2023 Round 1 Kansas Housing Investor Tax Credit (KHITC) Frequently Asked Questions (FAQ)

Questions and answers regarding the KHITC application process are carried over from 2022, and also include responses to questions asked during a Public Hearing held on 11/15/2022. KHRC will continue to update this document periodically during the open KHITC application period through 02/17/2023. Changes/additions made since the original release date of January 6, 2023 are below in red.

A. Background

1. In 2023, will there only be one opportunity to use the Housing Investor Tax Credit as a standalone resource?

No, we anticipate that will accept Housing Investor Tax Credit applications three (3) times a tax year. The Housing Investor Tax Credit applications will still come in with the MIH application but no will no longer need to be tied to an MIH application.

2. In future rounds, will an applicant be able to apply without the city or county?

Starting with 2023 Round 1, builders/developers can apply for the Housing Investor Tax Credit without the city or county.

3. In the future, what other programs besides MIH will the Housing Investor Tax Credit be able to be paired with?

We look forward to seeing the creativity of our cities and counties as well as developers and builders over the next few years

We anticipate ARPA and Rural Housing Revolving Loan Program funds will be available in 2023. However, please note that the Revolving Loan Program is a small program that will be in pilot form.

The Department of Commerce has some great housing tools, including the Rural Housing Incentive District (RHID) program, the Startup Housing Opportunity Venture Loan (SHOVL) program, and the Community Development Block Grants (CDBG) program.

4. Can the Kansas Housing Investor Tax Credit Program and the Low Income Housing Tax Credit (LIHTC) be paired?

No. By statute, the Kansas Housing Investor Tax Credit (KHITC) Program cannot be paired with the Low Income Housing Tax Credit (LIHTC) projects, as they are explicitly separate.

5. Is it possible to combine either MIH or KHITC with Federal Home Loan Bank's (FHLB) Homeownership Set-Aside Program (HSP) program for the same project?

While it is a possibility with MIH, you will want to look at the two programs' income limits. HSP's maximum income is 80% AMI and the range for MIH is 60 to 150%. So, there is only a small overlap of eligible applicants between 60 and 80%.

You will more easily be able to pair KHITC with FHLB's HSP program in future KHITC rounds which will not require KHITC and MIH applications to be tied together.

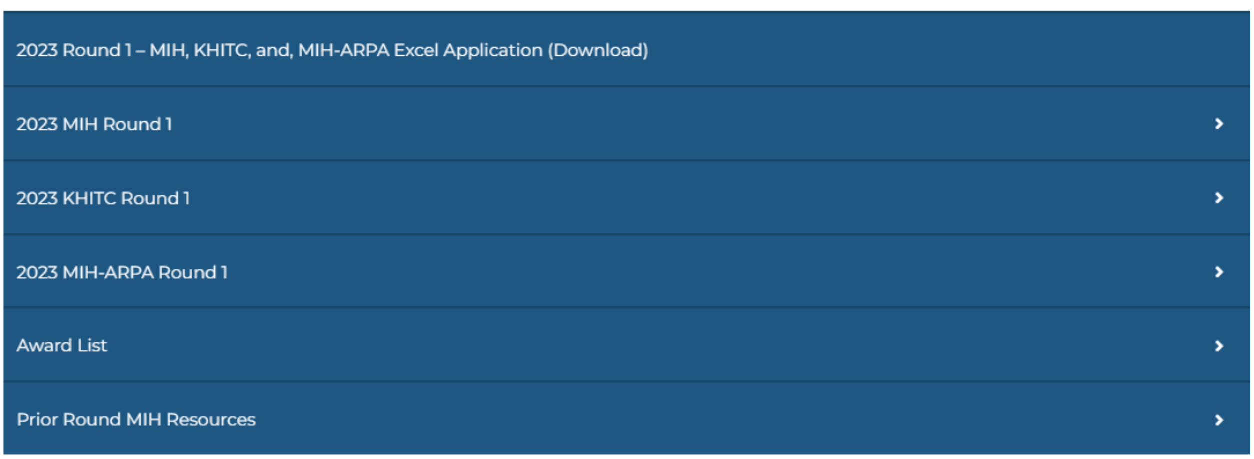
6. How do the tax credits work? Do applicants sell them on behalf of the developer to help pay for the project?

From the statute, depending on the population of the county, up to $35,000 per unit in credit can be earned. We will allocate credits to the investor – either the builder/developer or a qualified investor – once it has been made to the project. We anticipate that credits will be sold for equity in the project, which will help pay for the project. This is a new program, and we will be better able to detail how the credits are utilized in projects as we get through some approval rounds.

B. Administration

1. We are a very small city with nothing in the works and do not know where or how to start. What do you recommend?

Start with the resources on KHRC's [Moderate Income Housing webpage](). Scroll down to the "Documents | Forms | Resources" section at the bottom of the page and select "2023 KHITC Round 1" from the drop-down menu:



Staff listed on the webpage are available to answer general MIH and KHITC questions. Specific questions about the RFP or Application should be directed to MIH@kshousingcorp.org for a formal response.

The [Kansas Department of Commerce]() provides several housing resources and assistance, including the Housing Assessment Tool (HAT) and Housing Developer Database.

C. RFP Overview

1. **Is there a project start time requirement? If a project is started before the next round is released, can it qualify for more? Are the Housing Investor Tax Credits only available for certain projects start times?**

Projects must start after the award has been made. This is in line with MIH. We do not want to be awarding credits or funds for projects that are already started. We need to be able to review the site and plans to make sure that the projects meet, accessibility standards, and other requirements.

