**February 24, 2009**

**Stimulus Bill's Effect on KHC's HFC Programs**
U.S. President Barack Obama signed the latest stimulus bill titled American Recovery and Reinvestment Act (ARRA) on February 18, 2009, that may have an impact on the Kentucky Housing Corporation (KHC) Housing Finance and Construction (HFC) 2008 and 2009 Housing Credit projects.  Currently, all state housing finance agencies are in the process of digesting this information.

KHC understands the urgency that our partners feel, as well as the need to apply the ARRA to our programs.  We are investigating the impact of ARRA on all of our programs and there are still many unknowns.  Once we have received additional guidance, we will have a better understanding on how to proceed.

We already know Davis-Bacon Act guidelines will probably apply to this bill, but there are many other federal requirements that might have an impact on these funds, such as environmental reviews. Therefore, we are requesting all 2008 and 2009 projects that did not receive HOME funding initially, as well as any projects that may have to use funding from ARRA, complete the Kentucky Intergovernmental Review Process Application and submit it to the State Clearinghouse in the Kentucky Department for Local Government to begin the process of the environmental review.  This application can be found on the KHC Web site under Housing Production, Rental Production Programs, Kentucky Intergovernmental Review Process, or you may contact your program representative.

KHC's staff environmental specialist will begin the process of site reviews after we receive the State Clearinghouse comments.  This is a lengthy process that should begin immediately to avoid any future delays.

As we receive additional guidance, we will inform our partners through the eGram system on how to proceed.  At this time, please wait before submitting any proposals unless your program representative contacts you.  We want to move as quickly as possible and we will keep you informed as new information becomes available.