Tax-Exempt Bond Request With Conduit Financing

www.kyhousing.org
Tax-Exempt Bond Request with Conduit Financing

GENERAL INFORMATION

Applicant Information

____________________________________________________________________
Legal Name
____________________________________________________________________
Address
____________________________________________________________________
City       State     Zip
(____)___________________________   (____)_____________________________
Phone          Fax
____________________________________________________________________
Federal Tax ID Number
____________________________________________________________________
Email Address

Alternate Contact

____________________________________________________________________
Name          Title
____________________________________________________________________
Address
____________________________________________________________________
City       State     Zip
(____)___________________________   (____)_____________________________
Phone          Fax
____________________________________________________________________
Email Address

Project Information

____________________________________________________________________
Name
____________________________________________________________________
Address
____________________________________________________________________
City       State     Zip
____________________________________________________________________
County

Amount of Conduit Bonding Authority Requested: ____________________________
Required Items for Tax-Exempt Bond Requests with Conduit Financing

Project Information
Applicant is required to prepare a project information packet that includes the following items:

- Detailed project narrative.
- Project location map with site identified.
- Detailed description of target population.
- Proposed rents for each bedroom type.
- Estimated cost per unit and approximate amount of the bond financing requested. (Cannot exceed 60 percent of total development cost).

Financing Team Qualifications

- A résumé or qualifications package for each employee or partner who will be working on the project, including bond transaction history.
- Developer’s current year financial statements and relevant references. If not available, explain why and provide previous year statements.
  - Income Statement
  - Balance Sheet
  - Statement of Cash Flow
- Proposed lender and their résumé or qualifications package including bond transaction history.
- Proposed bond counsel and the résumé or qualifications package of each attorney who will be working on the proposed financing including bond transaction history.
- Proposed bond underwriter and the résumé or qualifications package for each employee who will be working on the project financing including bond transaction history.
- Proposed financial advisor, if any, and their résumé or qualifications package including bond transaction history.
- Proposed management company and the résumé or qualifications package for the firm.

Financing Plan

- Sources and uses of funds.
- Preliminary cash flow analysis or pro forma (a minimum of 15 years).
- If requesting the 4 percent Low Income Housing Tax Credit (Housing Credit), completed Credit application and all of its attachments. The Housing Credit application is located at on page 12 of this document.
  
  Note: This item is not due until after the Inducement Resolution is approved.

Tax-exempt bond-financed projects are eligible for Housing Credit outside of the state Housing Credit ceiling. However, they are subject to all provisions of the state Qualified Allocation Plan (QAP) except the competitive selection process. Please refer to the State Qualified Allocation Plan for guidance.
Other Documentation

☐ Letter from mayor or county judge/executive (chief executive officer of the local jurisdiction where the project will be located) supporting the project. Minimum required information shown on page 8 of this packet.

☐ Physical Needs Assessment—Rehab projects only. For more information, please see Kentucky Housing Corporation’s Web site for Rental Application Guidelines.

☐ Developer’s evidence of long-term site control (i.e., deed, option or purchase contract with closing date that exceeds the closing date for the bonds).

☐ Verification the project meets all applicable planning and zoning laws.

☐ Notification to certain officials of intent to obtain Kentucky Housing Corporation financing. Other officials include the fiscal court member or city council member, the state senator and the state representative of the area where the project is located. (See page 9).

☐ Proposed design including plans and specifications drawn to scale. Plans must conform to Kentucky Housing Corporation’s universal design policy and minimum design policy. Both policies are located on Kentucky Housing Corporation’s Web site.

☐ Financing details prepared in accordance with the Capital Projects and Bond Oversight Committee requirements. (See “New Bond Issue Report”, page 10).

*Note: This item is not due until after the Inducement Resolution is approved.*

Fee Structure

The following fees will be applicable for a fixed-rate bond transaction.

**Application fee:** $2,500 to be submitted with the application. This amount includes the application fee for Housing Credits stated in the state Qualified Allocation Plan.

**Issuer Fees due:** $2.50/bond or quarter point (if rated A+ or better) or $5.00/bond or half point for private placement of bonds. (Half is due at Inducement Resolution which is non-refundable, and the other half is due at time of bond closing).

**Annual Issuer Fees:** $1.25/bond or an eighth point (this covers annual compliance and financial reviews).

**Issuer’s Counsel:** To be determined but not to exceed $20,000. (One-time fee paid at closing).

Kentucky Housing Corporation’s out-of-pocket expenses will be a one-time amount of approximately $5,000.

