



**Notice of
Funding
Availability**

2016

Gap Financing with Tax-Exempt Bonds



INTRODUCTION

A core function of Kentucky Housing Corporation (KHC) is to invest in quality, safe, and affordable rental housing throughout Kentucky. As demand grows for capital for the preservation and creation of affordable multifamily housing, KHC has sought ways to expand available funding and equity. One way to do this is by increasing the use of conduit tax-exempt private activity bonds (Tax-Exempt Bonds) which allow projects to access 4% Low-Income Housing Tax Credits. Four percent tax credits are not limited by Kentucky's annual credit allocation and may be accessed when at least 50% of eligible development costs are financed by tax-exempt bond proceeds.

To increase the use of Tax-Exempt Bonds, private investment, and the overall production or rehabilitation of affordable rental housing, KHC is making available a combined total of \$19.2 million of KHC's Equity Bridge Loan (EBL), HOME Investment Partnerships (HOME Gap), Affordable Housing Trust Fund (AHTF Gap), and National Housing Trust Fund (NHTF) funds (collectively, the "Funds") to be exclusively utilized as described within this Notice of Funding Availability (NOFA). These KHC funds will be made available with applications due on or before September 15, 2016. KHC reserves the right to extend the application deadline until September 30, 2016, if it deems necessary at its sole discretion. **KHC reserves the right to fund any project, or no projects, at its sole discretion.**

The urban county governments of Louisville and Lexington have also committed funds to be allocated via this NOFA. Louisville Metro Government (Louisville Metro) has committed \$500,000 in HOME funds, as well as \$500,000 of Louisville CARES funds to be used as an equity bridge loan for projects located in Jefferson County. Lexington-Fayette Urban County Government (LFUCG) has committed \$1 million in funds from HOME and/or its local Affordable Housing Fund for projects in Fayette County.

KHC, Louisville Metro, and LFUCG anticipate that Funds will be awarded in October 2016, and the selected projects will close on all funding sources by July 2017. This NOFA describes the types of eligible projects and the allocation process through which these funds will be awarded.

Purpose of this NOFA: This notice serves as a streamlined, initial announcement of funds available. Respondents will submit fewer upfront documents than required in standard KHC funding rounds. KHC, Louisville Metro, and LFUCG will review NOFA responses for threshold requirements and applicable scoring, and successful respondents will be invited to complete KHC's formal universal funding application and technical submission process. KHC, Louisville Metro, and LFUCG will then fully review and underwrite each project and make formal funding commitments.

Project versus property: In this NOFA, "project" refers to the property or properties included in the NOFA response. "Property" refers to an individual multifamily property. Therefore, a "project" may include one or more "properties" bundled into a portfolio for an overall NOFA response.

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

Point of contact: Questions should be directed to Jeremy Ratliff, KHC's Managing Director of Multifamily Programs, toll-free at 800-633-8896 or 502-564-7630, extension 707; TTY 711; or email jratliff@kyhousing.org. NOFA responses should be submitted via the Universal Funding Application system (UFA).

SUMMARY OF NOFA FUNDS AVAILABLE

Source	Total Available	Maximum Per Project	Notes
<i>KHC Sources*</i>			
Tax-Exempt Bonds	\$150 million	Limited to ≤100% of total development costs	All projects must utilize tax-exempt bonds (conduit bonds with private placement).
4% LIHTC Equity	Limited by IRS	Based on eligible basis and investor interest	Accessed when 50% of eligible TDC is financed with tax-exempt bonds.
Equity Bridge Loan (EBL)	\$8 million	Based on demand \$1 million - \$5 million per project	Delays LIHTC equity, increasing pricing on credits.
HOME Gap	Approximately \$7 million	\$1,000,000 per project	If used in Louisville or Lexington, KHC will make up to \$1,000,000 per project available regardless of the amount of local PJ HOME funds utilized, if any. If used in Louisville or Lexington, a letter of support from the local PJ will be required.
NHTF Gap	\$2.7 million	Based on demand	Must be utilized to provide housing for those at 30% AMI or lower.
AHTF Gap	\$1.5 million	\$500,000 per project	Local government contribution is not required to receive KHC AHTF Gap funds.
<i>Non-KHC Sources</i>			
Louisville Metro HOME	\$500,000	\$500,000 per project	Jefferson County only. Funds will be allocated via this NOFA but will be approved and disbursed by Louisville Metro. These funds may not be combined in the same application with Louisville Metro CARES funds.

