

Contract #320-2014

**FIRST-TIME HOMEBUYERS PROGRAM AGREEMENT BETWEEN
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AND
LEXINGTON HABITAT FOR HUMANITY**

THIS AGREEMENT, made and entered into on this 21st day of January, 2015, by and between the Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky, pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Fayette County, Kentucky 40507, hereinafter referred to as the "Government" and **LEXINGTON HABITAT FOR HUMANITY**, a Kentucky non-profit corporation pursuant to KRS Chapter 273, and whose post office address is 700 East Loudon Avenue, Lexington, Kentucky 40505 (hereinafter referred to as "DEVELOPER".)

RECITALS

WHEREAS, Government, in accordance with the regulations codified at 24 CFR 92.102 - 92.104 for the HOME Investment Partnership Program, has been designated a Participating Jurisdiction by the U.S. Department of Housing and Urban Development.

WHEREAS, Government has applied for and received a HOME Investment Partnerships Grant (CFDA # 14.239) from the U.S. Department of Housing and Urban Development for FY 2015 (HOME funds).

WHEREAS, DEVELOPER requests the Government to reserve \$50,000 from its HOME funds to build housing for low-income families.

WHEREAS, the Government is responsible for ensuring that HOME funds are used in accordance with all program requirements; and,

WHEREAS, federal regulations require the participating jurisdiction to enter into a written agreement with a Developer ensuring compliance with all applicable federal regulations.

WHEREAS, DEVELOPER agrees that all HOME funds previously awarded to DEVELOPER under separate agreements and unexpended as of January 1, 2015, are subject to the terms as identified in this agreement,

WHEREAS, DEVELOPER has established a program to build housing for low income families.

NOW THEREFORE, in consideration of the foregoing and mutually agreed upon promises, conditions, and covenants hereinafter set forth, the Government and DEVELOPER hereto agree as follows:

ARTICLE I

1.1 Use of HOME Funds:

DEVELOPER shall be responsible for all planning, design, financing, construction, rehabilitation, marketing and sales of houses assisted under the terms of this Agreement to families whose incomes are at or below 60% of median income. The herein described HOME funds shall be considered a subsidy to the DEVELOPER to offset the costs of new construction or rehabilitation of existing units. The DEVELOPER shall use its own approved debt-to-income ratios to qualify homebuyers.

The DEVELOPER agrees to implement a First-Time Homebuyers Program in accordance with the HOME Investment Partnerships Program regulations as stated in 24 CFR Part 92, and in accordance with the guidelines adopted and approved by the Government, which are incorporated herein as Attachment A, HOME First-Time Homebuyer Assistance Guidelines, dated February 2014, except as otherwise specified in this agreement; and the Program Design adopted and approved by the Government, which are incorporated herein as Attachment B, DEVELOPER Partner Family Manual updated April 2014.

1.2 DEVELOPER agrees to provide assistance to a minimum of 2 households with these funds.

2.1 Duration of the Agreement:

The terms of the Agreement shall expire on December 31, 2015.

3.1 Request for Disbursements of Funds:

3.2 The DEVELOPER shall invoice the GOVERNMENT for the reimbursement of actual and eligible expenditures incurred. DEVELOPER may request an advance in an amount not to exceed \$10,000 for each house at the time construction is begun. The request for advance payment must be in writing and must include a copy of the building permit. Upon completion and sale of house, DEVELOPER shall submit invoice for full amount of subsidy. Invoices must include the following:

- a. Completed Homeownership Assistance Project Completion Report (Attach C)
- b. Copies of source documentation of the income of the household

- c. Copy of Certificate of Occupancy
- d. Copy of Deed conveying property to the homebuyer and the accompanying HOME deed restrictions.

The amount of the request of HOME funds will be limited to the amount needed and must be reduced by the amount of any Program Income on hand.

4.1 ***Maximum Per Unit Subsidy:***

The total HOME subsidy may not exceed \$15,000.00 for first time homebuyers at or above 60% of median income but less than 80% of median income. For eligible first time home buyers below 60% of median income, the maximum HOME subsidy may be \$20,000 for 1 person households, \$25,000 for households of 2 and \$30,000 for households of 3 or more if needed. All incomes shall be verified within six months of closing. The DEVELOPER shall fully document the need for the subsidy.

5.1 ***Period of Affordability:***

DEVELOPER agrees that all housing assisted under the terms of this agreement will meet the affordability requirements in accordance with 24 CFR Part 92.254. The period of affordability shall be a minimum of five years.

The DEVELOPER agrees to establish ***RESALE*** requirements that ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, and that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The DEVELOPER agrees that ***recorded Deed Restrictions*** will be used as the mechanism to impose ***RESALE*** requirements. In the event that a unit is not maintained as a residence for an eligible homeowner during the entire affordability period based upon HOME investment, the DEVELOPER will repay to the GOVERNMENT the entire amount of the subsidy, except in the case of foreclosure, transfer in lieu of foreclosure or assignment of a FHA insured mortgage to HUD.

6.1 ***Records, Retentions and Reports:***

The DEVELOPER shall maintain all records required by the federal regulations specified in 24 CFR Part 92.508, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to records to document salary and fringe benefit costs of the construction staff for this project; all client records, including counseling records; documentation regarding acquisition of real property, including relocation of households and businesses, used in this project.

The records must be available for review and maintained for a minimum of five years after the period of affordability has ended and be available when requested in advance by the Government, U.S. Department of Housing and Urban Development, Comptroller General, and any of their duly authorized representatives.

6.2 DEVELOPER agrees to report on an annual basis by July 15 of each calendar year, an Equal Employment Report, as incorporated as Attachment D to this Agreement.

6.3 DEVELOPER agrees to provide any additional reports as may be required by the Government.

7.1 ***Property Standards:***

All new dwelling units shall be constructed to meet the property standards as required by 24 CFR Part 92.251, or more specifically, the Kentucky Building Code, as amended, and the International Energy Conservation Code. All existing units shall be rehabilitated at a minimum to comply with the International Property Maintenance Code, as amended and adopted by the Lexington-Fayette Urban County Council as Ordinance No. 339-99, and "Housing Rehabilitation General Specifications" issued by the Lexington Fayette Urban County Government's Division of Community Development.

8.1 ***Additional Provisions:***

DEVELOPER shall be responsible (in the manner and to the extent permitted by law) for all lawfully proven claims, losses, actions, and expenses (including legal expenses), including claims against the Government, arising from the performance of DEVELOPER of the terms of this agreement in accordance with the requirements of the HOME Investment Partnerships Program but excepting any such claims, losses, causes of action and expenses arising as a result of fault on the part of the Government, its officers, agents and employees. DEVELOPER is not responsible for negligent acts of the Government, its officers, agents, and employees.

8.2.1 DEVELOPER shall insure that all potential recipients of HOME first-time homebuyer funds receive homeownership counseling, and a minimum of one year post-purchase counseling.

8.2.2 DEVELOPER shall insure that the maximum fair market value for a new unit does not exceed \$165,000 and the maximum fair market value of an existing unit shall not exceed \$142,000.