In addition, if the 4 percent Housing Credit is being requested, all applicable fees listed in the State Qualified Allocation Plan should be included. The plan can be found on Kentucky Housing Corporation’s Web site. The reservation fee must be paid prior to issuance of the Internal Revenue Service (IRS) 42m letter. If the amount of 4 percent Housing Credit increases between the time the IRS 42m letter is issued and issuance of Form(s) 8609, additional reservation fees will be collected prior to issuance of Form(s) 8609.

*Note: The Annual Report Fee and the Compliance Monitoring Fee listed in the QAP are the same fees as the Annual Issuer Fees listed above. You will not be required to pay these fees twice.*

Incomplete applications will not be accepted for review and will be returned to the developer.
Minimum Requirements

Prior to application submission, the developer and development team must meet the following minimum requirements.

• All eligible developers or a member of the development team must have successfully completed at least one tax-exempt bond project prior to submission of the application.

• The development team must also contain some members that have successfully completed at least one tax-exempt bond project. All experience and qualifications must be documented for all members of the development team in the Financing Team Qualification section of the application.

• Development teams that plan to use private placement bonds will be required to have completed three successful tax-exempt bond projects prior to application submission.

Additional Information

• Kentucky Housing Corporation has approximately $40 million of 2008 tax-exempt bonding authority available.

• Applicants applying for tax-exempt bond financing cannot request more than 60 percent of the total project cost to be financed through tax-exempt bonds; the balance of the debt will be taxable.

• The maximum amount of tax-exempt bonds cannot exceed $10 million per project.

• Kentucky Housing Corporation will be allocating approximately $11 million of tax-exempt bond financing to projects developed by the Housing Authority of Lexington which has received funding from the federal Hope VI Program.

• Approximately $29 million will be allocated using the process outlined on the following page.

Applications for the Tax-exempt Bond with Conduit Financing Program will be accepted between January 2, 2008, and March 31, 2008. Applications received after March 31, 2008, or incomplete applications will not be reviewed and will be returned to the developer. All applications, with required attachments, must be sent to the attention of:

Donna Adcock
Finance Department, Tax-Exempt Bond Program
Kentucky Housing Corporation
1231 Louisville Rd.
Frankfort, KY 40601

All applications will be reviewed to ensure that application threshold requirements are met. All projects that meet application threshold review will advance to the lottery pool.

During the month of April, Kentucky Housing Corporation will hold a lottery to select the list of projects. Due to federal Hope VI funding requirements, the Housing Authority of Lexington’s Hope VI project will not participate in the lottery selection process, but must comply with all other requirements of this document.

All eligible projects will be entered into the lottery pool and will be randomly selected until the approved funding level is achieved. At such time, three additional projects will be randomly selected to serve as back-up projects in the event that a selected project is unable to complete the remaining stages of the review and approval process. Projects having received an Inducement Resolution must close within six months from the date of the Inducement Resolution.
In the event that two or more projects are selected from the same geographical region, Kentucky Housing Corporation staff will determine through market study reviews that the targeted market for that particular region will be able to absorb each project. If the market review shows that the target region cannot absorb multiple projects, the first selected project will be approved and the subsequent project(s) will be turned down.

All projects that are not selected for funding through the lottery pool will remain in the pool for up to 24 months for future lottery selection.

**Processing Procedures and Approval Timelines**

**Initial Review**

- The project narrative, financing team qualifications, financing plan and other documentation (see page 2) must be submitted prior to application deadline.
- Kentucky Housing Corporation will review required items upon submission. Any questions or issues will be conveyed to the developer or other appropriate contact for resolution.
- Kentucky Housing Corporation will review applications to ensure that all application thresholds were met. Applications that meet all thresholds will advance to the lottery pool. Applications that do not meet the necessary thresholds will be denied and returned to the developer.

**Kentucky Housing Corporation Lottery Pool Selection**

- Kentucky Housing Corporation will randomly select projects from the lottery pool until funds are depleted. Three additional projects will be selected to serve as back-up projects.
- Kentucky Housing Corporation will notify selected applicants that a conditional commitment of bonding authority will be sent and prepare projects for presentation to the Board.

**Market Study**

Once an application has received conditional approval, the applicant should send in a check for the amount of the market study within two weeks. Kentucky Housing Corporation will order the market study. The study should be completed and returned from the market analyst within 30 days.

