

Office Hours FAQs

Will these meetings be shared or posted anywhere we can access later?

We are not currently recording the sessions. All questions and answers are being documented within the FAQs posted on our website.

If we have a question specific to our application, will you respond individually to emails or only in these sessions?

Our goal is to answer all questions in a public forum. Please expect KHRC staff to respond to questions during the office hour meetings and in this FAQ document unless it is a very technical question.

LIHTC Applications

Energy Efficiency & Zoning

What do we provide for proof that we are meeting energy efficiency requirements?

Please provide a letter from the architect stating the construction will meet the 2018 IECC. Include the name of the energy rater contracted for the project. Or, have an energy rater provide a letter stating construction will meet the 2018 IECC.

Abbreviated PNA reports for small developments is listed in the requirements. What is considered a small development? What is considered an abbreviated report?

11 or fewer units is considered a small development. KHRC will accept a work plan from the architect. KHRC will also review a proposal prior to the application submission to ensure the abbreviated report will provide all necessary information.

For the energy and utility projections can we utilize the actuals from recent product placed in service with the same construction specs?

Yes. For the application only, developers may provide utility estimates based on recent projects of similar design and construction, adjusting if necessary for location. Note that these are for underwriting purposes only and may differ from final approved utility allowances.

Will utility allowances from our local PHA be acceptable for our utility allowance calculation?

PHA allowances are acceptable for the application phase. If there are HOME funds, the final UA needs to be done using one of the approved methods for the HOME program.

Does KHRC have any preference on size of or security related to parcel rooms in LIHTC deals?

No.

If a property is not zoned, but is in the municipal process for rezoning will that satisfy the rezoning requirement?

If the proposed site is not properly zoned, written confirmation from the municipal zoning authority that the proposed use is within the parameters of existing conforming zoning designations is required. A proposed site that is in the municipal process may suffice if its placement in the process confirms that the proposed site is within the parameters of existing conforming zoning designations.

Can you please clarify what KHRC is looking for in terms of annexation and zoning documentation prior to the full application?

The QAP says you will need to provide written confirmation from the municipal zoning authority that the proposed use is within the parameters of existing conforming zoning designations.

Although this project will be the adaptive reuse of a historic building, it is still classified as New Construction in the QAP. Since NPS and SHPO will require that we keep/restore the masonry walls, it will be difficult (and likely impossible) to meet the 2018 IECC requirement for new construction. What is the process to request a waiver of this requirement? Is there another process that can be implemented in lieu of this requirement?

Yes, it is still classified as new construction. Please work with Scott Jessop to detail the limitations or reaching the 2018 IECC requirement for this project. (Note that similar questions may arise around accessibility requirements if Federal funds (HOME/HTF) are involved).

The QAP states that New Construction developments must demonstrate compliance with the 2018 IECC, but the Architectural Standards state 2006 IECC. Is 2018 IECC the correct benchmark?

Yes. We are aware of some inconsistencies within the different documents, but the 2018 IECC is the correct benchmark.

Appraisals

Does KHRC have any detailed appraisal guidance to provide to the appraiser?

No, we do not.

It appears that only resyndication developments qualify for the Basis Boost if there are not current members involved in the new ownership and not requesting acquisition credits. What if there are current members involved in the new ownership, but the project still qualifies for acquisition credits under the IRS rules? What is the reason for KHRC ordering the appraisal vs. the applicant?

No, a resyndication will qualify for a Basis Boost if it has current members that will be involved in the new ownership and not requesting acquisition credits. KHRC will have discussions on the QAP in general in spaces where the general public can participate. The 2022 QAP review process will begin following the announcement of awards from this round.

Basis Boost on new construction – Does KHRC order the appraisal for all developments seeking the boost or just the ones that have unrestricted/market rate units?

KHRC will order the appraisal for new construction proposals in metropolitan counties that are seeking a boost because of high land costs. The development cannot have market rate units to qualify for the boost.

Since the non-profit owner will retain ownership and we are just requesting rehab credits (no acquisition credits), we intend to ask for a boost. In this instance, does KHRC need an appraisal?

