

2022 Kansas Moderate Income Housing (MIH)

Request for Proposals (RFP) Frequently Asked Questions (FAQ)

KHRC will update this document periodically during the application period. **The additions in this latest version (7/22/2022) are shown in red.**

A. Background

1. How much capacity do you expect to have for new projects, after 2020 and 2021 previous projects are funded this round?

Our intent is to put out approximately \$5 million every round, and then we will shift the type of funds available. We have MIH funding out of the State General Fund (SGF). We will also have \$20 million from the American Rescue Plan Act (ARPA). Those are federal funds that will have different requirements and reporting. We are also going to have a revolving loan fund. And so those are all three different pots of money that are all going to have different pieces. We may put \$2.5 million out in ARPA money and \$2.5 million out in straight MIH. Our intent is to put out \$5 million every four months. We will also start putting out tax credits in the second round, so it will have \$5 million plus tax credits.

2. If there is \$20 million available for FY 2022, why three rounds of \$5 million?

Our intent is to do \$5 million every four months, until we run out. The only source of funds that we have a deadline on is the ARPA money. The \$62 million that we received this year is a one-time injection. We do not anticipate that we are going to get another \$62 million next year. So, we plan to keep spending \$5 million every round. We want to make sure we are doing a couple of things. We want to get the best applications we can. So, we want to see people putting their best foot forward. In the past, we get about \$8 million in requests. And that is a lot when we only have \$2 million. What we do not want to see is a lot of requests for subpar projects because we have \$20 million out at one time. What we are trying to do is allow people some time to put a project together and then if they do not get funded, then we will talk about what we viewed as deficiencies, you can clarify some things, and then come back and four months and reapply.

3. A 1,300 square foot home used to cost \$200,000. Now it costs \$300,000. Will you update your numbers?

We try to account for whatever the environment is that we are serving. What we are trying to do with the MIH program is make affordable housing available to moderate income households. We understand that that gap that we are going to have to fill is going to need to be bigger. So, if there are specific places that we need to address numbers for what a house costs, we are open to that.

4. Is there a way to make sure I'm on the mailing list in the future? I am about a month old in my role and still looking to get acquainted and get signed up on the proper lists.

Subscribe to the "Moderate Income Housing" email list at www.kshousingcorp.org/subscribe

5. Are the current RFP and Application materials posted on your website (on 7/8) being used for both the State General Fund (SGF) and the American Rescue Plan Act (ARPA) allocations?

No, this first round MIH RFP (due 9/30/22) is only for the SGF funds. ARPA funds will require additional compliance, processes, and documentation – which we will incorporate appropriately in subsequent round's application process.

6. Are ARPA reporting requirements for KHRC or are they for the applicant? How does an applicant applying for the grant/loan know which they are applying for/receiving and what the reporting requirements will be for them?

We will make it clear which funds we are making available. For the first round (due 9/30/22), the funds available will be SGF. Our hope is to make ARPA funds available the next funding round. We are working with the state and federal Recovery Offices to determine the reporting and application requirements.

B. RFP Overview

1. Will there be a webinar to go through the final RFP step by step?

Yes, we are planning on a video that will detail the application process. Our intent is to release it by the end of July.

2. Can we access the MIH RFP Public Hearing webinar for review?

Yes, it is posted on our [Public Notices page](#) and [our YouTube channel](#).

3. We aren't sure who to reach out to for developers to come to our area. Can you provide contacts who we can reach out to get more information?

Please visit the Kansas Department of Commerce's new [Housing Resources Developer Profile Database](#).

4. Are developer and consulting fees an eligible use of MIH program funds?

Yes. Reasonable proposed fees will be evaluated with the application.

5. Are contract administration and compliance costs MIH fundable?

Yes. Reasonable proposed costs will be evaluated with the application.

C. Eligible Applicants

1. Does a county over 70,000 in population disqualify a project? Several rural towns are smaller in population but are in larger counties.

We do have MIH projects that are in counties that are larger than the 60,000. That is allowed by MIH, but they are for communities that are smaller than 60,000. The project must be in a community that meets that threshold.

2. If I am in a city in Johnson County that is 2,000 in population, then can the city apply for MIH?

Yes.

3. Is it a stronger application if there is a nonprofit, for profit developer, and a city/county?

No. MIH requires that a city or county be the applicant. However, beyond that, it is what the application is trying to accomplish. What makes a strong app is if the application follows what the housing assessment tool says and if it meets the needs of the of the community.

4. If you have an open MIH project, are you eligible to apply for a new MIH project?

Yes, you are. Of course, we must consider what that project is and where it is in its development timeline. Whether what you are proposing is the same, an extension of something, or something new, it is eligible to apply. However, there are going to be a lot of circumstances to determine whether it is a strong proposal.

