

KANSAS HOUSING

Draft Moderate Income Housing-American Rescue Plan Act (MIH-ARPA) Request for Proposal (RFP) – Summary of Comments & Questions

A Draft MIH-ARPA RFP was released on November 30, 2022. This Summary of Comments & Questions is compiled from the public hearing held online on December 5, 2022, and those submitted electronically to MIH@kshousingcorp.org by the public comment deadline of December 9, 2022.

Comments

1. Thank you for adjusting the deadline.

We heard in the previous funding round and the previous hearings that it was a quick turnaround considering we are announcing the MIH-KHITC announcements on December 16, 2022. We do anticipate being able to get back on the four month cycle that we had originally planned after this round.

Questions

1. Can MIH-ARPA be paired with KHITC? Put another way, could an applicant apply for a max MIH-ARPA award of \$3.5 million in conjunction with additional funds from KHITC?

Yes, you can pair MIH-ARPA and KHITC.

2. Is this the same as MIH, where it is the city that is the applicant?

Yes, Kansas cities, or counties, with populations of less than 60,000 are eligible MIH applicants (population cap increases to 75,000 for KHITC only, and this cap is for county size).

3. If you have a regular MIH application in for a city (i.e., for a single family project), could they also apply for another project (i.e., larger scale multifamily), for this MIH-ARPA funding? Or do you just want one application at a time?

Right now, this is not possible. We can only accept one application per community. What we are seeing with the current applications that we are reviewing is that it gets unwieldy if you are proposing multiple projects in the same application round.

However, because we are opening these application rounds every four months, we would want to see those applications submitted separately, i.e., one project submitted in one round, and then four (or more) months later, the other submitted in a subsequent round.

4. What if you applied in the 2022 MIH round, but would be like to apply for ARPA in this 2023 Round 1?

My suggestion would be to contact us let us know. You would have to make the decision to withdraw the first application.

5. Can a city apply for these funds for the development of infrastructure for a sub-division?

Like our MIH-only funds, you can apply for infrastructure; however, part of the funds will need to be for actual housing development (i.e., we will not fund infrastructure primarily). We will also look at why you are not utilizing a Rural Housing Incentive District (RHID). It is possible that there is a valid reason, but we will ask that question.

6. When you say "large projects," do you have a unit count in mind?

We do not have a unit count in mind; however, we will look at that for the FAQ.

You can see in the [most recent MIH awards](#) what that cost per unit or what that request per unit was and that is a good guide for the ARPA funds.

7. Is there a reasonable level – a guideline – on the maximum MIH grant funds per dwelling? The minimum \$650,000 means the MIH funds per unit on a 20 unit project is \$32,500.

There is not a maximum per dwelling. We do look at this amount, but it is in a broader context, and we balance a few things when we are doing so. For example, in a small community – where two units is going to make a larger impact – their MIH amount per dwelling is likely going to be higher than a larger community that could get more contractors, more leveraged funds, and more economies of scale.

8. Can you do county-wide housing projects?

Yes, we do accept applications submitted by a county and they can span multiple communities.

9. Will the maximum grant amount still be \$650,000 or, given the larger projects, will the maximum be larger?

We anticipate MIH-ARPA grants being larger to support larger scale projects and likely larger communities. MIH-ARPA allocations will be between \$650,000 and \$3.5 million.

MIH-only grants, the regular MIH that comes out of the State General Fund (SGF), will still have a maximum of \$650,000. For the time being, the MIH-only funds will be prioritized for smaller communities.

10. Is the creation of a pool of money for homebuyer assistance considered an eligible project?

No, it would not be an eligible project. MIH must be for the development of housing units. So, a homebuyer a pool of money would not be an eligible expense or an eligible project.

11. Do you anticipate another \$10 million of MIH-ARPA in the next cycle?

We do not yet know the answer to that question, but we will let you know as soon as we know. First, we want to see what we get in the applications this 2023 Round 1. Our next goal is to start distributing the \$20 million for the Revolving Loan Fund in 2023 Round 2.

We will put out additional ARPA funds, as the ARPA money has a hard expenditure deadline of December 31, 2026. However, first we need to make sure that these projects are moving.

12. Do cities that are under 60,000 in population apply directly for the MIH-ARPA funds if their city is in a county over 60,000? Do they have to go through their county?

Cities under 60,000 population do not have to go through the county. They can apply on their own as a city. More often than not, our applications come from specific cities.

It should also be noted that a county of greater than 60,000 can apply on behalf of a city (or cities) of less than 60,000, if that is the route that they want to go. Douglas County is a recent example: their county population is greater than 60,000; however, the county applied on behalf of Baldwin City and Eudora, two cities smaller than 60,000.

Finally, a county under 60,000 can apply for a county wide project or a project that spans a couple of cities.

13. How about for a downtown revitalization project where the project would offer gap financing to building owners to develop upper story living units?

Yes, we have done a few of those in the past. Such a project would be more competitive if there is a project being done in those downtown buildings, and it answers the following questions: 1) How many units? 2) Who is going to own them? 3) If they are going to be rental units, what is the rent going to be? 4) If they are going to sell those units, like condominiums, what is the sale price of each unit? and 5) either way, will they be restricted to the MIH income limit of 60 to 150% AMI for five years? (If they are going to sell those units, they would also still have a five year claw back provision on them.)

14. We have a project, which was not funded through KHRC previously, that we can now increase MIH units and we have a specific city housing study (two suggested ideas to make project more competitive). It would also qualify for RHID and our local Neighborhood Revitalization Program (NRP) program. Is what you mean when you say that projects can use "more" than just MIH funds – you want to see projects with multiple funding sources and options?

We want to see that MIH is a piece of that puzzle and that applicants are leveraging other resources. That can be NRP and RHID, but it can also be conventional financing, soft debt, or foundations.

We do want to make sure that the MIH funding is coming in before the construction starts because we have accessibility and energy efficiency requirements, and we want to make sure those requirements are being met before the project starts.

15. Can the MIH-ARPA applicant apply half loan-half grant? I have one City that applied for \$650,000 in the 2022 MIH round. Would it be fine to re-apply in 2023 Round 1 knowing that they could apply for \$900,000 in MIH and paired with a \$900,000 loan?

Applicants that have an MIH application currently being reviewed by KHRC that want to utilize MIH-ARPA should contact KHRC. We do not intend to award MIH-ARPA funds to projects that have been approved in previous rounds.

16. Are there non-ARPA funds for the next, 2023 Round 1? I have a city that applied in the 2022 MIH round and the City Manager is discouraged by the ARPA auditing and reporting. They would prefer the traditional MIH funding over ARPA.

Yes, we anticipate making available approximately \$5 million in MIH-only funding available in this 2023 Round 1.

17. The draft RFP states: "Applicants may only submit one application per funding round. Each application may only include one project. Applications that include more than one project will not be reviewed." How would a project by one developer with multiple locations within the community be viewed (scattered site)?

Scattered sites, such as seen with infill development, with the same developer would be allowed.

18. If we are understanding this correctly, two projects in close proximity to each other with two different developers under the same application would no longer be allowed?

Two projects with two different developers would not be allowed.