KHRC will order the appraisal in this instance.

How does KHRC determine “expensive land because of being in a high-opportunity area or the proposal is in a Rural county as defined in QAP Section III (C)”? What is the reason for KHRC ordering the appraisal vs. the applicant?

We will compare the land costs with developments in the area and use KHRC historical data.

How much will the appraisal cost if KHRC orders it?

We do not know yet. We will not order the appraisal until we get the full applications, and this will only be for the applications that request a boost because of high land cost.

What is the purpose of the land appraisal requirement for the 30% boost? How does this effect points since it is not done by KHRC until after the full applications?

State allocating agencies have the ability to designate state defined “difficult development areas;” however, KHRC has a responsibility to outline those requirements. The QAP defined metropolitan state designated difficult to developer area is high land cost areas and those land tract prices will be supported by a KHRC ordered appraisal. Qualifying for the state designated basis boost does not have an effect on an applicant’s points.

Is a real estate as-is appraisal necessary if we are not asking for a credit boost due to high land cost?

Yes. If an applicant requests a boost due to high land cost, KHRC will order the appraisal. If a boost is not requested, then an as-is appraisal is required with the full application.

How do we request a wavier for the real estate as-is appraisal? I did not see a form on your website for this request.

If the land purchase price is less than \$5,000, the applicant can request a waiver on the requirement to submit a waiver with the full application. The waiver request should be submitted by email to Alissa Ice and Haley Hishmeh; Barry McMurphy should be included in the request if the applicant is requesting HOME and/or NHTF.

Is there guidance to "high land cost"? Is there a per unit amount or threshold?

No, there is not any current guidance. We are looking to see if the appraisal and the purchase price are consistent.

Our Appraisal is dated September 14, 2020, which will make it approximately 8 months old at the time of the full application submission. Will we need to have our Appraisal updated or can we have a Reliance Letter issued – what are our options?

If the appraisal is less than a year old, we will accept a reliance letter.

If we request a basis boost for multiple properties does that mean that an appraisal is not required for either application? Is that still the case if our request for a boost is less than the full 30%?

If the development sites are in QAP defined rural counties, an as-is appraisal will need to be submitted. If a boost is requested in the QAP defined metropolitan counties, an appraisal will not need to be submitted.

Is the "as is" appraisal we must submit with the full application for the land we have optioned for the project?

Yes, that is correct.

If our property is in a Rural county as defined in QAP Section III (C), would the project be eligible for a Basis Boost? If so, does KHRC need to order the appraisal?

You are correct that a new construction or conversion proposal would get a boost because of its location in a rural county. KHRC will not order an appraisal, but you will need to submit one with your full application.

We have a new construction project in a Rural county, and we are requesting a boost. Does KHRC order the appraisal? Are high land costs only for Metropolitan counties?

The high land cost boost is only for new construction projects in metropolitan counties. New construction projects in rural counties will receive a boost regardless, and if the acquisition is higher than \$5,000, they need to submit an as-is appraisal.

Our property is rehabilitation project in a Rural county, we are not claiming acquisition credits, and we are requesting a boost. Does KHRC order the appraisal? Can we claim acquisition credits and a boost, knowing that the boost is only applied to the rehab portion?

If the developer is requesting a boost for a rehab project because the developer is part of the current ownership entity and not requesting acquisition credits, then KHRC will order the appraisal. If the developer is not requesting a boost, but will be utilizing acquisition credits, then the developer should submit the appraisal. The developer cannot claim acquisition credits and a boost.

We were informed that if the development sites are in a QAP defined rural counties, an as-is appraisal will need to be submitted. This seems to contradict page 24 of the QAP that infers that if a rural application requests a boost, then an as-is appraisal is not required. Am I reading something into the QAP statement that is not there?

This is a fair reading of the QAP, but it is not how we are interpreting it. KHRC will order the appraisal for new construction projects in metro areas requesting a boost for high land costs. Rural new construction sites are eligible for the boost, without the high land cost requirement, but we need the as-is appraisal with the full application – unless the acquisition costs are less than \$5,000.