5. A developer is wanting to build two four-bedroom single family homes as group homes for individuals with disabilities. He would make them ADA accessible. Would they be eligible to apply for MIH?

This would be an eligible MIH project, although individual residents would need to need to meet MIH income requirements – between 60 and 150 percent of HUD’s FY2022 income ranges (see Attachment A of the RFP). A City or County, with a population of less than 60,000, must be the actual applicant and recipient of MIH funds, and they can then partner with the developer to complete the project.

6. Is it required that the city or the developer own the lots? Can privately owned lots be part of the MIH project?

It is not required that the City or County own the lots, only that the City or County be the applicant and recipient of MIH funds.

D. Current Funding Priorities

1. Will the funds be spread throughout the State evenly?

That is our goal, as stated in the RFP. However, we can only fund the applications that we receive. We continue to work hard to make sure that we are getting applications from all areas of the state.

2. Will you consider full funding for projects that were partially funded over the past two years?

We would consider that. It is in line with the projects that we did not fund because we did not have enough money.

3. If previous applications were unfunded, in 2020 or 2021, will those be reconsidered or does a new application need to be submitted?

A new project or a new application will need to be submitted. We know that the costs have increased dramatically, and other things have changed. We want to make sure that the city or the county is still able to carry out the project that they proposed.

4. If a grant submission does not get awarded in the first round, will it be looked at favorably on in another round in the future?

Yes, the applicant could and should reapply. If we get an application and we don't fund it, our Housing Development Liaisons, listed in the RFP or at MIH@kshousingcorp.org, will be available to talk with you about what the deficiencies were, how you can improve it, and then submit a stronger application.

5. If an application goes unawarded, and it is a great application, do they have a stronger case than a new application that was not submitted in the first round? Is there a pecking order?

With each round of applications we must balance many competing priorities. Additionally, each round will be impacted by the nature of the applications received that round. However, we would likely give additional consideration to a strong application that had been previously submitted.

E. Application Requirements

1. Is it critical to have a developer in place at the time of application?

It is not critical, but, depending on the scope of the project, it could make a project stronger if there is a developer in place.

2. For how many years is a housing study considered valid? Is one completed in 2017 out of date?

Yes, that is out of date. We will accept housing studies that are three years old or less.

3. Is it good to have the have a Housing Assessment Tool (HAT) from Commerce and the Housing Needs Assessment in your application?

It is required that there be some sort of housing needs assessment in the application. We will accept a HAT, a third party assessment, or the RHID required assessment.

4. Will you review the energy standards required?

For the energy comments, if raters are not available, KHRC will consider a waiver. For proposed increased costs associated, we will balance the costs and benefits as we move forward, but proposals should plan for the energy requirements.

F. Leveraged Funds

1. Is there a requirement for a city to invest in a project?

No, but we do look at, review, and favor projects with leveraged funds.

2. Can leveraged funds come solely from the developer?

Yes.

3. Can the city be the bank for a buyer? Can the city loan the money to the buyer to build the house at a zero percent interest rate?

Yes.

G. Rural Housing Incentive Districts (RHID)

1. Does an MIH project have to be a part of a RHID?

No, an MIH project is not required to be part of RHID. If you are doing an RHID, we just want to know where you are in that process.

2. What do you mean by “assisting with vertical construction” conjunction with a RHID? Do you mean that RHID should assist with actual construction of the structures?

Yes, that is our intent.

3. To confirm, MIH funds cannot be used for any costs for RHID, only vertical, which RHID cannot be used for. So, MIH funds could not be used for a capitalized interest fund for RHID or for engineering costs accrued during the initial steps of the RHID?

Our intent is that MIH would only be used for the vertical construction costs, and it would not be used for a capitalized interest fund or the engineering costs.

4. Can the Upper Story RHID program be used for vertical construction?

Trisha Purdon from the Office of Rural Prosperity confirmed that Upper Story RHID can be used for vertical construction. The [Department of Commerce](#) is the best resource for specific questions regarding RHID.

MIH may also be used for the vertical construction. We will look at the pro forma that budget to see how that would all work together.

5. If an IRB is used for vertical construction, is there any benefit to install an RHID?

Yes, but for sales tax exemption rather than property tax exemption per Trisha Purdon of the Office of Rural Prosperity. The [Department of Commerce](#) is the best resource for specific questions regarding RHID.

6. Can you apply for an MIH grant if you already have an RHID?

Yes. We just want to see where you are in the RHID process to determine if it makes sense for MIH.

H. Compliance Monitoring

1. For rentals, is it 30% of median income?

That is what we want to see. If you have the median income for the different population groups you are looking to serve, we expect that the rents are about 30% of the that income level.