ARTICLE II: Other Program Requirements

1. Under any program funded in whole or in part with HOME funds, DEVELOPER shall not exclude from participation in, deny the benefits of, or subject to discrimination any person in the United States on the grounds of race, color, national origin, religion, or sex.
2. **Fair Housing and Equal Opportunity:** DEVELOPER agrees to comply with the requirements of the *Fair Housing Act* (42 U.S.C. 3601-3620) and implementing regulations at 24 CFR Part 100-115; *Equal Opportunity in Housing* (Executive Order 11063, as amended by Executive Order 12259) (3 CFR, 1958-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) and implementing regulations at 24 CFR Part 107; *Title VI of the Civil Rights Act of 1964*, as Amended (42 U.S.C. 2000d et seq) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1; and *Age Discrimination Act of 1975*, as Amended (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146.
3. **Handicap Accessibility:** DEVELOPER agrees to comply with the requirements of the Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225); the requirements of *Section 504 of the Rehabilitation Act of 1973* (29 U.S.C. 794) and implementing regulations at 24 CFR part 8.
4. **Employment and Equal Opportunity:** DEVELOPER agrees to comply with the requirements of *Equal Employment Opportunity, Executive Order 11246 as amended* (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60; and, the requirements of *section 3 of the Housing and Urban Development Act of 1968* (12 U.S.C. 1701u).
5. **Affirmative Marketing:** As it may be applicable, DEVELOPER agrees to comply with the *Affirmative Marketing Plan* as adopted by the Government and as approved by the U.S Department of Housing and Urban Development. DEVELOPER acknowledges receipt of the Affirmative Marketing Plan.
6. To the maximum extent possible, DEVELOPER agrees to afford minority- and women-owned business enterprises the opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians.
7. **Lead-Based Paint:** DEVELOPER agrees to comply with HUD Regulations governing Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title for all housing assisted with HOME funds. The DEVELOPER agrees to provide GOVERNMENT with copies of lead based paint tests, risk assessments, plans for corrections, proof of contractors' certifications of lead-based paint safe work practices training, and clearance tests for all pre-1978 houses being rehabilitated.
8. **Environmental Review:** DEVELOPER agrees to provide property addresses to the Government prior to commitment of HOME funds for purposes of completing environmental review requirements under 24 CFR Part 58. For new construction the DEVELOPER agrees to provide complete set of house plans with cost estimate, and for properties to be rehabilitated, the DEVELOPER agrees to provide the GOVERNMENT with a complete scope of work with cost estimates.
9. **Uniform Relocation Act:** DEVELOPER agrees to comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. Upon request, DEVELOPER agrees to provide documentation to GOVERNMENT of previous occupancy of the property to include names of occupants, dates of occupancy, and circumstances of vacancy.
10. **Conflict of Interest:** DEVELOPER agrees to comply with the Conflict of Interest rules as identified in 24CFR 85.36 and 24 CFR 84.42, regarding written standards governing the performance of their employees engaged in awarding and administering contracts.
11. DEVELOPER agrees to comply with the following requirements of 24 CFR part 84: 84.2, 84.5, 84.13-84.16, 84.21, 84.22, 84.26-84.28, 84.30, 84.31, 84.34-84.37, 84.40-84.48, 84.51, 84.60-84.62, 84.72, and 84.73, which implement OMB Circular A-110 and set forth uniform requirements for nonprofit organization.

ARTICLE III

1. The Government agrees to reserve \$50,000 of its HOME funds allocation for use by eligible clients of DEVELOPER in the implementation of a first-time homeownership program.

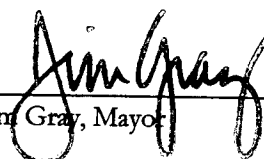
2. The Government agrees to monitor the performance of DEVELOPER to assure compliance with all applicable federal regulations; however, monitoring does not relieve DEVELOPER of primary responsibility for compliance.
3. The Government agrees to prepare and submit any and all required reports to the U.S. Department of Housing and Urban Development.
4. The Government agrees to assist DEVELOPER staff in interpreting HOME regulations, resolving eligibility and contract problems, and the inspection of properties to be purchased by prospective clients, to insure those homes meet local housing codes.

ARTICLE IV

1. No right, benefit, or advantage inuring to DEVELOPER and no burden imposed on DEVELOPER hereunder may be assigned or otherwise transferred without the prior written approval of the Government.
2. This agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the Government and DEVELOPER.
3. This agreement, in accordance with 24 CFR 85.43 can be terminated if DEVELOPER fails to comply with any term of the agreement. This agreement may be terminated for convenience in accordance with 24 CFR 85.44 upon written notice by the participating jurisdiction.
4. The failure to perform or comply with any of the covenants, warranties, terms or conditions as set forth in this agreement shall constitute events of breach and default entitling the Government to take all action set out in this agreement or as otherwise allowed by law, including an action for specific performance.
5. All notices hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, return receipt requested, to the parties at their respective addresses as first set out herein.

IN WITNESS WHEREOF, the parties have executed this Contract at Lexington, Kentucky, the day and year first above written.

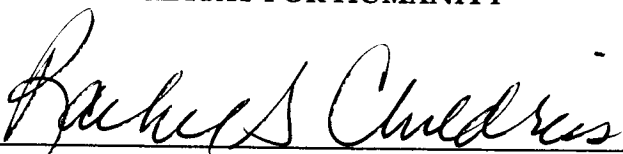
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: 
 Jim Gray, Mayor

ATTEST:


 Clerk of Urban County Council

LEXINGTON HABITAT FOR HUMANITY

BY: 
 Rachel Smith Childress, Executive Director



**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
HOME FIRST TIME HOMEBUYER ASSISTANCE
GUIDELINES
FEBRUARY 2014**

INTRODUCTION

The Lexington-Fayette Urban County Government will make HOME funds available to nonprofit corporations for the purpose of developing and operating first-time homeownership programs for low-income households. The government's primary objective in using part of its HOME allocation for first-time homeownership programs is to increase the number of affordable housing units in the community and to increase the opportunities for homeownership for low-income families in Fayette County. In general, the LFUCG will provide HOME funds to approved nonprofits for the purpose of purchasing or rehabilitating existing single-family houses; new construction of single family houses which will be marketed to eligible and qualified first-time homebuyers; and direct assistance to first-time homebuyers for the purchase of a single-family house.

These guidelines will serve as operational parameters within which the nonprofits can receive HOME funds and provide financial assistance to first-time homebuyers. Hereinafter in this document, nonprofits may be referred to as grantor agencies. In addition to these guidelines, all projects funded under the HOME Investment Partnerships Program are subject to the regulations codified at 24 CFR Part 92.

STATEMENT OF INTENT

The content of this document establishes the operating parameters for all Lexington-Fayette Urban County Government HOME funded first time homebuyers programs. It is the intent of the Lexington-Fayette Urban County Government to provide in each homebuyer case the smallest subsidy necessary to make the purchase possible and necessary. As the Lexington-Fayette Urban County Government provides funds for the first time homebuyer programs of several non-profits, it is the responsibility of each non-profit to attract other public and private funds and to minimize the use of HOME funds.

ELIGIBLE FIRST-TIME HOMEBUYERS

HOME funds are available for any low-income family that has been a resident of Fayette County for one (1) year and who has not owned a home within the past three years, or is a displaced homemaker, or a single parent. A Kentucky Independent Home Ownership Coalition (KIHOC) family can participate in the HOME program. The household annual gross income, as defined by the HUD regulations 24 CFR Part 5, of the first-time homebuyer may not exceed 80% of the area median. A first-time



homebuyer is also one who must occupy the property as his/her principal residence. The purchasing household must be low income at the time the file is submitted for approval by the Division of Grants and Special Programs, or at the time the HOME funds are invested, whichever is later. Verification of income is required and is good for a period of six months. For lease-purchase programs, income eligibility is determined at the beginning of the lease period.

ELIGIBLE PROPERTIES

The property may be located anywhere in Fayette County. Effective January 1, 2014, the value of an existing home may not exceed \$142,000. The value of a new home may not exceed \$195,000. All properties must be appraised unless another method is approved in writing by the Division of Grants and Special Programs.

PROPERTY STANDARDS

The property must meet the Section 8 Housing Quality Standards and the local property maintenance code. In addition, a home inspection is required for all existing homes, by a State licensed inspector. If the property requires substantial rehabilitation (greater than \$25,000 average per unit total development costs), local codes and cost-effective energy conservation and effectiveness standards apply. The property type must be a single family property (one unit) and deeded as such. Condominiums and duplexes will not be considered.

FORM OF OWNERSHIP

For the purposes of the HOME program, homeownership means ownership in fee simple title.

PERIOD OF AFFORDABILITY

Federal regulations require that HOME-assisted housing remain affordable to a reasonable range of low-income homebuyers for a period of time based on the amount of HOME funds invested. Under the HOME Regulations the period of affordability is 5 years when the level of HOME funds invested is less than \$15,000, 10 years for between \$15,000 and \$40,000 and 15 years if the amount is over \$40,000. The mortgage documents and/or deed of restrictions should include language detailing the affordability period and the recapture provisions.