Tax Credits & Financing

How many credits are anticipated? How does that translate to a percentage of successful applications?

We are not sure yet, but we estimate anywhere between \$7.7M and \$8.5M. This would translate to be 10 to 17 developments or 25% to 40% of successful applications.

With multiple offers of equity are we to use numbers and identification of one source for application, and still have options for finalization post award?

Yes. KHRC staff will evaluate the proposal that is submitted.

When the cost limits for new construction will be posted?

The new construction cost limits are posted [here](#).

How do we best document the leverage/source of value of tax abatement in the financials on application?

Please upload any financial documentation in the “Commitment letters for funding sources & other support” folder. Note that if the exemption or rebate declines over time, that needs to be accurately reflected in the proforma.

Does KHRC have any flexibility in ceilings on LIHTC allowances for historic tax credit projects since they are more expensive to build especially with construction costs skyrocketing?

Yes, the QAP states that KHRC may waive the limit to reduce a request for a HOME or NHTF loan, or for applications addressing large-scale, locally important activities.

The process with Rural Development deals has changed. Has that been brought up before? Are you looking for a standard commitment letter from RD, because the letter RD provided has also changed?

We are aware that there has been restructuring in the Rural Development office. We do not have an answer right now, but we will schedule a meeting with RD to get some clarification. We also understand that their restructuring is separate from us and we will work with what they are able to provide.

Will KHRC accept Rural Development’s standard letter?

Yes, we will accept the RD Standard letter.

The QAP requires a minimum \$300/unit to replacement reserves. Can a developer prefund part of that during development and reduce the annual contributions, if the net deposit to the account over time is the same?

Yes.

Would an Industrial Revenue Bond (IRB) count as a fee waiver? Either an IRB for our construction material taxes or one for our property taxes after construction?

Yes, IRBs would count, but they still need to submit supporting documentation. And a calculation that shows the value to the development.

On the top of page 23 of the QAP, it mentions a \$600/unit/year amount. What is this referring to?

This is referring to the cash flow.

When will the syndicator rates be posted?

A memo regarding Equity Pricing has been posted on our website.

Are the maximum percentages for general requirements, overhead, profit, permit fee and contingency a percentage of hard construction cost?

Those percentage maximums account for the site work and the hard construction costs.

Amenities

How will the private amenity distances be weighted?

When we are determining the points related to primary amenities, we will use the following weighting factors:

- Grocery distance will be multiplied by .5
- Shopping distance will be multiplied by .75
- Pharmacy distance will be as listed.

We have a question about bus stop points. The City was awarded a grant for on-demand public transportation that will be housed and dispatched from the Guidance Center, which about 0.5 miles from our site. Additionally, the City thought a drop-off location in our development would be great. We wanted to confirm that this would count for points for bus stop at a senior development even though it may not be quite operational yet at the time of application.

Yes, this situation would be eligible, but we will need confirmation that this is going to happen.

Regarding the 5 points for “2. Senior Housing with Services”, if a development commits to additional UFAS units, walking path, and on-site bus stop, will that receive the maximum possible 5 points?

For the senior services, yes, proposals only need to offer one of the three from the 7th bullet point.

Is it required to offer supportive housing services in order to receive points in the Senior Housing with Services category?

No, it is not required.

According to the QAP a community room/leasing office is not a required amenity, but rather a points item, is that correct?

Yes, that is correct. A community room or leasing office is not required.

Rehabilitation

What is the process for determining “RD rehabilitation priority”? Do we need to do anything for this item?

KHRC will work with Rural Development to determine their priority proposal. Applicants do not need to do anything for this item.

Are Phase I's only required for rehabilitations? Or new construction as well?

We do not require a Phase I at application for anyone. Phase I's will be addressed once proposals are approved.

For acquisition/rehabilitation projects, is the only way to get a boost if you request the boost on the rehab portion of the project regardless of if you are in a QCT or DDA?

Yes, that is correct.

Market Study

Does KHRC have any detailed market study guidance to give to the market analyst?

