

### **Other Selection Criteria**

Upon satisfying the requirements outlined in the "Regulatory Compliance" and "Threshold Requirements," the application will be evaluated using the following criteria.

A. Readiness to Proceed

Proposals will be evaluated on the overall ability of the project's likelihood of achieving its goals on time and within budget. Specific items that work in an applicant's favor include:

1. Site Control (option, contract, deed or lease)
2. Firm funding commitments from all other funding sources;
3. Clear title to property if not publicly-owned
4. Reasonable timeline showing that work can commence promptly upon receipt of award
5. ALL final approvals from Metro Planning & Design; otherwise, must be "permit ready" and properly zoned.
6. Development team firmly in place, with key members identified;
7. Project has been cleared through LMG environmental review process

B. Financial Feasibility

Proposals will be measured by the extent to which the applicant has demonstrated the overall soundness of the financial assumptions. An Office of Housing & Community Development Review Committee will determine if the project is cost reasonable while considering all other funding sources.

1. Leverage other funding sources. Projects must commit a minimum of 5% of the total

development costs in some form of HOME Match. Projects that leverage additional private funding and which qualifies as HOME Match to count toward Metro HOME Match Requirements is encourage.

2. Financial viability. A sources and uses page, operating proforma, and construction budget will be submitted electronically and in hard copy utilizing the Excel-based Application/Proforma. All costs and assumptions must be consistent with industry standards.
3. Funding sources are documented. Indicate exact level of commitment, conditions and time frame for expending funds. This may also be evaluated based on experience of applicant(s) in obtaining these commitments.

C. Property Standards/Green Building Requirements

1. All projects must meet all applicable state and local codes, ordinances and zoning requirements and also mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
2. All projects should demonstrate responsible, quality construction with respect to energy efficiency, environmental impact, and reductions in the use of shared municipal resources.
3. We encourage all construction of HOME-assisted units and rehabilitation to the greatest extent feasible, to meet or exceed the International Energy Conservation Code. <https://www.energycodes.gov/>

**Disclaimer:**

LMG reserves the right to:

1. Recapture funds if funds are not committed and/or expended and construction completed by the dates referenced in the funding agreement, or if the project substantially changes after funding commitment.
3. Periodically review the applicant's progress toward timely commitment and expenditure of the HOME allocation. If LMG determines that the project is no longer feasible or is not progressing timely so that the imposed deadlines will be met, funds may be recaptured.

Resources:

HOME Final Rule

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

HOME Income Limits

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