

# KANSAS HOUSING

## 2023 QAP Requirements Checklist: 4% Applications

Please submit the following items in addition to the Excel application by uploading all documents to Procorem by end of business on the application round due date. Please send all documents in PDF format and labeled by the item number, project name, section header, and subtitle (06-KansasApartments-ThresholdEligibility-SiteControl). If a section of the QAP is not included below, it is information collected via the Excel application. For additional guidance on information requested, please refer to the 2023 QAP. Applications will be accepted three times per year (*QAP Section III(C)(1)*).

### Application/Award Process and Fees

- 01. Pre-Application Fee: \$250 for each preliminary application (*QAP Section II(E)*).
- 02. Full Application: \$10 per unit (*QAP Section II(E)*).

### Threshold Eligibility

All Applicants – Full

- 03. Applicant Experience: Developer/Owner listed as a developer the on application & managing member or general partner for the ownership entity for at least one LIHTC property in Kansas or three LIHTC properties in other states. Properties have been placed-in-service between January 1, 2013 and December 31, 2022 and are not in noncompliance with the any affordable rental housing program requirements. Determined by KHRC Experience Summary Form at preliminary application (*QAP Section V(A)(1)*).
- 04. Site Control: Documentation of either current ownership or the legal ability to purchase the real estate proposed property that is in the name of the Applicant, Principal, or an affiliated entity and valid through at least one month after the anticipated award date. Determined by documentation at preliminary application (*QAP Section V(A)(5)*).
  - Examples include deed, purchase option, or ground lease.
  - Please make sure documents include the legal description.
- 05. LIHTC Management Experience: a management agent for at least three KHRC properties or seven LIHTC properties in other states and considered in good standing with all affordable rental housing program administrators. Determined by KHRC Experience Summary Form at full application (*QAP Section V(A)(3)*).
- 06. Market Need: Study prepared by market analyst that shows adequate demand for the property and meets the Model Content Standards Version 3 and is no older than 18 months old. If older than 12 months but less than 18 months, a letter from market analyst is required. Determined by documentation at full Application (*QAP Section V(A)(6)*).
- 07. Funding Sources: Documentation of commitment for all funding sources other than KHRC loans. The letters must comply with QAP Section III(A)(5). Determined by documentation at full application (*QAP Section V(A)(7)*).
- 08. Average Income Minimum Set-Aside: The market study must specifically reflect this choice. Determined by documentation at Full application, if applicable (*QAP Section V(A)(8)*).

- 09. Design Requirements: Properties must be designed & constructed in accordance with Federal and State requirements for accessibility by persons with disabilities, including Appendix C. Determined by documentation at full application (*QAP Section V(A)(12)*).
  - Examples: Site plans.

#### Rehabilitation – Full

- 10. Scope of Work: Detailed scope of work describing the proposed activities in either a narrative form or as a list broken down by an indexing system that organizes construction data. Must be consistent with and addresses the needs identified in the Physical Needs Assessment in QAP Section V (B)(2). No unit should be left unaddressed. Determined by documentation at preliminary application (*QAP Section V(B)*).
- 11. Physical Needs Assessment: Detailed Physical Needs Assessment (PNA) which complies with Appendix C and is current and within one year of the preliminary application due date. Determined by documentation at full application (*QAP Section V(B)(2)*).
- 12. Relocation: Relocation and displacement plan, including projected budget and an explanation of efforts to mitigate the impact on residents. Determined by documentation at full application (*QAP Section V(B)(4)*).

#### New Construction – Full

- 13. Incompatible Uses: Determined by KHRC form at preliminary application (*QAP Section V(C)(1)*).
- 14. Zoning: Documentation of all necessary legislative and quasi-judicial land use approvals, including rezoning, conditional or special use permits, and variance, are in place for the proposed property. If 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. Determined by documentation at full application (*QAP Section V(C)(2)*).
- 15. Utility Connections: Documentation that all necessary utilities are currently available, or connections are possible, and the proposed property has or will have access to a publicly maintained road. Determined by documentation at full application (*QAP Section V(C)(3)*).