No, but the Model Content Standards from the National Council of Housing Market Analysis is detailed. Market Analysts should refer to that model.

Can we submit a market study that shows demand for more units than what we submit in our application? For example, can we provide a study that shows demand for 50 units and submit only 40 in our application?

Yes. The Market Study should be a general reflection of the full application.

We have a market study for this project that is as current as July 2020. I wanted to ask you if it is necessary to acquire a more current market study, or if we would be able to use the one we have?

A market study that is less than 1 year old is sufficient if the study is still a general reflection of the full application, including the number of units, proposed rents, and capture rate. The submitted application should include a confirmation from the market analyst that the conclusions are still accurate.

Will KHRC be setting specific General Requirements, overhead and profit limits when it provides the construction cost limits?

Yes, we will. We are aiming to post the construction cost limits by March 19th.

Procorem & Excel Application

What do I do if I am having issues with some cells on the Excel Application?

Please send hhishmeh@kshousingcorp.org an email stating the tab name, cell number and cell letter of the spot that is causing an issue. Additionally, please check Procorem for any posts from KHRC staff regarding the Excel application. We also recommend keeping a record of the correct answers to the cells that are giving you trouble.

Where do I upload documents that don't specifically go into one of the Procorem folders?

Please email our team and we will let you know if that item is needed. If it is needed, we will also tell you where to upload it. Generally, if an item is not mentioned on the checklist, throughout the application or in Procorem it is not needed.

I uploaded a document to the wrong folder. How do I move or delete it?

Owner/Agents do not have the ability to move or delete documents. Please email thansen@kshousingcorp.org and she will either move or delete the document for you.

For new construction, I was wondering where to put the Amenities information.

Please complete the Amenities information in the application. "Proximity to Amenities" documentation can be posted in the "Preliminary plans..." folder on Procorem.

For new construction, is separate information needed for the following, or just reflected in other sections of the application: Public Housing List, Principals & Management Experience, Below Market Loans & Support, 3-bedroom units, and Extended Affordability.

Principals and Management experience was required at preliminary, so no additional information is needed at this time. Public Housing List, 3-bedroom units, and extended affordability do not need any additional information, only what is asked throughout the application. Below Market Loans & Support can be provided in the "commitment letters..." folder on Procorem.

For the rehabilitation, I was wondering where to put the Relocation information.

We only require relocation information for HOME/NHTF but would like this information to be provided in the Preliminary plans folder on Procorem.

For rehabilitation, is separate information needed for the following, or just reflected in other sections of the application: Public Housing List and Principals & Management Experience.

Principals and Management experience was required at preliminary, so no additional information is needed at this time. Public Housing List does not need any additional information, only what is asked throughout the application.

The percentage of ownership on the syndicator tab rounds to 100% if you put in 99.99%.

We will correct this when we release the updated application on Friday, March 19th.

Why can't we enter the HFA# number on the preliminary tab?

The HFA# has not been assigned yet, so it should be blank.

For new construction availability of Utilities, what documentation do you need? Can the Architect address in a letter that the utilities and road access will be covered, or do you need something from utility providers?

A letter or email from the provider confirming utility availability to the site is sufficient. An architect letter could also be acceptable if it provides a basis for the conclusions.

Is the utility documentation for water, sewer, electric, etc. or are you looking for additional utilities such as cable and phone?

Yes, just the essential utilities so that we know they are available.

Is the utility documentation just for new construction, or is it needed for rehab properties?

Yes, it is just for new construction.

How do we complete the utility allowance for a project that has two different structures?

Fill in the utility allowance that best reflects how the utilities are funded. If this proposal is funded, we will determine a specific solution for the development.

The QAP on the bottom of page 22 mentions the DCR coverage for 15 years, which is what we usually see for the pro forma. The Application form and Procorem folders however have 20 years. Which is correct?

We want to see the proforma for 20 years, but it must maintain the 1.15 DCR coverage for 15 years.

I downloaded the newly uploaded Full Application file. Should this include our existing data from the Preliminary Application?