AFFORDABILITY CRITERIA

All applicable ratios noted below are based on the Income of the qualifying applicant for the first mortgage loan. If the qualifying applicant is married, the income of both spouses will be included in determining the ratios regardless if only one applicant is the qualifying applicant. The monthly expenditure for Principal, Interest, Taxes, and Insurance (PITI) shall not be less than the percentage of gross household income indicated in the table below and shall not be more than 33% of the gross income at the time of loan approval. All applicants should only be provided gap financing based on

the maximum amount of mortgage they can repay. If the homebuyer receives a Housing Assistance Payment (HAP) from HUD's Section 8 Housing Program, the minimum percentages are not applicable for PITI. The first-time homebuyer may not commit more than 41% of their gross income for total long-term debt. Long-term debt is defined as debt exceeding repayment for more than 6 months, or debt with an outstanding balance of more than \$3,000. The homebuyer will be required to commit to the financing of the purchase of the home, all cash reserves, to include checking and savings accounts, cash on hand, and certificates of deposit, which is in excess of six months of PITI unless pre-approved by the Division of Grants and Special Programs. There is no requirement that first-time homebuyers remain low income while they own the property. Increases or decreases in gross income or changes in PITI do not affect the eligibility of a family outside of the six-month period noted in the section on homebuyer eligibility. If homeowner association fees are required, then these will be considered as housing costs and counted along with PITI.

Family Size	Minimum PITI %
1	25%
2	21.9%
3	19.5%
4	17.5%
5	16.2%
6	15.1%
7	14.1%
8	13.3%

All variances in calculating the required percentages noted above must have prior written approval from the Division of Grants and Special Programs.

FORMS OF SUBSIDY

- A. In order to make the monthly carrying cost of PITI affordable to the homebuyer, the Urban County Government will allow HOME funds to be used by the grantor agencies to subsidize units by providing "gap" financing or principal reduction to make up the difference between the market value of the property and a sales price that renders the monthly PITI affordable. A **second** mortgage shall be placed upon the property by the grantor agency or the Lexington-Fayette Urban County Government. The second mortgage shall provide for **RECAPTURE** of the HOME subsidy in the event that the homebuyer sells the property, is foreclosed upon by another mortgagee, or ceases to occupy the property as the principal residence. The total of HOME assistance may not exceed \$15,000.00 for first time homebuyers at or above 60% of median income but less than 80% of median income. For eligible first time home buyers below 60% of median

income, the maximum home purchase subsidy may be \$20,000 for 1 person households, \$25,000 for households of 2 and \$30,000 for households of 3 or more if needed. The HOME subsidy may be used to fund acquisition costs up to 100% of fair market value plus up to \$4,000 for closing costs. The minimum HOME subsidy cannot be less than \$1,000.

The buyer will be required to invest at least \$500 in cash at the time of closing. The remaining funds needed for closing costs, downpayment, or principal reduction will be provided in the following forms:

- 1) 2% repayable loan for homebuyers between 71% and 80% of median income with a term ranging from a minimum of 5 years up to a maximum of 20 years.
- 2) 1% repayable loan for homebuyers between 61% and 70% of median income with a term ranging from a minimum of 5 years up to a maximum of 20 years.
- 3) 0% repayable loan for homebuyers between 51% and 60% of median income with a term ranging from a minimum of 5 years up to a maximum of 20 years.
- 4) A non-repayable loan for homebuyers at or below 50% of median income with a term equal to the period of affordability.

The monthly repayment amount for any repayable HOME loan will be included in the cap of 33% of gross income for PITI. The Urban County Government will take loan servicing responsibility for repayable loans in the form of receiving and documenting payments, unless otherwise approved in a written agreement. The requirements of private lenders and government regulations must prevail if the terms of the direct loan would violate said requirements and regulations.

- C. Nonprofits may also use HOME funds only to purchase and rehabilitate properties whose after-rehab fair market value is less than actual costs of production with prior written approval from the Division of Grants and Special Programs. In cases where the costs for acquisition and rehabilitation are greater than 120% of the after-rehab fair market value, the grantor agency shall document the reasons for excess costs and obtain written permission of the Lexington-Fayette Urban County Government's Division of Grants and Special Programs before proceeding with the project.

The Lexington-Fayette Urban County Government's Division of Grants and Special Programs will evaluate on a case-by-case basis each project in which costs are expected to exceed 120% of the fair market value of the property to determine an acceptable level of excess costs. The LFUCG Division of Grants and Special Programs will consider such factors as location, size, and environmental factors (Examples are presence of lead-based paint and lead-based paint hazards, presence of asbestos and historic preservation requirements) in its evaluation of each property.

SUBORDINATION

The grantor agency may provide for subordination of the mortgages(s) securing the HOME subsidy only if as identified: (1) if there is no change in the government's mortgage position, total encumbrances cannot exceed 100% of the appraised value of the property; (2) if there is a change to the government's position, third position is the lowest acceptable, and total encumbrances do not exceed 90% of the appraised value (appraiser subject to approval by the LFUCG) and the total long-term debt as defined previously does not exceed 41% of the households and the reason for the subordination is capital improvements for the subject property. The government reserves the right to decline the subordination requests if the terms of the new mortgage are determined to negatively impact the homeowner's financial position.

SALE BEFORE EXPIRATION OF THE PERIOD OF AFFORDABILITY

In the event that the HOME-subsidized property is sold during the period of affordability, the grantor agency shall provide for the **RECAPTURE** of the **full amount** of the HOME investment. The **full amount** is defined as the Net Proceeds and is determined as follows:

Sales Price - non-HOME first mortgagee balance - Seller's closing costs = Net Proceeds

If the Net Proceeds exceeds the original HOME subsidy amount, the excess will be paid to the homeowner.

VIOLATION OF RESTRICTION ON PRINCIPAL RESIDENCE

In the event that the homebuyer ceases to occupy the HOME-subsidized unit as his principal residence during the required period of affordability, the grantor agency shall provide for foreclosure of the mortgage which secures the HOME subsidy. The full HOME subsidy plus 5% per annum interest, calculated from the date of the initial closing, shall be recaptured, after the first mortgagee has recovered the value of its loan.

SECURITY

All properties developed under a HOME-assisted first-time homebuyer program, whether or not the first-time purchaser receiving a repayable or non-repayable loan as described above, will be considered to be HOME-assisted and therefore are subject to all HOME restrictions.

All HOME restrictions regarding the period of affordability and use of property as principal residence during the period of affordability shall be included in the loan agreement, mortgage, and mortgage note, made in favor of the grantor agency or the Lexington Fayette Urban County Government; however, if the unit only receives a Developers subsidy, then a Deed of Restriction is also required.

The Lexington-Fayette Urban County Government must approve all loan agreements, mortgages, mortgage notes, and deed of restrictions (if applicable) for properties assisted under the provisions of these guidelines prior to a grantor beginning a program.

If and when possible, the LFUCG will encourage participating private lenders to include all pertinent HOME requirements in the loan and mortgage documents for the private financing.

ASSUMABILITY OF SUBSIDY

No assisted HOME subsidy mortgage may be assumed during the period of affordability.

USE OF RECAPTURED HOME SUBSIDY

Any HOME funds recaptured by the grantor agency under the provisions of these guidelines shall be returned to the Lexington-Fayette Urban County Government within ten days of receipt, unless otherwise noted in a written agreement

PROGRAM INCOME

All program income must be reported and returned to the LFUCG within 10 days of receipt, unless otherwise noted in a written agreement.

REPORT TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

The grantor agency shall report all pending property sales, all pending foreclosures (pertaining to events during the period of affordability), and violations of restrictions on use of HOME-assisted properties as principal residences of homebuyers to the Lexington-Fayette Urban County Government within five working days of their knowledge of the action.

HOME RELOCATION REQUIREMENTS

A HOME-assisted homeownership project is subject to relocation requirements under the Uniform Relocation Act (URA). In order to avoid the costs of relocation and to avoid the displacement of persons, the Urban County Government requires that nonprofits purchase only vacant properties or properties which are owner-occupied and are being publicly marketed. An owner-occupant who sells a property is not eligible for relocation assistance under the URA as long as the seller, prior to sale is informed in writing: (1) of the fair market value of the property; and (2) that the buyer does not have the power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable sales agreement. The nonprofit will be required to document all steps of the acquisition. If vacant units are purchased, the government will evaluate whether or not the seller removed tenants in order to sell a "vacant" building.