Louisville Metro CARES Equity Bridge Loan	\$500,000	\$500,000 per project	Jefferson County only. Funds will be allocated via this NOFA in the form of an equity bridge loan but will be approved and disbursed by Louisville Metro. These funds may not be combined in the same application with Louisville Metro HOME funds. However, Louisville Metro HOME funds will not be required to utilize KHC HOME gap funds in conjunction with Louisville Metro CARES funds.
LFUCG HOME/ Affordable Housing Fund	\$1 million	No Maximum	Fayette County only. Funds will be allocated via this NOFA but will be approved and disbursed by LFUCG.

*KHC reserves the right to alter funding amounts and/or mix funding sources.

KHC FUNDS AVAILABLE*

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

EQUITY BRIDGE LOAN FUNDS

Goals: Equity Bridge Loan (EBL) funds will be leveraged with KHC’s HOME, AHTF and/or NHTF funds to provide respondents with the needed capital to create or preserve affordable multifamily housing in Kentucky.

Eligibility Criteria: EBL funds are available for both new construction and rehabilitation of existing multifamily structures throughout Kentucky. *See attached KHC Equity Bridge Loan Program Term Sheet.*

HOME GAP

Goals: Create or preserve affordable multifamily housing within the Commonwealth.

Eligibility Criteria: To the extent that a respondent requests HOME Gap together with other Funds, there must be a clear demonstration that the HOME Gap is necessary for the viability of the project, as proposed.

In addition to the foregoing:

- There is a maximum of \$1,000,000 HOME Gap per assisted project.
- Rate/Term: 0% interest, 30 years deferred, due at maturity.
- Lien Position: Subordinate to EBL, if applicable, and superior to any local participating jurisdiction’s (PJ) lien for HOME gap funds.
- HOME funds are recourse.
- HOME Gap may be used during construction.

- When KHC HOME funds are utilized in a designated PJ, which receives a direct allocation of HOME funds from HUD, the PJ must provide a letter of support for the project, including an explanation of why the PJ is limiting its funding or not funding the project, if applicable. The project will not be required to utilize PJ funds to be eligible to receive KHC HOME funds. The following are local HUD PJs: LFUCG, Louisville Metro, City of Owensboro, and the Northern Kentucky HOME Consortium of Bellevue, Covington, Dayton, Ludlow, and Newport.
- KHC may charge up to \$20 per HOME unit for compliance and asset management. The fee will be in addition to the housing credit compliance fees associated with the housing credits.

NHTF GAP

Goals: Create or preserve affordable multifamily housing within the Commonwealth, serving tenants at 30% or lower AMI.

Eligibility Criteria: To the extent that a respondent requests NHTF Gap together with other Funds, there must be a clear demonstration that the NHTF Gap is necessary for the viability of the project, as proposed.

In addition to the foregoing:

- KHC is making \$2,700,000 of NHTF Gap available through this NOFA with no limit to the amount any one project may receive. If a project can demonstrate the necessity of the full amount of \$2,700,000, KHC may award the full amount to a single project.
- Rate/Term: 0% interest, 30 years deferred, due at maturity.
- Lien Position: Subordinate to EBL, if applicable, and superior to any local participating jurisdiction's (PJ) lien for HOME gap funds.
- NHTF funds are recourse.
- NHTF Gap may be used during construction.
- KHC may charge up to \$20 per NHTF unit for compliance and asset management. The fee will be in addition to the housing credit compliance fees associated with the housing credits.
- NHTF funds must be used in conjunction with project-based rental assistance.

AHTF GAP

Goals: To create or preserve affordable multifamily units in the Commonwealth.

Eligibility Criteria: AHTF Gap funds are available throughout the Commonwealth. AHTF may be used to match any local entitlement community's HOME or AHTF funds dollar-for-dollar up to \$500,000 per applicant. When a project requests AHTF Gap together with other Funds, there must be a clear demonstration that AHTF Gap is necessary for the viability of the project.