Yes, please copy the Preliminary Application data into the updated Full Application.

Does the homeownership plan have to be submitted with the application?

It is not on the application checklist, but if you have this information please submit it in the “Proof of ownership interest in the project” in the Nonprofit section of Procorem.

Is a Physical Needs Assessment required at full app since it is listed with preliminary plans, specifications, and site plans on the application checklist, or do we just have to have one of those options?

If it is a rehabilitation project, please submit a PNA.

Please clarify the requirement under PNA/prelim plans & specs section. For rehab projects, are the plans & specs required along with the PNA or is the PNA the only requirement?

No, we don't need plans or specs but we need a write-up and the scope of work.

I was reviewing the tax credit application and it states that we need the experience summary for the GC. I have the attached form but it says: *Please specify any LIHTC properties placed in service between January 1, 2013 and December 31, 2019 that you have been listed in an awarded application as a developer, Managing Member, General Partner, the Management Company and/or a consultant. Involvement may be through a single purpose LLC or limited partnership.*

Please submit an experience summary form for the General Contractor. We will revise the language next year so that the form and the application are consistent.

Are we allowed to revise our development numbers, or do we have to use what was submitted in the preliminary application?

We did not review any numbers we may have received with the preliminary applications. So those numbers can and should change to reflect the prices you are seeing.

The applicant/sponsor on both deals are to-be-formed entities made up of our development team. We do not intend to create these entities until we are awarded tax credits. What does KHRC need regarding financial statements? Separate financial statements from each member of that to-be-formed entity?

Yes, please submit the financial statements of the applicants that exist at the time of application.

I am struggling trying to find in the QAP what you want as far as applicant's financials? If LLC – do you need principals' personal financials & tax returns?

I don't believe we have guidance on what we are looking for. We want the audited financial statements for the applicant that have been issued in the last 12 months. If the applicant does not have an audited financial statement, then it must be dated within 90 days and should be accompanied by a certification from an authorized representative of the entity stating the statement is true and correct, to the best of their knowledge.

HOME & NHTF Applications

Do we need to provide a Community Housing Plan?

If a community has a formally adopted housing plan, we want evidence that the proposed activity is consistent with that plan. If there is no such plan, provide correspondence with a local official to that effect.

Is it still possible to submit a full application with NHTF if the box was not checked in the preliminary application?

If the intent to include NHTF as part of the funding mix was left out by oversight, please notify us of this prior to submission of the full application and it will be added.

Where do we find the subsidy amounts for determining how many units we are allocating for the \$500K in NTF?

The HTF per-unit subsidy limits for 2021 are:

0 BR - \$141,049

1 BR - \$161,694

2 BR - \$196,617

3 BR - \$254,362

4 BR - \$279,208

The minimum number of HTF units is also calculated on the percentage of HTF-eligible cost to be paid with HTF funds. Please note that the 'percentage of eligible costs' calculation is usually a more critical number. For example, if the HTF award is 10% of eligible costs, at least 10% of your units will be HTF-assisted (and restricted).

Is there a specific website for finding Above Ground storage tanks? Or do they know of a resource?

The Kansas Dept. of Health and Environment maintains a database of ASTs.
<https://www.kdheks.gov/tanks/>

Where do we find the Statement of Assurances and is this a requirement for the NHTF funds?

The Statement of Assurances can be found on Procorem. Yes, it is a requirement for NHTF.

Can they clarify which of the documents they are expecting to receive if we are only requesting NHTF from the first page in the application under "HOME/NHTF at Full application"

Unless the folders in Procorem are marked "(HOME only)", all documents requested are necessary for NHTF.

What are the HOME subsidy limits?

The HOME subsidy limits have been updated:

	0 BR	1 BR	2 BR	3 BR	4+ BR
Previous:	\$149,868	\$171,802	\$208,913	\$270,266	\$296,666
New limits:	\$153,214	\$175,752	\$213,718	\$276,482	\$303,490

There is a discrepancy between the replacement reserve requirement in the QAP and what was in previous HOME/HTF applications.

Please follow the requirement in the QAP.