**Process for Ordering Study**

Kentucky Housing Corporation has contracted with four market study firms. These firms will be listed on Kentucky Housing Corporation’s Web site along with their market study fee. The approved applicant will tell Kentucky Housing Corporation which firm they want to use. Kentucky Housing Corporation will then contact the requested market analyst and order the market study.

Once the market study is received, reviewed and approved, the invoice from the market analyst will be paid. Kentucky Housing Corporation should already have the check to cover this fee on deposit. If for some reason the invoice is less than the contract fee amount, Kentucky Housing Corporation will retain any excess funds and treat them as fee income.

**Process for Developer’s Preliminary Studies**

The developers may use any market study analyst they choose to prepare any preliminary studies prior to application submission. Preliminary market studies are not required to be submitted with the application and will not be reviewed as part of the application process.
If the application receives conditional approval, then the process for ordering the study shown above will be used.

**Kentucky Housing Corporation Board Review Timeline**

- An Inducement Resolution is prepared by issuer’s counsel.
- An Inducement Resolution is presented to Kentucky Housing Corporation’s Board for approval.
- An inducement agreement is executed between the developer and Kentucky Housing Corporation.

**Notice of Public Hearing**

Following the approval of the Inducement Resolution by Kentucky Housing Corporation’s Board of Directors, the Internal Revenue Code requires a public hearing be held in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA). A notice of the public hearing prepared by the project’s bond counsel needs to be placed in a newspaper of general circulation at least 14 days prior to the hearing. The hearing will be held at Kentucky Housing Corporation.

**State Property and Building Commission Review**

A resolution authorizing the bond transaction must be approved by the State Property and Building Commission. The meeting must take place after Kentucky Housing Corporation’s Board approves the Inducement Resolution, but prior to the Capital Projects and Bond Oversight Committee meeting. The project’s bond counsel will prepare the resolution for the committee’s approval.

**Capital Projects and Bond Oversight (CPBO) Committee Review**

Prior to the sale of the bonds, the project is presented to the CPBO Committee for approval. The CPBO meets on the third Tuesday of each month. A new bond issue report, prepared by the project’s bond counsel, must be received by Office of Financial Management (OFM) staff by the first of the month. OFM and Kentucky Housing Corporation staff will make the CPBO Committee presentation. Project representatives may be asked to attend.

**Final Kentucky Housing Corporation Board Approval**

The sale of the bonds will be approved at a regularly scheduled Kentucky Housing Corporation Board of Directors meeting. If necessary, a special-called meeting of the Executive Board may be scheduled. Prior to the Board presentation, all financing and bond documents must be accepted by issuer’s counsel and deemed to be in “nearly final” form. All other agency approvals (i.e. U.S. Department for Housing and Urban Development) must have been received and all due diligence issues resolved.

**Approval by Other State Officials**

Approval documents from the Governor, Attorney General and the OFM must be obtained and made a part of the bond closing documents. Sufficient time between the bond sale and closing should be allowed in order to obtain these documents.
Processing Procedures and Approval Timelines

1. Submission of Required Items
2. Lottery Selection
3. KHC Board meeting Inducement Resolution
4. Execution of Inducement Agreement. Publish TEFRA Notice
5. State Property and Building Commission
6. TEFRA Hearing
7. Capital Projects and Bond Oversight
8. Final Review and Approval
9. KHC Board Approval of Sale

- **Two Weeks prior to Board Meeting**
- **Notice published at least 14 days prior to hearing**
- **Determined by the State**
- **3rd Tuesday of each month**
- **Varies**
- **As needed**
Finance Department
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, KY 40601

RE: [NAME OF PROJECT]

To Whom It May Concern:

This letter is in support of the application of [APPLICANT] for financial assistance from Kentucky Housing Corporation. [APPLICANT] intends to [describe the development in terms of units, new construction/rehabilitation of existing property, geographic location]. If approved by Kentucky Housing Corporation, this project will increase the housing choices for lower- and moderate-income households in [CITY or COUNTY].

My support of this project is contingent upon evidence of the following items.

1. Preparation and submittal to Kentucky Housing Corporation by [APPLICANT] of a market study that demonstrates the need for this project at the proposed rent structure.

2. Verification by [APPLICANT] that the project meets all applicable zoning and planning laws of the jurisdiction where the project is located.