OTHER APPLICABLE FEDERAL REQUIREMENTS

These are contained in the HOME Investment Partnerships Program regulations which are codified at 24 CFR Part 92.

COUNSELING

All prospective first-time homebuyers will receive counseling on the obligations, terms, and conditions associated with a HOME funded property. This counseling will cover how the first-time homebuyer program works and require the potential homebuyer to sign acknowledgement of program guidelines.

The Urban County Government requires that its nonprofits either provide homeownership counseling to all its first-time homebuyers or to refer them to another agency which offers the service. This counseling should include credit maintenance, budget planning, home maintenance, and a minimum of one year post-purchase counseling.

F:\WP51\HCD\HCDGEN\2400-001.doc - August 1, 2001

F:\WP51\HCD\HCDGEN\fthbguide803.doc

F:\WP51\HCD\HCDGEN\fthbguide804.doc

Revised March 2007

Revised October 2007

Revised February 2008

Revised May 9, 2008

Revised March 2010

Revised April 28, 2011

Revised April, 25, 2013

Revised February 25, 2014



Lexington
Habitat
for Humanity[®]

Partner Family Manual

Updated: April 2014

Table of Contents

1) Habitat for Humanity International and Lexington Habitat for Humanity 3

 a) Habitat for Humanity International 3

 b) History of Habitat for Humanity International..... 3

 c) History of Lexington Habitat for Humanity..... 4

 d) Mission of Lexington Habitat for Humanity..... 5

2) The Partnership Process 6

 a) Sweat Equity Policy 6

 b) Homeownership Classes 9

 c) Homeowner Preparation Fee 9

 d) Credit Counseling & Budgeting..... 10

 e) Good Financial Standing..... 10

 f) Partner Family Mentor..... 10

 g) Lot Selection 11

 h) House Size Determination..... 11

 i) House Options..... 11

 j) Build Start Date..... 11

 k) Sponsor/Partner Family Meeting 11

 l) Construction of Your Home..... 12

 m) Homeowner’s Insurance & Other Documents 12

 n) Walk Through Inspection..... 12

 o) House Dedication 13

 p) Certificate of Occupancy (CO) and Utilities Switchover 13

 q) Closing on Your Home 13

 r) After Closing..... 13

 s) De-Selection 14

 t) Grievance/Appeals..... 14

3) Giving Back 15

1) Habitat for Humanity International and Lexington Habitat for Humanity

a) Habitat for Humanity International

Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry. HFHI seeks to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action.

Habitat invites people of all backgrounds, races and religions to build houses together in partnership with families in need.

Habitat has built more than 500,000 houses around the world, providing more than 2.5 million people in more than 3,000 communities with safe, decent, affordable shelter. HFHI was founded in 1976 by Millard Fuller along with his wife Linda.

For more information, please see www.habitat.org.

b) History of Habitat for Humanity International

Since its founding in 1976 by Millard and Linda Fuller, Habitat for Humanity International has built and rehabilitated more than 150,000 houses with families in need, becoming a true world leader in addressing the issues of poverty housing.

Koinonia Farm and the Fund for Humanity

The concept that grew into Habitat for Humanity International was born at Koinonia Farm, a small, interracial, Christian farming community founded in 1942 outside of Americus, Ga., by farmer and biblical scholar Clarence Jordan. The Fullers first visited Koinonia in 1965, having recently left a successful business in Montgomery, Ala., and all the trappings of an affluent lifestyle to begin a new life of Christian service. At Koinonia, Jordan and Fuller developed the concept of "partnership housing" -- where those in need of adequate shelter would work side by side with volunteers to build simple, decent houses.

The houses would be built with no profit added and no interest charged. Building would be financed by a revolving Fund for Humanity. The fund's money would come from the new homeowners' house payments, donations and no-interest loans provided by supporters and money earned by fund-raising activities. The monies in the Fund for Humanity would be used to build more houses.

An open letter to the friends of Koinonia Farm told of the new future for Koinonia:

What the poor need is not charity but capital, not caseworkers but co-workers. And what the rich need is a wise, honorable and just way of divesting themselves of their overabundance. The Fund for Humanity will meet both of these needs. Money for the fund will come from shared gifts by those who feel they have more than they need and from non-interest bearing loans from those who cannot afford to make a gift but who do want to provide working capital for the disinherited. . . The fund will give away no money. It is not a handout.

In 1968, Koinonia laid out 42 half-acre house sites with four acres reserved as a community park and recreational area. Capital was donated from around the country to start the work. Homes were built and sold to families in need at no profit and no interest. The basic model of Habitat for Humanity was begun.

Zaire

In 1973, the Fullers decided to apply the Fund for Humanity concept in developing countries. The Fuller family moved to Mbandaka, Zaire (now the Democratic Republic of Congo). The Fullers' goal was to offer affordable yet adequate shelter to 2,000 people. After three years of hard work to launch a successful house building program, the Fullers returned to the United States.

Habitat for Humanity International

In September 1976, Millard and Linda called together a group of supporters to discuss the future of their dream. Habitat for Humanity International (HFHI) as an organization was born at this meeting. The eight years that followed, vividly described in Millard Fuller's book, *Love in the Mortar Joints*, proved that the vision of a housing ministry was workable. Faith, hard work and direction set HFHI on its successful course.

Phenomenal Growth

In 1984, former U.S. President Jimmy Carter and his wife Rosalynn took their first Habitat work trip, the Jimmy Carter Work Project, to New York City. Their personal involvement in Habitat's ministry brought the organization national visibility and sparked interest in Habitat's work across the nation. HFHI experienced a dramatic increase in the number of new affiliates around the country.

The Results

Through the work of Habitat, thousands of low-income families have found new hope in the form of affordable housing. Churches, community groups and others have joined together to successfully tackle a significant social problem -- decent housing for all.

Today, Habitat for Humanity has built more than 500,000 houses, sheltering more than 2.5 million people in more than 3,000 communities worldwide.

c) History of Lexington Habitat for Humanity

When Jack and Eudora Russell were in Tucson in the early spring of 1986, their travel trailer was parked next to a lot, upon which a Habitat for Humanity house was being built. They were much impressed by the volunteers who were building it, the sweat equity of the family who were to live in it (even the children were there helping when they could), and the attractive and functional house that was being built. After returning to Lexington, the thought kept coming back to the Russell's that Lexington needed a program like that. Upon inquiry, they learned that a Habitat program had been started in Midway. The Russell's contacted Dr. Jim Roach, the enthusiastic president, who was leaving the next week for the 10th Anniversary Convention of

Habitat in Kansas City. He invited Jack and a friend to go along. Jack recruited Les Versaw. They had an inspiring trip where they met Millard Fuller, and Jimmy and Rosalynn Carter, and came home eager to get an affiliate started in Lexington.

Both Jack and Les were members of the Golden K Kiwanis Club. They decided to enlist as many of these men as were interested. They met and discussed Millard Fuller's books and the principles of Habitat for Humanity and took the message to others. Because of this, the William Kenton Award was presented to the Golden K in 1991.

In December 1986, Habitat was officially organized and became an incorporated affiliate in the state of Kentucky. Spokespersons went to churches, clubs, etc. while others visited city officials, issued correspondence, raised funds, and secured the first lot. The first Board of Directors was elected on Dec. 1, 1986. On November 11, 1987, the groundbreaking ceremony for the first house at 224 Willard Street was held. On September 7, 1988, the dedication for that house was held and Henry and Edwina Smith and their four children moved into their new Habitat home. On that same day, ground was broken next door for the second house. And so a wonderful and much needed program in Lexington was born and nourished.

d) Mission of Lexington Habitat for Humanity

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

2) The Partnership Process

Becoming a Habitat homeowner is not a quick process. It takes awhile, and it is not always easy, but you will have fun. And it's always rewarding!

a) Sweat Equity Policy

Sweat Equity is one of the major requirements for Habitat homeownership. This section of the manual will clarify Sweat Equity further.