In addition to the foregoing:

- Rate/Term: 0% interest, 30 years deferred, due at maturity.
- Lien Position: Subordinate to EBL, if applicable, and PJs' HOME/AHTF mortgage.
- AHTF funds are non-recourse.
- AHTF Gap may be used during construction.
- A qualified nonprofit **must** own at least 51% of the general partner interest and materially participate in the management or ownership of the development.

LOUISVILLE METRO FUNDS AVAILABLE (HOME - \$500,000; CARES - \$500,000)

HOME GAP

Goals: Participate in the creation and preservation of rental units with a variety of housing choices; a diverse blend of affordable housing types, supported by public facilities and other amenities. The goal of this NOFA is to finance 200 to 300 units.

Eligible Respondents: For-profit and nonprofit developers, certified Community Housing Development Organizations (CHDOs) and faith- and non-faith-based organizations. Respondents may not receive both Louisville Metro HOME funds and Louisville Metro CARES Equity Bridge Loan financing.

Respondents must demonstrate housing development experience, financial capacity, and availability to begin and complete the project in a timely manner. Respondents must take on the roles of developer, builder, and property manager, or identify experienced partners/contractors who will serve in these roles. Respondents must be in good standing on current and past projects funded by Louisville Metro, e.g., no outstanding property taxes, no property code violations, consistent Metro payment history, current on Metro payable loans, and in compliance with general funding regulations and requirements.

Respondents must share their project concept with Louisville Metro before requesting funds via this NOFA, and must secure a letter of interest from Louisville Metro. See the *Threshold Criteria* section of this NOFA.

Eligible Activities: Acquisition, Rehabilitation, or New Construction

Projects in Jefferson County that are eligible for HOME funding. All respondents must comply with Louisville Metro's Funding Priorities and HUD regulations. More information may be obtained via [Louisville Metro's website](#).

In addition to the above:

- Maximum Per Project: There is a maximum of \$500,000 Metro HOME Gap per assisted project.
- Compliance period: Based on HOME-required period of affordability (typically 10-20 years).
- Rate: 1% -3.5% based on the project's ability to repay.
- Lien Position: Subordinate to Equity Bridge Loan, if applicable; subordinate to KHC HOME.
- HOME funds are recourse.
- HOME Gap may be used during construction and the interest may be deferred.
- HOME funds require a minimum of 5% eligible matching funds as defined in 24 CFR 92.220; developers must identify the source of qualifying HOME match.

Disclaimers:

- Louisville Metro reserves the right to allocate less than \$500,000 via this NOFA, or to allocate no funds whatsoever, should no NOFA responses qualify for Louisville Metro HOME funds.
- Louisville Metro reserves the right to require documentation beyond that required by KHC if needed to make funding decisions.

LOUISVILLE CARES EQUITY BRIDGE LOAN

Goals: To address the need for affordable housing for low to moderate income, working households by providing respondents with the needed capital to create or preserve affordable multifamily housing in Jefferson County.

Eligibility Criteria: EBL funds are available for both new construction and rehabilitation of existing multifamily structures within Jefferson County. The respondent may not receive both Louisville Metro HOME funds and Louisville Metro CARES Equity Bridge Loan financing. *See attached Equity Bridge Loan Program Term Sheet.*

Additional program information and project criteria can be found at the following link on the Louisville Metro website, [Louisville CARES Program](#).

Respondents must share their project concept with Louisville Metro before requesting funds via this NOFA, and must secure a letter of interest from Louisville Metro. See the *Threshold Criteria* section of this NOFA.

Disclaimers:

- Louisville Metro reserves the right to allocate less than \$500,000 via this NOFA, or to allocate no funds whatsoever, should no responses qualify for Louisville Metro CARES Equity Bridge Loan financing.
- Louisville Metro reserves the right to require documentation beyond that required by KHC if needed to make funding decisions.

LFUCG FUNDS AVAILABLE (HOME/AHTF - \$1 MILLION)

Goals: To leverage public investment to preserve, produce, and provide safe, quality, affordable rental housing in Fayette County.