3. Notification to certain officials by [APPLICANT] of intent to obtain Kentucky Housing Corporation financing of proposed project. The notification form is prescribed by Kentucky Housing Corporation and the officials to be notified include:
   - The fiscal court or city council member representing the district in which the project is to be developed.
   - The state senator of the district in which the project is to be developed.
   - The state representative of the district in which the project is to be developed.

Please inform my office if you have any questions.

Sincerely,

[NAME]
[TITLE]
(Chief Executive Officer of local jurisdiction)
CERTIFIED MAIL RETURN RECEIPT REQUESTED (Attach)

[OFFICIAL’S NAME]
[OFFICIAL’S ADDRESS]

RE: [NAME OF PROJECT]

Dear [NAME]:

The purpose of this letter is to notify you of an application with Kentucky Housing Corporation for the financing of a project located within the area you represent.

The project is [describe project, including number of units, specific location, new construction/rehabilitation, etc].

If you have any questions or concerns about this project, please contact [NAME and ADDRESS] in writing within 14 days of receipt of this notification.

Sincerely,

[APPLICANT]

cc: Kentucky Housing Corporation
[NAME] (Chief Executive Officer of local jurisdiction)
NEW BOND ISSUE REPORT

New Bond Issue

Name of bond issue ___________________________________________________________

Purpose of issue ______________________________________________________________

Names of project(s) covered by issue _____________________________________________
____________________________________________________________________________

Proposed date of sale _______________ Proposed date of issue _______________

Ratings: Moody's ________ Standard & Poor's ________ Fitch ________

Date authorization(s) FY ________
If multiple, list on attachment.

Net Proceeds for Project $______________

Add: Issuance cost ____________________
    Bond discount ____________________
    Debt service reserve fund __________
    Insurance premium ________________
    Other (specify) ____________________

Gross Proceeds for Project $______________

Terms of Issue

Net interest rate __________% Length of term __________

Gross debt service amount $______________ Average annual debt service $______________

First call date ________________ Premium at first call ____________________%

Method of sale: ☐ Competitive Bid ☐ Negotiation

Bond counsel ______________________________________________________________

Underwriter counsel _________________________________________________________

Financial advisor ___________________________________________________________

Underwriter ________________________________________________________________

Trustee ________________________________________________________________

If the new bond issue includes a refunding, please complete the next page.
For Refunding Only

Name of bond issue ___________________________________________________________

Amount of outstanding principal $_____________  Amount to be refunded $_____________

If less than the total outstanding principal is to be refunded, please explain. _________________

____________________________________________________________________________

Terms of Existing Bond Issue

Net interest rate ____________%  Length of term ________________________________

First call date ______________  Premium at first call ____________________________

Average annual debt service ____________________________________________________

Current Refunding Activity

Funds to apply to refunding

Proceeds from new bonds $___________________________

Released debt service reserve $___________________________

Total available to pay old bond issue $___________________________

Savings Resulting from Refinancing

Average annual debt service savings $___________________________

Number of years savings will accrue $___________________________

Total present value savings $___________________________
Kentucky Housing Corporation

Application for Allocation of 4% Housing Credit for
Tax Exempt Bond Financed Projects, Effective 11/26/2007

Each item must be completed. If not applicable, so indicate. Incomplete applications will be returned to the applicant.

A. Project Information
If this is a supplemental allocation, provide original project number. KY-

Project name
___________________________________________________________________________

Address
___________________________________________________________________________

City        State     Zip
___________________________________________________________________________

County

NOTE: If project is located within the city limits, provide the mayor’s contact information. If the project is located outside the city limits, provide the county judge-executive’s contact information.

Name of elected official
___________________________________________________________________________

Title
☐ Mayor  ☐ County Judge-Executive

Political Jurisdiction (city/county)
___________________________________________________________________________

Address
___________________________________________________________________________

City        State     Zip
___________________________________________________________________________

Amount of annual Low Income Housing Tax Credit (Housing Credit) requested
___________________________________________________________________________

Housing Credit type requested
☐ Acquisition and Rehabilitation with Federal Subsidy
  If acquisition credit is being requested, have the building(s) met the rehabilitation requirements under Section 42(d)? Yes ☐ No ☐
  If yes, please attach documentation. If no, have the exceptions in this subsection been met? If so, please attach documentation.
☐ New Construction with Federal Subsidy
☐ Rehabilitation with Federal Subsidy

B. Elections

The owner irrevocably elects the 20/50 or 40/60 minimum set-aside requirements.
(Choice one box only)

☐ At least 20 percent of the rental residential units in this development are rent-restricted and are to be occupied by individuals whose incomes are 50 percent or less of the area median gross.
☐ At least 40 percent of the rental residential units in this development are rent-restricted and are to be occupied by individuals whose incomes are 60 percent or less of the area median gross. (All tax credit units must be at or below 60 percent of area median income).
C. Site Information

Number of buildings _______________________________________________________________

Does the project meet the local rental housing needs as indicated by public housing waiting lists?  
Yes ☐ No ☐ If yes, attach documentation from local public housing authority.