Working on *sweat equity* is an excellent way for new neighbors to get acquainted. We also hope that these *sweat equity* hours will be the beginning of a lifetime involvement with Habitat.

i) What is *sweat equity*?

Sweat Equity is the down payment for your house, paid in hours of work instead of dollars.

ii) Why *sweat equity*?

Sweat equity is a very important part of Habitat's ministry, which is designed to do three important things:

1. *Sweat equity* provides a real **PARTNERSHIP** between you, Habitat staff, and volunteers. It helps to build our community in positive ways.
2. It develops **PRIDE IN HOMEOWNERSHIP**. As you invest time and sweat into your house, you will begin the transition into being a homeowner.
3. It **DEVELOPS SKILLS AND KNOWLEDGE** that will be important in maintaining your home for years to come. It builds confidence and teaches you that you can do what it takes to maintain your home.

iii) How much *sweat equity*?

- o Applicant Families must agree to the sweat equity requirements for our homeownership program. Applicant families with one adult in the household must complete a total of 250 sweat equity hours. 100 of those hours must be construction on the applicant family's home or other family's homes. Applicant families with more than one adult must complete a total of 500 sweat equity hours. 100 of those hours must be construction on the applicant family's home or other family's homes.

Applicant families may recruit friends and family who do not live in their household to contribute up to 20% of their sweat equity hours. For an applicant family who needs 250 sweat equity hours, recruited friends and family members from outside the household may contribute up to 50 hours of the required 250 hours of sweat equity. For an applicant family who needs 500 sweat equity hours, recruited friends and family members from outside the household may contribute up to 100 hours of the required 500 hours of sweat equity. Sweat equity hours from recruited friends and family who do not live in the applicant family's household cannot count toward the required 100 hours of construction hours.

iv) When do I do sweat equity?

The Habitat Program is a 9 month or longer program. Sweat equity should be earned consistently throughout these months. Attendance at homeownership classes and your build site are required. You can also work in our ReStores or in our office for extra sweat equity hours. You are strongly encouraged to earn approximately 25 of 250 or 50 of 500 hours a month in *sweat equity*.

v) Who does sweat equity?

Families needing 250 hours

Partner Families with one adult in the household must complete a total of 250 sweat equity hours. 100 of those hours must be construction on the Partner Family's home or other homes, and must be performed by members living in the Partner Family household. Partner Families may recruit friends and family who do not live in their household to contribute up to 20% of their sweat equity hours. For an applicant family who needs 250 sweat equity hours, recruited friends and family members from outside the household may contribute up to 50 hours of the required 250 hours of sweat equity.

Families needing 500 hours

Partner Families with more than one adult in the household must complete a total of 500 sweat equity hours. 100 of those hours must be construction on the Partner Family's home or other homes, and must be performed by members living in the Partner Family household. Partner Families may recruit friends and family who do not live in their household to contribute up to 20% of their sweat equity hours. For an applicant family who needs 500 sweat equity hours, recruited friends and family members from outside the household may contribute up to 100 hours of the required 500 hours of sweat equity.

Children

Children under the age of 16 can help clean the lot once it has been selected and clean the build site when construction is not taking place. Children 16 and older may attend homeowner classes and participate in construction. You are responsible for keeping all family members actively participating.

Other Volunteers

You may have friends and family who do not live in your household help with up to 20% of your required sweat equity hours. These sweat equity hours must be performed on the construction of your home. You must recruit these volunteers on your own, and you may not recruit volunteers from the job site to work for you.

vi) What if I do not complete the sweat equity hours?

You cannot close on your home until you have completed the hours. You will not be reimbursed for any *sweat equity* hours should the partnership be terminated.

vii) How do I record *sweat equity*?

Keep track of every *sweat equity* activity in your Sweat Equity Book. You must be sure to get a Habitat signature for each activity. If you do not get a signature, those hours will not be counted. Please have your book signed by the LHFH staff person overseeing your work. Your book must be signed immediately following the work you performed.

viii) What if I lose my *sweat equity* book?

If you lose the book, you're in BIG trouble- **so don't lose it!!** Loss of the book may result in loss of *sweat equity* hours. We recommend that you photo copy your sweat equity book on a monthly basis as a back-up in the event that you should lose your book. We will try to make a copy of it in our office on a monthly basis as well.

ix) What if I complete my required number of hours early?

If you have completed all of the required hours, you will still need to be present on your build site when volunteers are there. You will also need to keep your build site clean and your sod watered. And your house must be completely clean before walk through and dedication. You may donate any of your extra hours to another family that needs hours of sweat equity (would be counted in the 20% of hours for which they may recruit help). This is a great way to work in partnership with others. This can only be done after meeting with Family Services staff to determine how many hours can be given.

x) What activities count as *sweat equity*?

As a LHFH Partner Family, you can earn sweat equity hours by actively participating in any/all of the following --

Household members 16 years old and older:

- Orientation
- Homeownership classes
- Credit counseling and budgeting
- Dedications
- Recruitment and outreach events
- Lot maintenance before construction begins (spot checks, cleaning)
 - A Partner Family may only log one hour total per week for lot checking. Actual lot cleaning can exceed one hour per week.
- Building on your lot (during construction)
- Build site cleaning & maintenance during construction (when volunteers are not there building)
- Sponsor/Partner Family meetings
- ReStore volunteering (according to ReStore policies)

- Any work performed for a LHFH sponsored event
- LHFH office volunteering
- Family members and friends building on *your* house (up to 20% of your required sweat equity hours)

Children younger than 16:

- Build site cleaning & maintenance during construction (when volunteers are not there building)
- Attend dedications
- Other special kid-friendly projects

b) Homeownership Classes

Your homeownership classes are the primary way to earn sweat equity hours. You will receive a list of all mandatory homeownership classes. You must regularly attend and actively participate in all homeownership classes.

Partner Families will be de-selected after three unexcused absences.

- Your schedule of homeownership classes is provided in your Partner Family Binder. Attendance at these classes is required.
- A calendar with the homeownership classes and other sweat equity opportunities will be sent to each household by the beginning of each month.
- These classes are mandatory and reflect your willingness to partner with LHFH.
- Only family members aged 16 or older may attend the partner family trainings. All adult family members in attendance and actively participating will earn sweat equity hours.
- In the event that you cannot attend a class, you must notify a Family Services staff person ahead of time.
- Absences will be considered unexcused if the absence is not caused by unavoidable work schedule conflict, major illness, or serious emergency.
- Absences will be considered unexcused if it is determined Family Services staff could have been contacted ahead of time and were not.
- Missed classes must be made up whether excused or unexcused. Family Services staff will determine the method for making up missed classes.
- Partner Families arriving more than 10 minutes late to class unexcused will not be allowed into class and this will be considered an unexcused absence.
- Partner Families will be de-selected after three unexcused absences.
- *When possible*, a children's event will take place at the same time as our homeownership classes. All children four years old and older are invited to attend. This is optional, and children will not earn sweat equity hours for attendance.

c) Homeowner Preparation Fee

All Partner Families are required to pay a \$800 homeowner preparation fee to cover a portion of expenses such as your first year's homeowner's insurance premium, the appraisal of your home, and other closing costs. These expenses will exceed \$800 and LHFH will pay any costs

in excess of that amount. By making your monthly fee on time every time, you are demonstrating to us your ability to make a monthly mortgage payment.

You must pay a total of \$800 in the following way:

- (1) payment of \$200 is due at time of lot selection & (10) payments of \$60 due the first of each month following lot selection for 10 consecutive months.
- Lump sums **are not** accepted
- In the event that you are unable to make your payment by the first of the month you ***MUST CALL A FAMILY SERVICES STAFF PERSON TO COMMUNICATE THE ISSUE AND MAKE PROPER PAYMENT ARRANGEMENTS.***
- ***If payments are received after the 15th of the month, a \$10 late fee will be added, whether Family Services staff was notified of late payment or not.***
- ***If two payments are late (made after the 15th of the month), the Partner Family will be de-selected for failure to agree to this financial obligation.***
- ***If a Partner Family is de-selected or chooses to leave the LHFH homeownership program, money paid toward the \$800 pre-payment will not be returned.***

d) Credit Counseling & Budgeting

We will learn financial management skills in our homeownership classes. Based on your credit reports, you may be required to attend credit & budget counseling appointments at Apprisen Financial Advocates. This counseling will be free of charge. You must meet with your counselor at Apprisen as required.