Eligibility Criteria: Projects in Fayette County that preserve and/or create affordable rental housing consistent and compliant with HUD's HOME program and/or LFUCG's local Affordable Housing Fund.

Additional program information and project criteria can be found at the following links on LFUCG's website:

[Lexington-Fayette Urban County Government's HOME program](#)

[The Affordable Housing Fund](#)

[Affordable Housing Fund Guidelines](#)

Respondents must share their project concept with LFUCG before requesting funds via this NOFA, and must secure a letter of interest from LFUCG. See the *Threshold Criteria* section of this NOFA.

Disclaimers:

- LFUCG reserves the right to allocate less than \$1 million via this NOFA, or to allocate no funds whatsoever, should no NOFA responses qualify for LFUCG funds.
- LFUCG reserves the right to require documentation beyond that required by KHC if needed to make funding decisions.

PROJECTED NOFA TIMELINE

- July 22, 2016. KHC releases NOFA.
- September 15, 2016. Last date NOFA responses may be submitted. KHC reserves the right to extend this deadline until September 30, 2016, if KHC deems necessary in its sole discretion.
- February 28, 2017. Deadline for inducement resolution approval by KHC’s board.
- April 30, 2017. Application and technical submission complete.
- July 31, 2017 Deadline for closing. KHC may, at its discretion, provide one or more extensions consistent with the procedures set forth in the 2017-2018 Qualified Allocation Plan (QAP). Extension fees apply.

THRESHOLD CRITERIA FOR ALL PROJECTS

1. Respondents must utilize Tax-Exempt Bonds for construction and/or permanent financing.
2. Respondents must present a project timeline demonstrating the ability to close on all funds requested in this NOFA—including the bond transaction—by the close of July 2017.
3. Respondents must meet the requirements of the 2017-2018 Qualified Allocation Plan (QAP), to be adopted and effective upon the Governor of Kentucky signing the QAP into effect and 2017 Multifamily Guidelines to be made available upon being made effective. Respondents may request waivers of the requirements in the QAP; however, each waiver request must be supported with appropriate justification and shall be accompanied by any applicable fees.
4. Respondents must achieve a minimum 60% on the KHC Capacity Scorecard.
5. Respondents must engage an attorney or attorneys who: have acted as bond counsel or counsel for the bond trustee, bond purchaser, or the borrower in connection with at least one (1) KHC multifamily bond issue within the previous five (5) years; or can demonstrate a comprehensive understanding of KHC's general bond policies and procedures.
6. The Funds will only be available to projects that have not yet received or applied for an allocation of Tax-Exempt Bonds.
7. Projects must be completed and placed in service no later than 36 months after the date of the closing of all KHC funds.
8. Respondents proposing projects in Jefferson or Fayette counties (regardless of whether the respondents are seeking gap subsidy from Louisville Metro or LFUCG) must share their project concept with Louisville Metro and/or LFUCG, and must secure a letter of interest from Louisville Metro or LFUCG. The letter of interest should express the municipality's support of a NOFA response but need not express any firm commitment of funds.
9. All projects must clearly address one or more impediments to fair housing. Respondents must identify fair housing impediments in KHC's Analysis of Impediments to Fair Housing (AI). If the project is located in a HOME participating jurisdiction, the project must also address one or more impediments in the local jurisdiction's AI.
10. KHC may require a project to recognize other funded projects in its market study review. In the event two or more projects are submitted from the same geographical region, KHC staff will determine, based upon a market study review procured by KHC, whether the targeted market for that particular region will be able to absorb each project. If the market review shows the target region cannot absorb multiple projects, then the highest scoring project will be approved. Market study considerations may cause a property or a project to be denied funding or have funding reduced during the application and technical submission phase.

KENTUCKY HOUSING CORPORATION FUNDING PREFERENCES

- Projects with some form of project-based rental assistance;
- New construction projects that are located in a census tract with less than 10% poverty rate.
- Projects to serve family populations located in school districts for which at least one districted school (elementary, middle school or high school) has a Great Schools score of 7 or higher. Great School scores may be obtained from the [Great Schools](#) website;
- Rehabilitation projects consisting of three or more properties (portfolio projects);
- Funding from Louisville Metro or LFUCG made available via this NOFA;
- Projects serving elderly populations;
- Equitable geographic distribution of KHC resources.
- Projects exhibiting a community impact by demonstrating the projects are a component of a formal plan for revitalization of an area.