Census tract number _______________________________________________________________

Difficult development area? Yes ☐ No ☐

Congressional district ____________________________ (Attach map showing exact project location).

D. Project Owner Information

___________________________________________________________________________
Project owner name SSN/EIN (required)

___________________________________________________________________________
Address

City State Zip

Type of Entity
☐ Corporation ☐ General Partnership ☐ Limited Liability Company ☐ Limited Partnership
☐ Individual

Contact Person

Name _____________________________ E-mail _____________________________

(____)_____________________________ (____)_____________________________
Phone Fax

E. General Partner Information

___________________________________________________________________________
General partner name SSN/EIN (required)

___________________________________________________________________________
Address

City State Zip

Contact Person

Name _____________________________ E-mail _____________________________

(____)_____________________________ (____)_____________________________
Phone Fax
F. Nonprofit Information

Material Participation of Nonprofit Organization in Accordance with IRC Section 42(h)(5)

**NOTE:** The nonprofit must be the developer and general partner of the project to be eligible for the nonprofit set-aside in addition to the requirements of IRC Section 42(h)(5). Otherwise, the application is considered in the respective urban or rural pools. This section must be completed when the applicant is applying for credit from the nonprofit set-aside and when a nonprofit provides services to the project.

<table>
<thead>
<tr>
<th>Nonprofit name</th>
<th>EIN (required)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Address

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Nonprofit status**

☐ 501(c)(3) organization  ☐ 501(c)(4) organization

**Contact Person**

Name __________________________ E-mail _______________________

(____)_____________________________ (____)_____________________________

Phone Fax

**Capacity**

☐ Developer  ☐ General Partner  ☐ Management Company  ☐ Service Provider

**NOTE:** You must furnish Articles of Incorporation and IRS documentation for all nonprofit organizations involved in the project.

To qualify for the nonprofit set-aside, the applicant must materially participate in the development and management of the project throughout the compliance period. Within the meaning of IRC 469(h), a nonprofit shall be treated as materially participating in an activity only if the nonprofit is involved in the operation of the activity on a basis that is regular, continuous and substantial. Also, a qualified nonprofit must maintain an ownership interest in the project and cannot be controlled by or closely related to any of the for-profit owners or partners. Exempt purposes include fostering of low-income housing (attach Articles of Incorporation).

**NOTE:** Attach a letter from a nonprofit organization describing the nonprofit's participation in the development and operation of the project.
G. Unit Distribution and Calculation of Applicable Fractions

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total site acreage</td>
<td></td>
</tr>
<tr>
<td>Number of parking spaces</td>
<td></td>
</tr>
<tr>
<td>Total all buildings</td>
<td></td>
</tr>
<tr>
<td>Total nonresidential space</td>
<td></td>
</tr>
<tr>
<td>Total residential and common use</td>
<td></td>
</tr>
<tr>
<td>Total commercial space</td>
<td></td>
</tr>
<tr>
<td>Total common space</td>
<td></td>
</tr>
<tr>
<td>Employee-occupied residential</td>
<td></td>
</tr>
<tr>
<td>Owner-occupied residential</td>
<td></td>
</tr>
<tr>
<td>Total low-income/rent-restricted units</td>
<td></td>
</tr>
<tr>
<td>Project-based rental-assistance units</td>
<td></td>
</tr>
<tr>
<td>Non-low-income residential units</td>
<td></td>
</tr>
</tbody>
</table>

H. Tenant-Paid Utilities/Utility Allowances

Source of allowance: ☐ utility company ☐ local public housing authority
Effective rate: ____________________________