All Partner Families must meet individually with a Family Services staff person for budgeting exercises and sweat equity monitoring on a monthly basis. Partner Families are expected to keep accurate spending tracking forms for budgeting exercises.

e) Good Financial Standing

- All outstanding bills (liens, collections, charge offs) need to be paid off or part of a repayment plan before closing on your house. Your credit report will be pulled before closing to ensure you have worked on your bills.
- You must maintain steady and consistent income during the entire partnership with Habitat. If your employment or income changes in ANY way, you are required to notify us immediately.
- At the time of closing, you must meet the application requirements that were required at the time of your application.
- You must not have new major financial commitments that would jeopardize your ability to make your mortgage payments on time.
- If you learn of any new collection debt, or are considering taking on any new debts, you must discuss this with us immediately.

f) Partner Family Mentor

LHFH has a committee of volunteers known as Family Mentors. You might meet a member of this committee during your time as a Partner Family. The Family Mentor provides guidance, support, empowerment and encouragement to the Partner Family during your build and post purchase period. Family Services staff will inform you of your Family Mentor shortly before your build begins.

g) Lot Selection

Once lots become available for Partner Families, the Family Services staff will begin offering lots. Before going on the list to be offered lots you must:

1. Complete 30 of 250 hours or 60 of 500 hours of *sweat equity*
2. Begin counseling with a Family Services staff person to begin:
 - 1) Removing or correcting reporting errors
 - 2) Paying off debts
 - 3) Setting up payment plans
 - 4) Making settlements
 - 5) Setting up a monthly budget

At the completion of 30 Sweat Equity hours for Partner Families with one adult in the household, and at the completion of 60 Sweat Equity hours for Partner Families with more than one adult in the household, the Partner Family will be offered all available lots and houses for remodel that are suitable for their house size.

A Partner Family will be de-selected from the LHFH homeownership program if they turn down all available lots and houses for remodel offered to them. Refusal of three offered lots will result in de-selection from the LHFH homeownership program. At least two of the lots will be from different neighborhoods, as designated by Lexington Habitat for Humanity.

If a Partner Family is offered fewer than three selections when they get to 30/60 hours, and they decline all offers, they will be offered selections as they become available (until a total of three options from at least two different neighborhoods, as designated by LHFH, is reached).

A Partner Family who is de-selected because of lot refusal may re-apply for the LHFH homeownership program 18 months after date of de-selection.

h) House Size Determination

The house will be built based on the family composition and size at Board approval. House size cannot be increased after Board approval, but can be decreased if family size decreases. We will plan to build for unborn children if an applicant or Partner Family brings us, prior to lot selection, documentation of pregnancy from a doctor with due date.

i) House Options

After you select a lot, you can choose your carpet and vinyl flooring, kitchen countertops, siding, and shutters from the selections we have available. All walls are painted off white. Your kitchen appliances will be white.

j) Build Start Date

Weeks or months may pass between the time that you select your lot and when we know the date your build will start. The order families choose their lots may not be the order that the builds start. There are many factors that go into determining the order of our build season, such as lot readiness, permitting issues and sponsor readiness. LHFH staff will notify you as soon as your build start date has been determined to so you can begin to plan accordingly.

k) Sponsor/Partner Family Meeting

After you have chosen a lot and been matched with a sponsor, a Family Services staff person will schedule your Sponsor/Partner Family Meeting. This is an exciting and very important

meeting! During this meeting you will meet your sponsor, review the floor plan of your house, and review your build schedule.

D) Construction of Your Home

You are expected to participate as much as possible on your construction site.

Hours

All households must complete 100 of their total hours of sweat equity constructing their own home or other families' homes.

Your participation on your build site

Building a house is fun, but hard work. Many people are making plans to come help you build your house. You will be responsible for doing your part.

We expect you to be on your build site any day volunteers are working except for reasons such as unavoidable work conflicts, major illness or serious emergency. You may also need to consider taking some vacation time to work on the construction of your home. However, your must not do anything that would jeopardize your employment status.

Evening cleaning of your site is extremely important and watering your new sod is critical. Final cleaning of your house before your walk through and dedication is a must.

Your participation on others' builds

LHFH is organized to promote cooperation. In this spirit, you are encouraged to help with the construction of others' houses. This does count as sweat equity hours.

****Note: No youth under age 16 are allowed on a construction site during construction (except during morning devotions & lunch). For every 16 or 17 year old, there must be one adult. No 16 or 17 year old may operate power tools, work in demolition, excavation, or roofing.*

m) Homeowner's Insurance & Other Documents

Before closing, you must secure your homeowner's insurance policy. There will also be other documents you will have to bring to us before closing on your house. The Family Services department will give you the information you need to obtain your homeowner's insurance quote.

All necessary documents must be in the possession of the Family Services department before we can proceed with your closing.

n) Walk Through Inspection

When your house is complete, a Family Services staff person will schedule a walk through inspection with you. A construction department staff person will lead the walk through. The walk through allows us to go through the house thoroughly to identify any items that need to be completed before closing. You will be explained the various systems in your house, and you should ask any and all questions you have. You must completely clean your home before we can proceed with the walk through inspection.

o) House Dedication

The house dedication is a very exciting event! This is when the house will be *ceremoniously* turned over to you (although you can't move in until after you have closed). The Family Services staff will plan this event with you and your sponsor. A dedication typically follows this format:

- Welcome by the CEO
- Presentations by representatives from LHFH board of directors or the house sponsor
- Song or reading (optional)
- Response from the family
- House blessing and benediction

***Afterwards, you should write thank you notes to the sponsor for providing the money and labor to build the house, and to others for any gifts received.

p) Certificate of Occupancy (CO) and Utilities Switchover

After the walk-through inspection, the next item is the Certificate of Occupancy. This is certification from the Lexington Fayette County government that your house is approved for occupancy. When it is secured, a closing date will be set. This may happen before or after your dedication. As soon as the date is set, you must have the electric & water utility accounts for your house switched over to your name & billing address. Well in advance, be sure you have paid off any old utility debts. You will need this information when transferring utility services: name, property location, date of birth, social security number, photo ID, and the closing date. Now you can begin plans for your move.

q) Closing on Your Home

The closing is the official transfer of ownership of the house from LHFH to you. Before closing can occur, you must have completed all your *sweat equity* hours. In addition, all liens and bills in collection status must have been paid off, and all personal legal issues resolved. It is possible to have outstanding collections if you have set up payment agreements with your debtors, unless you are enrolled in a Debt Management Program. We will pull your credit report prior to closing to ensure that you have taken care of your derogatory accounts. Failure to reconcile your derogatory accounts will result in a delay in your closing.

The closing involves you, the Executive Director of LHFH, and a Family Services staff person. The Executive Director will review the terms of the purchase with you. Then you will sign the mortgage, deed, promissory notes, and other documents. The process usually takes an hour. After the closing, you are an official LHFH homeowner and can move into your house (if we have already had the dedication)!

r) After Closing

You now have the responsibilities of a homeowner! Please keep in touch with us even after your closing to let us know how you're doing or if you have any question we can help you answer as a new homeowner!

We encourage you to become active in your new neighborhood association. We will also let you know of any LHFH Homeowner events.

s) De-Selection

All of the things mentioned above must be satisfied before you can close on your house. Failure to do any of the following will be seen as unwillingness to partner with us:

- Earn the required sweat equity hours prior to your closing (250/500)
- Attend all homeownership classes, punctually arrive, and actively participate
- Actively participate on your build site and ensure proper maintenance and cleaning during your build and right before your walk through and dedication
- Make 12 monthly homeowner preparation fee payments of \$60 on time
- Eliminate all derogatory debt prior to the closing of your house (some derogatory debt may be in a repayment plan)
- Meet with Apprised Financial Advocates as required and follow a monthly budget to be reviewed by the Family Services staff
- Maintain the income and debt ratio required at the time of your application.
- Stay in good communication with the Family Services department and your nurturer and be sure to communicate any changes in income, employment or contact information immediately.
- Maintain a cooperative attitude towards our partnership and display your ability to be a good neighbor and a good citizen.