Portfolio Projects. If any preference is applicable to any one property within a portfolio project, the project will be treated as meeting that preference. For example, if a portfolio project consisting of five properties is submitted and one of the properties is located within a census tract having a poverty rate of less than 10%, the project will meet the preference for being located within a census tract having less than 10% poverty.

No Priority. There is no priority to the preferences and the preferences are listed in no particular order.

LOUISVILLE METRO FUNDING PREFERENCES

- Rehabilitation of existing structures, particularly historic structures;
- Urban projects building on existing/emerging neighborhood anchors within a ¼ mile of a school, church, full-service grocery store, Metro park and/or safe route access to public transportation;
- Development that increases affordable housing choices for low- and moderate-income households in census tracts that are not predominantly low-income, thereby promoting mixed-income neighborhoods;
- Projects that leverage private funding and qualifies as HOME match to count toward Louisville Metro HOME match requirements; and
- Projects that do not permanently displace existing residents.

Community Impact. Louisville Metro will prioritize projects that speak to community impact, e.g., projects that leverage existing neighborhood development activity in a way that provides for visible impact. Louisville Metro is particularly interested in projects that will contribute to permanent revitalization of an area, repurposes vacant and abandoned real estate, and/or redevelops property currently owned by Louisville Metro.

Employment. Projects located in close proximity to employment centers.

NOFA RESPONSE DOCUMENTATION REQUIREMENTS

1. A résumé or qualifications package for each employee or partner, as delineated in the KHC UFA system, who will be working on the project, including bond transaction history, if any.
2. Developer's current year financial statements and relevant references. If not available, explain why and provide previous year's statements.
3. Engagement letter with the applicable underwriter, placement agent or bond purchaser, including bond transaction history.
4. Engagement letter with the applicable bond counsel, including bond transaction history. Include the résumé or qualifications package of each attorney who will be working on the proposed financing, including a bond transaction history. A letter from the project's Bond Underwriter that outlines the bond structure and all steps required, including a timeline, for closing the financing for the project.
5. Narrative describing the history of the project and properties (existing rental properties only).
6. Narrative and supporting documentation explaining how the project satisfies any and all KHC preferences itemized herein. If the development is part of a community revitalization plan, a copy of the revitalization plan must be provided and the page and paragraph within the plan which supports the need for the project must be identified.
7. Evidence of site control.
8. Rehabilitation scope of work (existing rental units only).
9. Full disclosure of any identities of interest.
10. Market study for all projects.
11. Audited financials or rent rolls for the past five years evidencing occupancy (existing units only). For any portfolio projects, consisting of three or more properties, a full market study for each property will be required, once KHC has issued a preliminary commitment to the project and as part of the Final Bond Resolution stage of the UFA system.
12. KHC underwriting models for each property included in the proposal, available format on [KHC's website](#).
13. If more than one property is included in the NOFA submission, respondents must complete a separate *NOFA Portfolio Summary* spreadsheet, available on [KHC's website](#). In addition, a combined underwriting model showing the overall performance of the collective portfolio is required. The combined portfolio model may be on a developer-provided format.
14. KHC Capacity Scorecard, available within the KHC UFA system.
15. Documentation of commitments of other funding/financing sources. Conditional commitments will be accepted.

Submission of NOFA Response:

NOFA responses must be submitted to KHC via the Universal Funding Application (UFA) system.

Public Records Acknowledgement:

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

Applicant must also acknowledge and agree that unless such material is segregated and clearly designated by Applicant in its response as eligible for an exemption pursuant to KRS § 61.878, KHC will comply with valid open record requests and make the response material available for inspection and/or copying. Applicant must further acknowledge and agree that even material which is so segregated and designated by the Applicant may become subject to release by KHC upon a successful challenge by a member of the public.