<table>
<thead>
<tr>
<th>UTILITY</th>
<th>BEDROOM SIZE/MONTHLY ALLOWANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>NOTE: List only tenant-paid utilities.</strong></td>
<td></td>
</tr>
<tr>
<td>Heating</td>
<td></td>
</tr>
<tr>
<td>Air-Conditioning</td>
<td></td>
</tr>
<tr>
<td>Cooking</td>
<td></td>
</tr>
<tr>
<td>Lighting</td>
<td></td>
</tr>
<tr>
<td>Hot Water</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
</tr>
<tr>
<td>Sewer</td>
<td></td>
</tr>
<tr>
<td>Trash</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>
I. Unit Distribution and Rents

<table>
<thead>
<tr>
<th>Building designation (number or letter)</th>
<th>Bedrooms</th>
<th>Number of units</th>
<th>Number of Housing Credit units</th>
<th>Number of market rate units</th>
<th>Rents (tenant portion)</th>
<th>Other charges +</th>
<th>Utility allowance +</th>
<th>Gross rent =</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample: A</td>
<td>3</td>
<td>24</td>
<td>24</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>1</td>
<td>12</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>2</td>
<td>12</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

J. Sources of Funds
All information must be completed and commitments from each source of funds must be submitted with the application.

**Construction Financing**

<table>
<thead>
<tr>
<th>Name of lender</th>
<th>Amount</th>
<th>Interest rate</th>
<th>Term</th>
<th>Loan type (deferred loan, forgivable loan or grant)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Permanent Financing**
All sources must be listed. Use additional sheets if necessary.

<table>
<thead>
<tr>
<th>Name of lender</th>
<th>Amount</th>
<th>Interest rate</th>
<th>Term</th>
<th>Loan type (deferred loan, forgivable loan or grant)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Tax Credit Financing**
Estimated net proceeds from Historic Tax Credit and Housing Credit (Please complete Section L).
# K. Uses of Funds

<table>
<thead>
<tr>
<th></th>
<th>Excluded from Basis</th>
<th>30% Present Value Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land cost</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Land acquisition costs attributable to syndication</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Land cost attributable to project costs</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Existing structures</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Demolition</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Site work</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>On-site work</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Off-site work</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>New construction</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Accessory structures</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Contractor fees</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>General requirements</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Overhead</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Builder’s profit</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Construction contingency</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Architect</td>
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<tr>
<td>Building portion</td>
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<tr>
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<td>Building portion</td>
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<td>Engineer/survey</td>
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<tr>
<td>Land portion</td>
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<td>Inspection fees</td>
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<td>Title/recording – land</td>
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Excluded From Basis 30% Present Value Credit
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<th>Category</th>
<th>Cost</th>
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<td>Credit enhancement</td>
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<td>Title and recording</td>
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<td>Soft costs</td>
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<td>Tax credit fees</td>
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<td>Cost certification</td>
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<td>Syndication</td>
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<td>Organization</td>
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<td>Bridge loan</td>
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<td>Legal fees</td>
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<td>Developer fees</td>
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<td>Attributable to land</td>
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<td>Attributable to syndication</td>
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<td>Attributable to construction</td>
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<td>Consultant fees</td>
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<tr>
<td>Attributable to syndication</td>
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<tr>
<td>Attributable to construction</td>
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<tr>
<td>Project reserves</td>
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<tr>
<td>Rent-up</td>
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<td>Operating</td>
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<td>Replacement</td>
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<td>Escrows</td>
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<td>Other project costs (specify)</td>
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<tr>
<td>TOTAL PROJECT COST</td>
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<td>Less: Adjustments to basis</td>
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<tr>
<td>Grants</td>
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<td>Federal subsidies</td>
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<td>Historic rehab. credit</td>
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<td>Excess cost units</td>
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<td>Eligible Basis</td>
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<td>High cost adjustment</td>
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<td>Adjusted eligible basis</td>
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<tr>
<td>Applicable fraction (lower of unit fraction or floor space fraction)</td>
<td>%</td>
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<tr>
<td>Qualified Basis</td>
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<tr>
<td>Tax credit rate</td>
<td>4%</td>
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<tr>
<td>Maximum annual tax credit</td>
<td>$</td>
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</table>
L. Syndication Information

Estimated gross proceeds from Housing Credit syndication ________________________________