Refusal to participate or cooperate in the requirements of your partnership will result in “de-selection” and we will terminate your partnership with Lexington Habitat for Humanity. You will also be de-selected if it is discovered you were dishonest about the information supplied on your application materials.

t) Grievance/Appeals

In any organization, in spite of the best efforts to develop excellent working relationships and a sense of professionalism, personality differences and strong differences of opinion may periodically appear. There may also be times when an employee or other constituent believes he/she has been treated in a discriminatory, harassing, or unfair manner. Each person has the right to pursue remediation of that situation.

Although it is hoped that misunderstandings, disputes, disagreements, and other matters can be handled informally between the parties involved, there may be times when the affiliate must become involved in the resolution, either informally or formally. This policy outlines those processes and applies to staff, board, volunteers, partner families and other constituents.

A ***grievance*** is any dispute or difference concerning the interpretation or enforcement of any provision of affiliate policies or procedures. Grievances may also deal with matters of conduct, including sexual harassment and racial discrimination as defined elsewhere. Throughout this policy, the word ***complaint*** may be used in lieu of the word ***grievance***.

Initial Efforts to Resolve

When a grievance develops, individuals involved are encouraged to try to work out difficulties on a personal/professional basis. Prior to such an effort, involved parties are

encouraged to write their positions, concerns, and issues and present those to the other involved parties. These documents should be used to reduce the number of issues in dispute.

Escalation

If the initial effort to resolve the grievance is unsuccessful, the matter should be brought to the attention of the managers of the parties involved. If the grievance involves an employee and manager, the matter should be escalated to the ED (if between a manager and the ED to the President, up the chain of command as appropriate). The ED will attempt to amicably resolve the grievance. If the ED cannot achieve a mutually agreeable resolution, the ED shall provide the parties with a written directive, within three business days, to resolve the grievance. The parties may accept the resolution or may, within three business days, appeal to the ED or Personnel Committee. In all cases, the grievance shall be presented in writing.

Resolution

If the grievance is not resolved to the satisfaction of the parties involved and escalates to the Personnel Committee, they shall meet with the parties to learn of the details of the grievance. The Personnel Committee shall subsequently have five working days to provide the parties a written directive to resolve the dispute. There shall be no further appeal, other than those authorized by law.

3) Giving Back

Lexington Habitat for Humanity works to bring volunteers together to help individuals, families, and communities.

You, as a Partner Family, will not only participate in the work, but also directly benefit from it. We hope that your involvement in LHFH and the local community won't stop once you move into your house.

You will be in a special position of understanding and will be able to help future partner families in their process of becoming homeowners. We encourage you to continue as a part of the LHFH community. We hope you choose to give back!

Homebuyer Set Up and Completion Form

HOME Program (For single and multi-address activities)

Check the appropriate box: <input type="checkbox"/> Original Submission <input type="checkbox"/> Change Owner's Address <input type="checkbox"/> Ownership Transfer <input type="checkbox"/> Revision	Name and Phone Number of Person Completing Form:
---	--

Set Up Activity:

A. General Information.

1. Name of Participant:	2. IDIS Activity ID Number:	3. Activity Name:
-------------------------	-----------------------------	-------------------

B. CHDO Questions. (Only if applicable)

1. Is funding limited to CHDO Operating (CO) or CHDO Capacity Building (CC) (Y/N)? (If Yes, STOP. DO NOT FILL OUT THIS FORM.)	2. Will activity be funded with CR (Y/N) If yes, CHCO Acting as (enter code) _____ (1) Owner (2) Sponsor (3) Developer
3. Will initial funding be a CHDO Site Control and/or Seed Money Loan (Y/N)? (Y/N) _____ (If "Y", answer Item 4.)	4. Is the activity going forward? (Y/N): (If "Y", fill out the rest of the form. If "N", only the cost information is needed.)

C. Objective and Outcome.

1. Objective (enter code): _____ (1) Create suitable living environment (2) Provide decent affordable housing (3) Create economic opportunities	2. Outcome (enter code): _____ (1) Availability/accessibility (2) Affordability (3) Sustainability
--	---

D. Special Characteristics.

1. Activity Location Type "Y" next to any that apply (1) ___ CDBG Strategy Area (5) ___ Brownfield redevelopment area (2) ___ Local target area (6) ___ Conversion of nonresidential to residential use (3) ___ Presidentially declared major disaster area (4) ___ Historic preservation area (7) ___ Colonia (For AZ, CA, NM, TX)	2. Will this activity be carried out by a faith-based organization (Y/N)?
---	---

E. Activity Information.

1. Activity Type (enter code): (2) New Construction Only (4) Acquisition & Rehab (3) Acquisition Only (5) Acquisition & New Construction				
2. Homebuyer's Name (optional):		3. Street:		
4. City:	5. State:	6. Zip Code:	7. County code:	Activity Estimates: 8. HOME Units: 9. HOME Cost:
10. Multi-Address (Y/N)?		11. Loan Guarantee (Y/N)?		

F. Developer. (For multi-address activities only)

1. Developer Type (Enter code): (1) Individual (4) Not-for-Profit (2) Partnership (5) Publicly Owned (3) Corporation (6) Other	2. Developer's Name:		
3. Developer's Street Address:			
4. City:		5. State:	6. Zip Code:

Complete Homebuyer Activity:

G. Activity Information. If this is a multi-address activity, make copies of this form so that cost and beneficiary information is reported for each address - Sections I, J, and K.

1. Activity Type (enter code): (2) New Construction Only (3) Acquisition Only (4) Acquisition & Rehab (5) Acquisition & New Construction	2. Property Type (enter code): (1) 1-4 Single Family (2) Condominium (3) Cooperative (4) Manufactured Home	3. FHA Insured (Y/N)? (For single address activities.)
4. Lease Purchase? If yes, date of agreement (For single address activities.)		(5) Completed Units: Total number: _____ HOME-assisted : _____

H. Units.

1. Of the Completed Units, the number:	<u>Total</u>	<u>HOME-assisted</u>
Meeting Energy Star standards:	_____	_____
504-accessible:	_____	_____
2. Period of Affordability: If you are imposing a period of affordability that is longer than the regulatory minimum, enter the total years (HOME minimum + additional) of affordability. PJ-imposed period of affordability: _____ years.		

I. Property Address. (For multi-address activities.)

1. Homebuyer's Name (optional):		2. Homebuyer's Street Address:	
3. City:	4. State:	5. Zip Code:	6. County:

J. Costs.

Purchase Price: _____

Value After Rehab (for Acquisition/Rehab activities only): _____

1. HOME Funds (Including Program Income)

a. Property Costs

	Totals
(1) Amortized Loan	\$ _____
(2) Grant	\$ _____
(3) Deferred Payment Loan (DPL)	\$ _____
(4) Other	\$ _____

b. Downpayment Assistance

(1) Amortized Loan	\$ _____
(2) Grant	\$ _____
(3) Deferred Payment Loan (DPL)	\$ _____
(4) Other	\$ _____

c. CHDO Loan

HOME Total this address [a + b + c]	\$ _____
--	-----------------

2. Public Funds

(1) Other Federal Funds	\$	
(2) State/Local Funds	\$	
(3) Tax Exempt Bond Proceeds	\$	
Total Public Funds [(1) + (2) + (3)]		\$

3. Private Funds

(1) Private Loans	\$	
(2) Owner Cash Contribution	\$	
(3) Private Grants	\$	
Total Private Funds [(1) + (2) + (3)]		\$
4. Activity Total (or Total this address)		\$

K. Household Characteristics. (Refer to code below where applicable)

Household									
Unit #	# of Bd rms	Occup ant	% Med	Hispanic? Y/N	Race	Size	Type	Assistance Type	Total Monthly Rent
		2							N/A

1. Homebuyer Counseling Homebuyer received (enter code): _____ (1) No Counseling (3) Post-counseling (2) Pre-counseling (4) Both	2. FHA Insured Y/N? (For multi address activities.)	3. First-time homebuyer Y/N?
4. Coming from subsidized housing Y/N?	5. Lease Purchase Y/N? (For multi address activities.)	If yes, date of agreement:

of Bd rms
 0 - SRO/Efficiency
 1 - 1 bedroom
 2 - 2 bedrooms
 3 - 3 bedrooms
 4 - 4 bedrooms
 5 - 5 or more bedrooms