NOFA ATTACHMENT A
KHC EQUITY BRIDGE LOAN PROGRAM – TERM SHEET

The Equity Bridge Loan (EBL) program can provide a short-term loan to extend the schedule of the Low-Income Housing Tax Credit (LIHTC) investor’s equity payments to an affordable housing project (a Property). By deferring the investor’s equity installments, the LIHTC investor’s anticipated return on investment increases. As a result, investors are willing to pay a higher price for each LIHTC generated by a Property, thereby generating increased private sector capital available to fund construction and/or rehabilitation and allow certain projects to be financially feasible.

The intent of the EBL is to assist KHC in deploying its resources in an efficient and practical way and to meet the following objectives:

- 1) To increase KHC’s ability to support the construction or preservation of safe, decent, affordable housing within the Commonwealth of Kentucky;
- 2) To help increase the availability of Tax-Exempt Bonds, LIHTC and private equity within the Commonwealth;
- 3) To maximize the impact of private sector capital in rural properties;
- 4) To complement and augment existing government loan programs;
- 5) To maintain the affordable rents for tenants; and
- 6) To provide for secure repayment of the loan to KHC and to permit KHC to quickly redeploy repaid loan proceeds to preserve additional properties.

I. Proposed Loan Terms

<i>Loan Amount</i>	\$1 million - \$5 million per project, based upon demand.
<i>Term</i>	Maximum term of 11 years including a 12-month interest-only period and a 10-year amortization period. The interest-only period and the loan term are optional and may be extended for an additional six (6) months due to construction delays at KHC’s discretion.
<i>Amortization</i>	For the initial twelve (12) month period following loan closing, no payments will be due on the loan other than interest payments. KHC may, at its discretion, defer such interest payments until the placed-in-service date. Following the deferral period, principal on the loan will amortize with level annual payments over the remaining term. The EBL will fully amortize over the term of the loan with no balloon payments due at maturity.
<i>Interest Rate</i>	2.50% - 3.00%. The interest rate will be determined by KHC based on a Property’s needs and the ability to repay the loan with interest.

II. Loan Funding

The full amount of the EBL will be available for disbursement to the project owner to pay for eligible project costs at closing. To the extent that the full amount of the EBL is not funded at closing, the project owner may make subsequent draws on a monthly basis until the full amount of EBL is funded. Monthly interest will accrue on the funded loan balance.

III. Loan Repayment

Interest and principal for the EBL will be repaid from the LIHTC investor's equity payments contributed to the project. KHC will require collateral and a pledge of the investor's interest and equity payments, as described in Section IV, Security and Collateral.

The amortization of the EBL will commence on the first anniversary date of the loan closing and will consist of equal monthly payments of principal and interest over the term of the loan. Annual payments for the full amount due in each year will be due on January 1 of each year following closing and will be calculated using a 30/360 accrual method. An alternate payment schedule may be approved by KHC. At closing, capitalized interest for the first twelve (12) months will be funded into a capitalized interest reserve.

IV. Security and Collateral

The EBL will be secured with a subordinate mortgage on the Property to secure the debt. In addition, the borrower shall provide additional security to KHC, which may take the form of any one of the following to be determined by KHC in its sole discretion:

- During construction, the borrower will furnish either a payment and performance bond or an irrevocable letter of credit equal to KHC's funds, meeting the requirements of the KHC Multifamily Guidelines.
- The syndicator or investor may provide KHC with a collateral assignment of partnership interest in the Property.
- The equity investor will provide collateral to secure the full amount of the loan for both principal and interest for the entire term of the EBL in the form of one of the following:
 - 1) An unconditional promissory note from the investor or syndicator; or
 - 2) An unconditional payment guaranty from the corporate investor limited partner;
 - 3) Only if option 1 or 2 is not available, an irrevocable letter of credit from a bank equal to the unpaid principal balance of the EBL.
 - 4) Any other form of security as determined by KHC, in its sole discretion.

V. Associated Fees

Each successful applicant will be charged a commitment fee of one percent (1%) of the loan amount and a closing fee of \$7,500 per assisted property. The applicant is also responsible for closing costs, including recording fees, title insurance premium, all attorney fees, real estate transfer tax (if applicable), and other fees typically incurred in connection with the applicant's development.