### **Selection Criteria**

#### New Construction – Full

- 16. Successful Outcomes: KHRC Experience Summary Form (*QAP Section VII(A)(1)*).
- 17. Successful Below Market Loans and Support: Documentation submission (*QAP Section VII(A)(2)*).
  - Proof of the loans and/or support in the form of an official document from the loan or support provider.
    - Examples: HOME (jurisdictions other than KHRC), Community Development Block Grant, Federal Home Loan Bank Affordable Housing Program, other Federal, State, and/or local housing resources provided by a local jurisdiction, public housing authority resources, grants from nonprofit charitable or community development organizations registered in Kansas.
  - Documentation a local government waived what would have been impact, utility, or other fees totaling at least \$40,000 for metropolitan counties or \$20,000 for rural counties.

- Documentation of a real estate tax abatement, exemption, or 95% rebate for a period of at least 10 years.
- 18. Subsequent Phase: Documentation submission (*QAP Section VII(C)*).
  - Proof land was only paid for once.
  - Physical vacancy percentage of the earlier phase for the 12 months prior to preliminary application.
  - Waitlists of the earlier phase showing need for at least 50% of proposed phase's units.
- 19. Residential Character: Documentation submission (*QAP Section VII(D)*).
  - PDF map(s) of the site location.
- 20. Quality Site: Documentation submission (*QAP Section VII(E)*).
  - PDF map(s) of the site location.
  - Preliminary site plan with buildings & access routes.
- 21. Proximity to Amenities: Documentation submission (*QAP Section VII(F)*).
  - PDF of the Google Map driving distances to Grocery, Shopping, and Pharmacy as well any qualifying Secondary establishments.
- 22. Below Market Loans & Support: Documentation submission (*QAP Section VII(G)*).
  - Explanation of how loan(s)/support(s) will reduce KHRC resources requested, increase rent/income targeting, or both.
  - Proof of committed loans and/or support in the form of an official document from the loan or support provider that has an interest rate of no more than 1%, amortization of at least 20 years, and no commercially unreasonable fees.
    - Examples: HOME (jurisdictions other than KHRC), Community Development Block Grant, Federal Home Loan Bank Affordable Housing Program, other Federal, State, and/or local housing resources provided by a local jurisdiction, public housing authority resources, grants from nonprofit charitable or community development organizations registered in Kansas.
  - Documentation the real estate that will contain the proposed property is owned by a local government as of the preliminary application deadline.
  - Documentation a local government waived what would have been impact, utility, or other fees totaling at least \$40,000 for metropolitan counties or \$20,000 for rural counties.
  - Proof the property will be eligible for the historic rehabilitation tax credit.
  - Applicant-proposed support commitment documentation. **Requested at preliminary, scored at full.**
- 23. Community Revitalization Plans (CRP): Documentation submission. **Indicated a preliminary application, scored at full** (*QAP Section VII(H)*).
  - Documentation of 1) a local government formally adopted plan to revitalize a defined geographic area containing the proposed site, 2) the proposed property contributes to one or more of the CRP stated goal(s), and 3) the local government has made or is committed to making specific investments in non-housing infrastructure, amenities, or services beyond developing the proposed property.
  - Documentation a local government selected one of the Principals using a request for proposals/qualifications process.
- 24. Deeper Affordability or Homeownership: Documentation Submission (*QAP Section VII(K)*).
  - Comprehensive plan for converting the units to ownership by the tenants after 15 years.

