

**METRO LOUISVILLE  
DEPARTMENT OF HOUSING AND FAMILY SERVICES  
DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT**

**RENTAL DEVELOPMENT PROGRAM**

The Rental Development Program provides the minimum financial assistance (GAP financing) for new construction, substantial rehabilitation, or adaptive reuse which will result in rental units affordable to lower-income households. Application to the program involves a number of steps, each requiring an additional level of documentation, detail and commitment.

**Step I - Preliminary Conversation**

Developers should contact Rental Development Program staff to discuss the project concept and provide general information. Items to be discussed would include a detailed project description, location, targeted tenants (elderly, handicap, homeless, veterans, etc.), number and type of units, targeted income and rents, project participants (Developer, Contractor, Managing Agent, etc.), estimated timetable (Milestone/Deadline), *preliminary* sources of all financing, and other details the developer or staff deem pertinent.

**NOTE:** If the Developer is requesting only an endorsement of the project and no financial assistance, e.g. a letter of support from the Mayor for the Kentucky Housing Corporation, no additional information is required; however the Endorsement Application must be completed and all requested attachments submitted.

The information submitted will be reviewed by staff and taken before the Review Board. The Developer may be requested to submit further documentation. If the project appears to be consistent with City objectives, the Developer will be notified and asked to proceed to the next step. The developer can expect a reasonably prompt response as to whether to proceed to the Preliminary Application.

**Step II - Preliminary Application**

Written information is submitted to Rental Development Program staff including:

- *Preliminary* Rental Development Program Application.  
(Completion of an application **DOES NOT** guarantee funding of the project.)
- Detailed Project Description, including specifications and work write-up with estimated costs.
- Information on proximity to schools, churches, shopping, transportation, jobs, and other services and amenities.
- *Preliminary* Sources and Uses budget including what each funding source will be utilized for.
- *Preliminary* 15-year detailed Operating Statement, including unit mix and net rents detail.

- Letter of support from Metro Council Member in whose district the project is located.
- Resumes of Developer to include, but not be limited to, financial responsibility and development expertise.
- Resumes of General Contractor and Managing Agent to include qualifications and expertise.
- Certificate of Good Standing from the Secretary of State.
- IRS W-9 Taxpayer Identification Number for Ownership Entity.
- Actual Timetable (Milestone / Deadline).
- Appraisal (before).
- Exhibit A (staff will provide form).
- Audits/Financial Statements (Most recent three years for Developer and General Partner/Managing Member and Owner).
- Plan for compliance with National Objectives (review Consolidated Plan on website).
- Evidence of Site Control (Deed, etc.).
- Phase I Environmental Review (and Phase II if need indicated on Phase I) 2 sets of color photos of site (required for Environmental Review conducted by Metro staff).
- Construction cost breakdown (HUD 2328).
- Preliminary Architectural Plans, no larger than 11" x 17", including Site Plan, Elevations and Floor Plans drawn to scale, showing common areas, amenities, mobility accessible and hearing accessible units, etc.
- Market Study (not needed on HUD 811 projects).
- Statement of whether any participant or immediate family member (spouse, parent, grandparent, child, brother or sister, aunt or uncle, niece or nephew, other household member), or anyone with whom they have a business relationship, is employed by Metro Government. State the relationship, Department and job title.

Applicants may note on the face of any document submitted if they believe the information contained therein is "confidential and proprietary" business information. However, upon request for release of records under the Freedom of Information Act or the Kentucky Open Records Act, documents will be reviewed in accordance with applicable laws and regulations. Final determination of release of such information will be made by the Housing and Community Development Division, unless the applicant makes a specific request for exemption from disclosure. If the Division does not believe that records are exempt, burden shall be upon the applicant to subsequently defend any action that may arise in appeal of the matter.

Upon receipt of the information requested in Step I and II, an in-house Environmental Review and Title Search will be requested. If the Rental Development Program decides to provide financial assistance, a Contingency or formal Funding Commitment will be prepared and executed **upon completion of the Title Search and clearance of an in-house Environmental Review**. Only upon receipt of this Commitment, signed by both parties, can the Developer rely upon financial assistance being available for the project.

### **Step III - Formal Application**

Written information is submitted to Investor Program staff, including:

- Formal Rental Development Program Application.
- Detailed Sources and Uses budget including what each funding source will be utilized for and including unit mix with net rents detail.
- Detailed 15-year Operating Statement.
- Organizational documents for entity which will own the project (e.g. Articles of Incorporation, By-Laws, Partnership Agreement)
- Certified list of duly qualified and sitting officers/directors.
- Corporate Resolutions authorizing mortgage transaction and signatories.
- Lease (if mortgage is on leasehold).
- Affirmative Marketing Plan (HUD 935.2).
- Contractor Certificate of Existence (if out-of-state, must provide one for their state and a Certificate of Authorization from Kentucky allowing them to do business in this state.
- Owner-Architect Agreement (AIA Document).
- Non Profit Determination and Tax Exempt Status, if applicable.

#### **If the project involves rehabilitation:**

- Relocation Plan or statement that no relocation is required
- Lead Base Paint report, if applicable.
- Asbestos report, if applicable.

### **Step IV - Prior to Closing**

Written information is submitted to Rental Development Program staff including:

- Affirmative Action Plan.
- Building Permits.
- Capital Advance Notification (for HUD 202 and 811 projects only).
- Construction Contracts.
- Lead Safe Work Practice Contractor Certification, if applicable.
- Davis-Bacon Wage Determination, if applicable.
- Drug-Free Workplace/Employee Notification/Policy (staff can provide form).
- Equal Opportunity/Non-discrimination Policy (staff can provide form).
- General Contractor's license.
- Borrower's Liability and Hazard insurance.
- Borrower's Flood insurance, if applicable.
- Contractor's Liability and Worker's Compensation insurance.
- Builder's Risk Insurance.
- Tenant Lease Agreement.
- Tenant information (Lead Base Paint Disclosure, rent, policies, etc.).
- Anti-Lobbying statement (staff can provide form).

- Procurement Procedure/Policy (staff can provide form).
- Title Insurance Commitment.

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