

**SAMPLE**  
**(Community/Organization)**

**Housing Revolving Fund Guidelines**

I. Goals and Objectives

Goals of the Community/Organization are to: 1) increase affordable housing opportunities for residents in the Community; 2) eliminate blighting conditions within the Community; and 3) improve the (city's/county's) infrastructure which benefits LMI families. The Community Housing Revolving Fund represents one effort to achieve these goals.

Objectives of the Community/Organization are to: 1) promote the provision of decent, safe, sanitary and affordable housing to Community residents; 2) acquire and clear blighted housing structures and encourage rehabilitation of substandard housing in the (city/county); and 3) improve the water/sewer needs of LMI households and make sidewalk, street and drainage repairs/improvements in neighborhood areas.

Since all or a portion of the funds in this program were made available through the Kentucky Community Development Block Grant Program (KCDBG), close adherence to requirements of that program and specific grant agreement(s) with the Commonwealth of Kentucky as required. Special attention must be given when funds to be used were received by the Community/Organization prior to closeout. Such federal requirements as Davis-Bacon, Uniform Relocation Act (URA), LMI provisions including one-for-one LMI replacement housing, may apply.

The following policies and procedures are adopted to ensure a consistent and thorough review of all proposals in order to achieve the above objectives.

II. Organization

A. Establishment of Revolving Fund Board

The Community will establish a Revolving Fund Board composed of (\_\_\_\_) members. The Revolving Fund Board will be selected to include area leaders and community representatives. Members will be appointed by the Mayor/County Judge Executive with the approval of the Council/Fiscal Court. One member of the Board is to consist of a Council/Fiscal Court member.

The Revolving Fund Board will establish, evaluate and carry out policy, establish conditions and recommend disposition of funds under the Revolving Fund. The Revolving Fund Board shall meet on an as needed basis. At least (\_\_\_\_) member(s) and the Mayor/County Judge Executive or the Council/Fiscal Court member must be present to make funding decisions or recommendations regarding requests.

The Mayor/County Judge Executive shall serve as "Fund Manager" and will act as liaison between potential borrowers and the Revolving Fund Board. The Mayor/County Judge Executive may delegate (his/her) authority or request assistance as is needed.

- B. Technical and Managerial Assistance  
Due to their involvement with and knowledge of CDBG procedures, the Area Development District/Consultant may provide technical and managerial assistance and administrative support to the Revolving Fund Board and potential applicants. Technical assistance shall consist of working with applicants and other participants to develop a feasible project, seeking additional revenue sources that may be available, and reviewing proposals and advising the Revolving Fund Board and Manager.
- C. Monitoring of Projects  
The Revolving Fund/Manager and/or a member of the Revolving Fund Board will conduct monitoring visits of each project to determine if there are any problems that jeopardize the project. The Revolving Fund Manager will inform the Revolving Fund Board about project status and to ensure that proper monitoring visits were conducted and documented.

### III Eligibility Requirement

- A. Eligible Applicant  
The applicant must live within the Community and have housing needs that are consistent with the goals and objectives of the Housing Revolving Fund.
- B. Eligible Activities/Projects  
Activities that promote decent, safe, sanitary and affordable housing for the Community.
  - a. Acquisition and/or clearance of deteriorated housing stock
  - b. Disposition of acquired properties
  - c. Property acquisition for the development of new housing
  - d. Reconstruction of replacement housing
  - e. Rehabilitation of sub-standard housing
  - f. Energy efficiency improvements
  - g. Handicapped accessibility improvements
  - h. Water and sewer service lines
  - i. Septic system and well upgrades/installments
  - j. Sidewalk, street and drainage repairs/improvements
- C. Ineligible Project Activities
  - a. Non-housing activities
  - b. Activities outside of the (city/county) limits
  - c. Activities that are not in conformance with the Conflict of Interest requirements of the Community
- D. Eligible Costs  
Loans and grants made under the Housing Revolving Fund can be used to finance all costs associated with the provision of Eligible Project Activities.

- E. Ineligible Costs  
General Government expenses not related to the Housing Revolving Fund

III. Selection and Approval of Projects

- A. Application Review and Evaluation  
Upon completion of the Revolving Fund full application, a member of the Revolving Fund Board will conduct an on-site inspection of the project area to determine if the needs are consistent with the goals and objectives of the Community Housing Revolving Fund. The Board member will submit his/her recommendation for approval or disapproval and the basis for such recommendation to the full Board. The Revolving Fund Board shall then make its written recommendations to the City Council/Fiscal Court to approve or deny the project.

- B. Fund Board Approval  
The Revolving Fund Board Manager shall submit a copy of the Approval for Use Request to the Kentucky Department of Local Government for all projects in which “program income” funds are being utilized. DLG will assure project eligibility and national objective criteria and will respond within fifteen (15) days of receipt.

Upon final approval, the Revolving Fund Board Manager can request to draw down funds from the Revolving Fund’s bank to assist the applicant.

- C. Other  
Statement of Assurances  
All assurances as specified in Community Development Block Grant regulations shall be agreed to, by the user, in order to receive funds. No application shall be approved unless the Statement of Assurances is properly signed.

National Objective Criteria

Since the funds that help fund this Housing Revolving Fund come from repayment of loans made from grants received from the Community Development Block Grant (CDBG) program, each project activity funded under the Revolving Fund program may be required to meet at least one of the three National Objectives identified in Title 42, Chapter 69 of the Housing and Community Development Act, hereafter referred to as the Act (Section 5305(a)(2)).

The three objectives are:

1. Benefit to low- and moderate-income persons.
2. Prevent or eliminate slums or blight.
3. Meet community development needs having a particular urgency.

Administrative Fees

Up to 20% of the repayment may be used for administrative purposes related to administration of the Revolving Fund.

This Document being formally adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Community/Organization)

\_\_\_\_\_  
(Title)

Commonwealth of Kentucky

County of \_\_\_\_\_

Subscribed; sworn to and acknowledged before me by \_\_\_\_\_

(Title) by and through its resolution on this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public