## Underwriting Standards

### All Applicants

- 25. Operating Expenses (if, applicable): Documentation submission (*QAP VIII(A)(2)*).
  - To request a lower operating cost per unit, documentation of comparable properties is required.
- 26. Commitment Letters: Documentation submission (*QAP Section VIII(A)(5)*).
  - Commitment Letters for permanent loans that indicate the amount, term and amortization (minimum of 15 years), fixed interest rate, fees charged, reserve requirements, anticipated lien position, and, if applicable, the election of the average income is acknowledged and affirmed.
  - If the ownership entity will assume a loan, the application must include a letter from the lender stating the loan can be assumed and details of the terms and conditions.
- 27. DDA, QCT, and KHRC-defined basis boost: Documentation submission (*QAP Section VIII(A)(7)*).
  - Request for a boost in accordance with KHRC's authority to increase the boost in basis as defined in IRC Section 42.

## Additional Requirements

### All Applicants

- 28. Excel application (in Excel format)
- 29. Project Narrative
- 30. Principal's/Applicant's Financial Statement
- 31. Ownership Structure Visual
- 32. Letter of Engagement from Management Agency
- 33. Proof of Energy Standards
- 34. Utility Calculation Documentation
- 35. Memorandum of Understanding or Developer Agreement, if developer is not an owner
- 36. Signed Statement of Compliance
- 37. Signed 2023 QAP Checklist for 4% Applications
- 38. Signed Application Certification

### Rehabilitation Applicant:

- 39. Audits from the previous 3 years
- 40. Rehabilitation Project Checklist

### HOME/NHTF Applicants:

- 41. Signed Statement of Assurances
- 42. Documentation of Match Funding
- 43. Notices to Sellers/Donors
- 44. Community Housing Plan
- 45. HOME Narratives

- 46. CHDO Certification (if applicable)
- 47. FEMA Flood Map with site identified
- 48. Map locating any above ground storage tanks (AST) within one mile of site
- 49. Map identifying major streets, highways, or railways within 3000 feet
- 50. Map showing location of all airports or airfields within five miles
- 51. Identification of any nearby sites on the National Historic Register
- 52. For rehab or conversion of buildings over 50 years old, documentation of communication with the SHPO regarding potential eligibility for listing.

By signing below, I agree that I have read through the following checklist and have submitted all the documents I would like to be scored on.

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Signature

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Date

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Title

**Optional Self Scoring Sheet for 4% Application**

PRELIMINARY APPLICATION SUBMISSION

	Applicant Self-Score	Justification of Self Score
<b>VII(A) Applicant's and Principals' Experience (Max 10pts)</b>		
<i>VII(A)(1) Successful Outcomes - Provide applicant's experience summary on KHRC form. (Max 5pts)</i>		
In-State (5pts)		
Out-of-State (3pts)		
<i>VII(A)(2) Successful Below Market Loans &amp; Support - Applicants must submit proof of the loans and/or support in the form of an official document from the loan or support provider, fee waiver document from local government, or document evidencing real estate tax abatement. (5pts)</i>		
Below Market Loans and Support		
Fee Waiver		
Real Estate Tax Exemption		
<b>VII(A)(3) Penalties - Determined at both preliminary application and full application. (Max 10pt Deduction)</b>		
<b>VII(B)(1)/VII(B)(2) or VII(c) Underserved Areas or Subsequent Phase (Max 10 pts)</b>		
<i>VII(B)(1) Metropolitan - Refer to ZIP codes table in this subsection of the QAP. (10pts)</i>		
<i>VII(B)(2) Rural - Refer to ZIP codes table in this subsection of the QAP. (10pts)</i>		
<i>VII(C) Subsequent Phase - Refer to criteria in this subsection of the QAP and provide evidence the project meets all requirements. (10pts)</i>		
<b>VII(D) Residential Character - Refer to criteria in the QAP. (5pts)</b>		
<b>VII(F) Proximity to Amenities (Max 25pts)</b>		
<i>VII(F)(1) Primary - Applicants must submit a PDF of the Google Maps driving distances to each grocery, shopping, and pharmacy amenity. (max 10pts, determined by KHRC process described in this subsection of the QAP)</i>		