Syndication expenses __________________ Number of payments ____________________

Syndicator name

___________________________________________________________________________

Address

___________________________________________________________________________

City        State     Zip

Contact Person

Name ___________________________ E-mail ___________________________

(____)_____________________________ (____)_____________________________

Phone            Fax

<table>
<thead>
<tr>
<th>Pay-in Number</th>
<th>Pay-in Date</th>
<th>Amount of Pay-in</th>
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<tr>
<td>2</td>
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<td>3</td>
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<tr>
<td>5</td>
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</table>

Anticipated Net Proceeds from Historic Tax Credit

Historic tax credit syndicator name

___________________________________________________________________________

Address

City        State     Zip

Contact Person

Name ___________________________ E-mail ___________________________

(____)_____________________________ (____)_____________________________

Phone            Fax

M. Management Information

Management company name ___________________________ SSN/EIN (required)

___________________________________________________________________________

Address

City        State     Zip

Contact Person

Name ___________________________ E-mail ___________________________

(____)_____________________________ (____)_____________________________

Phone            Fax
N. Development Team

Developer name

SSN/EIN (required)

Address

City

State

Zip

Contact Person

Name

E-mail

Phone

Fax

Is this a minority or female-owned and managed, for-profit development entity? Yes ☐ No ☐

NOTE: If yes, please attach documentation.

O. Project Schedule

<table>
<thead>
<tr>
<th>DATE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Site</td>
<td>Option/Contract</td>
</tr>
<tr>
<td>Acquisition</td>
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<tr>
<td>Zoning approval</td>
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<tr>
<td>Tax abatement</td>
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<tr>
<td>Plans</td>
<td>Final plans/specs</td>
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<tr>
<td>Closing</td>
<td>Property Transfer</td>
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<tr>
<td>Construction</td>
<td>Start</td>
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<tr>
<td></td>
<td>Completion/placed-in-service</td>
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<tr>
<td>Lease-up</td>
<td>Start</td>
</tr>
<tr>
<td></td>
<td>Full occupancy</td>
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</tbody>
</table>

P. Statement of Application and Certification

NOTICE TO APPLICANTS: It is the applicant’s responsibility to submit adequate documentation to support their score. Consistent failure to provide complete and accurate information during the application process, failure to pay compliance fees or late filing fees, failure to comply with attributes pledged on the application or in any other Kentucky Housing Corporation program may result in rejection of the application and the applicant being barred from further participation in the Low Income Housing Tax Credit Program.
The undersigned hereby makes application to Kentucky Housing Corporation for reservation, carryover allocation and final allocation of 2008 Low Income Housing Tax Credit. The undersigned agrees that Kentucky Housing Corporation and any of its directors, officers, employees or agents will be indemnified and held harmless against all losses, costs, damages, expenses and liabilities whatsoever in nature or kind directly or indirectly resulting from, arising out of or related to acceptance, consideration and approval or disapproval of such application.

The undersigned certifies that he or she is familiar with the applicable provisions of the Internal Revenue Code (IRC) as it relates to the Low Income Housing Tax Credit Program. The undersigned certifies compliance with all provisions of the IRC and applicable regulations, rulings and other pronouncements of the United States Department of the Treasury, including nonprofit regulations and requirements.

The undersigned understands that Kentucky Housing Corporation, in order to effectively administer the Low Income Housing Tax Credit Program, may require additional information throughout the compliance period. The undersigned agrees that, upon receipt of a reasonable request, representatives of Kentucky Housing Corporation will be permitted to enter the project premises to conduct inspections. The undersigned further understands and agrees that a fee will be assessed by Kentucky Housing Corporation for its compliance monitoring activities as required by the IRC.

The undersigned agrees to pay all application, reservation and compliance monitoring fees (including late filing penalties) assessed by Kentucky Housing Corporation for administration of this program and understands that these fees are nonrefundable.

The undersigned, under the penalties of perjury, hereby represents and certifies that the foregoing information is true, complete and accurate to the best of his or her knowledge and belief. The undersigned further certifies that he or she is duly authorized to execute this instrument.

The undersigned understands that incomplete applications will be returned to the applicant and will not be considered for Housing Credit. The undersigned also understands that their application will be scored as it is submitted. Additional documentation will not be accepted once the application has been submitted.

In witness whereof, the undersigned has caused this instrument to be duly executed in his or her name on this ______________ day of ____________________, 20____.

________________________________________
Legal Name of owner/sponsor

By

________________________________________
Title

________________________________________
State of

________________________________________
County of

Subscribed to and sworn before me by ______________________________ this _____ day of ____ 20____.

________________________________________
Notary Public

My commission expires ________________, 20____.