Occupant
 1 - Tenant
 2 - Owner
 9 - Vacant Unit

Household % of Med
 1 - 0 to 30%
 2 - 30+ to 50%
 3 - 50+ to 60%
 4 - 60+ to 80%

Household Race
 11 - White
 12 - Black or African American
 13 - Asian
 14 - American Indian or Alaska Native
 15 - Native Hawaiian or Other Pacific Islander
 16 - American Indian or Alaska Native & White
 17 - Asian & White
 18 - Black or African American & White
 19 - American Indian or Alaska Native & Black or African American
 20 - Other Multi Racial

Assistance Type
 1 - Section 8
 2 - HOME TBRA
 3 - Other federal, state or local assistance
 4 - No assistance

Household Size
 1 - 1 person
 2 - 2 persons
 3 - 3 persons
 4 - 4 persons
 5 - 5 persons
 6 - 6 persons
 7 - 7 persons
 8 - 8 or more persons

Household Type
 1 - Single, non-elderly
 2 - Elderly
 3 - Single parent
 4 - Two parents
 5 - Other

Instructions for Completing the Homebuyer Set-up and Completion Report

HOME Program

Read the instructions for each item carefully before completing the form. The purpose of this report is to assist with the collection of information to be entered into IDIS.

Applicability. This report is to be completed for each homebuyer activity assisted with HOME funds.

Timing. This report form is used to setup an activity in IDIS so that funds may be drawn down and to complete the activity so that the HOME Program reporting requirements are met.

Set Up Activity

A. General Information. (Only applicable if the activity is being carried out by a CHDO.)

- Name of Participant.** Enter the name of the participating jurisdiction or the agency administering the homebuyer activity.
- IDIS Activity ID Number.** Enter the activity number assigned by IDIS.
- Activity Name.** Enter the name that the grantee or sub-grantee has designated to the activity.

B. CHDO Questions. (Only applicable if the activity is being carried out by a CHDO.)

- Is funding limited to CHDO Operating (CO) or CHDO capacity Building (CC)?** This report does not apply to CO or CC activities. In IDIS, fund and draw after selecting CO/CC on the HOME menu.
- Will the activity be funded with CR (Y/N)?** _____ If yes, CHDO Acting as: (Enter code) _____
 - Owner
 - Sponsor
 - Developer
- Will initial funding be a CHDO Site Control and/or Seed Money Loan (Y/N)?** _____ (If Y, answer 4)
- Is the activity going forward?** After funding and drawing CL, answer "Y" to proceed to set up a Homebuyer activity or "N" to report costs and complete the activity.

C. Objective and Outcome

Objective. Enter the code of the objective that best describes the purpose of the activity. If a code is not entered in IDIS, the system will default the answer to "2" – Decent affordable housing.

- Suitable living environments.** Applies to activities that benefit communities, families, or individuals by addressing issues in their living environment.
- Decent affordable housing.** Applies to housing activities that meet individual family or community needs. This objective should not be used for activities where housing is an element of a larger effort.
- Creating economic opportunities.** Applies to activities related to economic development, commercial revitalization, and job creation.

Outcome. Enter code of the outcome that best describes the benefits resulting from the activity. If a code is not entered in IDIS, the system will default the answer to "2" – Affordability.

- Availability/accessibility.** Applies to activities that make services, infrastructure, housing, and shelter available and accessible. Note that accessibility does not refer only to physical barriers.
- Affordability.** Applies to activities that provide affordability in a variety of ways. It can include the creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or day care.
- Sustainability.** Applies to activities that promote livable or viable communities and neighborhoods by providing services or by removing slums or blighted areas.

D. Special Characteristics

- Activity Location.** Type "Y" next to any that apply. IDIS will default the answer to "N" if an answer is not typed in the field.

- CDBG strategy area is defined as HUD-approved neighborhood or Community Revitalization strategy Area (NRSA or CRSA), identified in the grantee's Consolidated/Annual Action Plan under Section 91.215(e) or Section 91.315(e)(2).**
 - Local target area is defined as a locally designated non-CDBG strategy area targeted for assistance.**
 - Presidentially declared major strategy area is defined as an area declared a major disaster under subchapter IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.**
 - Historic Preservation Area is defined as an area designated for historic preservation by local, state, or federal officials.**
 - Brownfield redevelopment area is defined as an abandoned, idle, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination.**
 - Conversion from non-residential or residential use is self explanatory. An example is converting an old warehouse into rental units or condominiums.**
 - Colonia is defined as a rural community or neighborhood located within 150 miles of the U.S.-Mexican border that lacks adequate infrastructure and frequently also lacks other basic services. This field only applies to activities located in the states of Arizona, California, New Mexico, and Texas.**
- Faith-Based Organization.** Will this activity be carried out by a faith-based organization (Y/N)? Enter "Y" if it is known or if the organization declares itself to be a faith-based organization. If not, enter "N". Note: IDIS will enter the default answer of "N" if an answer is not typed in the field.

E. Activity Information

- Activity Type.** (Enter code): to indicate the type of activity.
 - New Construction Only.** Any activity that involved: (a) the addition of units outside the existing walls of the structure and (b) the construction of a new residential unit(s).
 - Acquisition Only.** Acquisition of a structure that received certificate of occupancy at least 13 months before acquisition, which did not require rehabilitation and which is being used to provide affordable housing.
 - Acquisition & Rehab.** A HOME-assisted rehabilitation activity, which included the acquisition of real property.
 - Acquisition & New Construction.** A HOME-assisted new construction activity, which included the acquisition of real property. This includes acquisition of a structure that has received an initial certificate of occupancy within a one-year period prior to acquisition.
- Homebuyer's Name** (optional). Enter the name of homeowner. For multi address activities the name of the development can be entered.
- Street.** Self explanatory. For multi address activities enter a general description of the project location.
- City.** Self explanatory.
- State.** Self explanatory.
- Zip code.** Self explanatory.
- County code.** Enter the county name or code.
- Activity Estimates.** HOME Units. Enter the estimated total number of units (upon completion) that will receive HOME assistance.
- Activity Estimated HOME Cost.** Enter the total amount of HOME funds requested for the activity.
- Multi-Address (Y/N)?** If the activity consists of more than one home, enter "Y" so that costs and beneficiary information can be reported for each address at completion.
- Loan Guarantee? Y/N.** Enter Yes or No to indicate whether this activity is supported by a loan guarantee.

F. Developer Information. (For multi-address activities only.)

- Developer Type.** (Enter code.)
 - Individual
 - Partnership

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
DIVISION OF GRANTS AND SPECIAL PROGRAMS
EQUAL OPPORTUNITY REPORT**

YEAR ENDING: _____
AGENCY REPORTING: _____
CONTACT PERSON & PHONE: _____
DATE REPORTED: _____
PROGRAM NAME: _____

GRANT RECIPIENT AGENCY

NUMBER OF EMPLOYEES: _____

RACE OF EMPLOYEES: (Must select one, cannot use other)

- _____ *WHITE*
- _____ *BLACK or AFRICAN-AMERICAN*
- _____ *ASIAN*
- _____ *AMERICAN INDIAN or ALASKAN NATIVE*
- _____ *NATIVE HAWAIIAN or OTHER PACIFIC ISLANDER*
- _____ *AMERICAN INDIAN or ALASKA NATIVE and WHITE*
- _____ *BLACK or AFRICAN-AMERICAN and WHITE*
- _____ *ASIAN and WHITE*
- _____ *AMERICAN INDIAN or ALASKA NATIVE and BLACK OR AFRICAN AMERICAN*

ETHNIC CATAGORIES: (These should total the same number reported under Race of Employees)

- _____ *HISPANIC OR LATINO*
- _____ *NOT HISPANIC OR LATINO*

SEX OF EMPLOYEES: _____ FEMALE _____ MALE

ANY EMPLOYEES WITH A DISABILITY? _____ YES OR _____ NO
_____ HOW MANY?