

Developers' Forum Results

On January 20, 2009, Kentucky Housing Corporation (KHC) held a Developers' Forum to gain input from partners and to discuss the current issues in today's market concerning projects KHC funded in 2007, 2008, and 2009. The response was overwhelming, and we appreciate those who attended and submitted comments.

Based upon the forum, and after several weeks of discussion and gathering additional information, KHC's Housing Finance and Construction Department will implement the following:

2007 Projects

Kentucky Housing Corporation is in the process of meeting with applicants to determine the most advantageous use of available resources.

2008 Projects

Projects that received an allocation of Housing Credit in 2008 **must** close with their equity investor by Tuesday, December 15, 2009, and must meet the 10 percent carryover test by Wednesday, November 25, 2009. If projects are not closed by this date, KHC will recapture the Housing Credits and any other soft funds awarded by KHC.

Consistent with the Qualified Action Plan (QAP), KHC reserves the right to allocate recaptured Housing Credits and/or soft funds into other pools or set-asides as it deems necessary. KHC also reserves the right to allocate Housing Credits to non-specified projects if the credit amount can preserve the long-term viability of such projects.

Projects that were allocated funding in 2008 can request additional Housing Credits that will be available on a first-come, first-served basis and will be based upon the ability to close with an equity provider. This Housing Credit is also available to 2008 projects that have already closed. KHC does not anticipate swapping 2008 Housing Credits for the current year or 2010 Housing Credits.

In order to receive additional Housing Credits, applicants must have:

- Justification for additional Housing Credits.
- An updated underwriting model including additional Housing Credit amount.
- All other funding commitments in place.
- All technical submission documents submitted and approved.
- All construction closing documents submitted and approved.
- The draft/final syndication agreement, which must include:

- Pay-in schedule on how the equity will be paid.
- Cents on the dollar or pricing of equity.
- Source of equity investment funds.
- Signatures of both parties.
- Date of closing to occur.
- List of other requirements, such as Reserve for Replacement, Operation Reserves, etc.

Please submit all requests and documentation to your program representative. KHC reserves the right to reject requests if:

- Costs appear excessive.
- An additional allocation would result in an excessive Housing Credit allocation to a single project.
- The requested Housing Credit would not substantially enhance the feasibility of the project.
- KHC determines that an additional allocation would be against KHC's best interests.

2009 Projects

KHC will not make a final decision regarding 2009 projects until the current stimulus package has been finalized and analyzed for its impact to Kentucky. However, projects that received an approval letter must submit all technical submission documentation by Thursday, April 30, 2009. Projects will **not** be required to close with their equity provider by Monday, June 15, 2009, as previously outlined.

Additional information pertaining to the 2009 projects will be forthcoming.