<p>VII(F)(2) Secondary - Applicants must submit a PDF of the Google Maps driving distances to each Secondary establishment. The amenity must be a separate, distinct establishment from the primary amenities based on miles listed in this subsection of the QAP. (max 15pts)</p>		
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<p><b>VII(H) Community Revitalization Plans &amp; VII(I) Opportunity Sites (Max 15pts)</b></p>		
<p>VII(H)(1) CRP Criteria - Provide evidence the application meets the criteria in this subsection of the QAP (5pts)</p>		
<p>VII(H)(2) Qualified Census Tracts or Request for Proposals - KHRC will award 10 points if either the defined geographic area include any portion of a Qualified Census Tract (as of 2022 or 2023); or local government selected one of the Principals using a request for proposals/ qualifications process. (10pts)</p>		
<p>VII(I) Opportunity Sites - Application may not earn points in both this subsection and CRP. In the event an application is eligible under both subsections, KHRC will award whichever is higher. KHRC will award points based on site census tract. Points are defined in Appendix D. See this subsection of the QAP for ranking criteria. This subsection will be scored at both preliminary and full application submission. (max 15pts)</p>		
<p>FULL APPLICATION SUBMISSION</p>		
<p><b>VII(E) Quality Site - KHRC will award 5 points each to up to two proposal in the metropolitan area and two proposals in the rural area that KHRC staff rate as the most desirable sites. See this subsection of the QAP for further details</b></p>		
<p><b>VII(G) Below Market Loans and Support (Max 30pts)</b></p>		
<p>VII(G)(1) Loans - Applicants must provide documentation of the committed loan(s) and/or support(s) of eligible sources listed in this subsection of the QAP and an explanation of how these loan(s) and/or support(s) will reduce KHRC resources requested, increase rent/income targeting, or both. (max 30pts, see matrix in this subsection of the QAP for details on scoring)</p>		
<p>VII(G)(2) Other Support - KHRC will award 20 points to applications meeting any of the criteria listed in this subsection of the QAP. (20pts)</p>		

<p><b>VII(I) Opportunity Sites - Application may not earn points in both this subsection and CRP. In the event an application is eligible under both subsections, KHRC will award whichever is higher. KHRC will award points based on site census tract. Points are defined in Appendix D. See this subsection in the QAP for ranking criteria. This subsection will be scored at both preliminary and full application submission. (max 15pts)</b></p>		
<p><b>VII(J) Income Targeting, Senior Housing with Services, or Families (Max 15pts)</b></p>		
<p><i>VII(J)(1) Income Targeting - Metropolitan projects that commit at least 15% of the units to be set-aside for households at 30% AMI will receive 5 points. The commitment should be reflected on the "Unit Summary" tab of the excel application. (5pts)</i></p>		
<p><i>VII(J)(2) Senior Housing With Services - Senior developments that commit to at least three of the amenities listed in this subsection of the QAP will received 5 points. The commitment should be reflected on the "Building Type" tab of the excel application. (5pts)</i></p>		
<p><i>VII(J)(3) Three or More Bedrooms - The applicant proposes a family property with at least 25% of units containing three or more bedrooms will receive 10 points. The commitment should be reflected on the "Unit Summary" tab of the excel application. (10pts)</i></p>		
<p><b>VII(K) Deeper Affordability or Homeownership (Max 15pts)</b></p>		
<p><i>VII(K)(1) Fair Market Rents - Developments that offers gross rent for all units up to the 60% limits at a rate that is below the fair market rent for the area, as published by HUD, in which the property is located will receive 15 points. The commitment should be chosen on the "Unit Summary" tab of the excel application. (15pts)</i></p>		
<p><i>VII(K)(2) Conversion to Homeownership - The application proposes single family units (no common walls), qualifies for the nonprofit set-aside, and includes a detailed, comprehensive plan for converting the units to ownership by the tenants after 15 years. (15pts)</i></p>		