2. **For smaller communities, will there be a penalty if they structure their project in smaller, multiple phases?**

No, we encourage proposed projects that meet the needs of the community, and we expect some to be smaller and over multiple phases.

3. **Can Housing Investor Tax Credits be used to convert an existing building, such as an old hotel, into apartments? How do we apply for those credits?**

The enabling legislation only requires that the credit be awarded to “qualified housing projects,” which includes “construction of…multifamily residential dwellings.” We historically have defined “construction” broadly for our other housing development programs, so our initial inclination would be that what you are proposing would be allowable so long as it met the other requirements of the bill – including Section 9(d)(2) which provides that projects must “enhance the ability of the community that lacks adequate housing to attract new businesses or expand existing business by providing suitable housing directly for employees…”

4. **I was under the impression that you can apply for the full credit, but might not receive it – is that correct?**

Yes, that is correct. If an applicant applies for the full credit and does not receive it, that does not mean the application will be denied entirely – KHRC could partially fund the application.

5. **Will a project score higher if they ask for less than the maximum tax credit?**

Applicants should request the tax credits they need to make the project viable. Applications are not scored, but we evaluate the number of credits requested and the other sources of funding in the project.

6. **Counties over 75,000 are not eligible at all for the credit is that correct?**

That is correct. That is specified in the statute.

7. **Is a nonprofit housing developer in Wichita eligible to apply for the Housing Investor Tax Credit RFP?**

A developer in Wichita is eligible to apply; however, projects in Wichita or Sedgwick County would not be able to utilize the Housing Investor Tax Credit, as it is statutorily limited to counties with a population of less than 75,000. You can utilize MIH in communities with less than 60,000 population, including those communities in a larger county like Sedgwick County.

8. Could Housing Investor Tax Credits be used to buy down special assessments or used for construction loans to build spec houses in conjunction with MIH down payment assistance?

No, Housing Investor Tax Credits cannot be used to buy down or pay off special assessments, because the credits, by statute, must be used for the construction of new housing or the rehabilitation of existing vacant housing. However, MIH may be used for down payment assistance.

The construction loan question is an interesting one, as we do anticipate that there would be construction loans on these projects, and the Housing Investor Credit would be a way to limit those loans. We would want to talk through this because we want to make sure that the Housing Investor Tax Credit is giving a benefit to the project – not just someone getting a construction loan at the market rate and getting a tax credit for it.

Spec homes would meet the definition of construction, if those spec homes are going to meet the housing needs identified in your housing analysis or survey.

9. How will you ensure multi-million dollar homes are not financed with the tax credits?

The proposed housing units must meet the needs of that community as identified in your housing analysis or survey.

10. Could the Housing Investor Tax Credit be used to reduce the cost of the land in conjunction with MIH down payment assistance?

The Housing Investor Tax Credit cannot be used for down payment assistance to bring down the cost of the land. There would need to be construction or rehabilitation involved. Just land and down payment assistance, with no housing in the middle, would not be a competitive use for this resource.

11. Could the Housing Investor Tax Credit be used for down payment assistance?

A. The Housing Investor Tax Credit may not be used for down payment assistance for existing homes, as the intent of the program is to create new housing.

B. Qualified cash investments made in newly constructed units, or previously uninhabitable units, as a result of KHITCs may be in the form of down payment assistance. The KHITC applicant will need to describe in the application narrative how down payment assistance fits into the overall project plan to build/rehabilitate and sell units.

12. Could the general contractor and developer both apply for credits for a project they are both working on?

No, the maximum credit per unit is tied to the project, not the developer or the builder. We will only accept one KHITC application per Qualified Housing Project.

13. Are there any counties on a "do not build list" and, if so, how is that determined?

We prioritize communities that have not been served in recent rounds. We will look at the needs and competitiveness of each individual community and the equitable distribution to ensure we can serve the entire state. Of course, this is based on the number and quality of the applications we receive. We will have communities that have a large employment base and huge housing need that will be applying regularly for different projects, and we anticipate that we will serve these communities multiple times. At the same time, we will be attempting to serve as many communities as we can, across the entire state, throughout the life of the program.

14. If an allocation is given for a project in an area that a unit would rent for $700, and the new construction unit is placed at $800, would that be a problem?

It depends on the economy, businesses, wages of employers, and the employees for which the units are targeted. If $800 is determined to be affordable then, yes, we could consider it. We understand there is a benefit to, and tenants are willing to pay a little more for, new construction. We also understand that the cost of construction has increased.

15. Could an allocation be used for a down payment on a loan for a multi-unit development project as a whole?

Housing Investor Credits are awarded once the investment happens in a Qualified Housing Project. If you show the investment in the project, then the credit could be given. We want to make sure that what we are getting is an actual investment in the project. We just need to go into those details at the time of application.

16. Will there be separate rankings based on project size or type? (i.e., applications with ≤10 units versus ≥11 units, stand-alone projects, multi-family)

This may be considered in future rounds; however, it is not contemplated this round. Primarily, we will rely on the conclusions of your housing analysis or survey. We want to avoid deciding at the state level what is appropriate for each community. We expect that communities will request what they need based on the results of their housing analysis or survey.

17. The RFP states that rehabilitation of existing vacant units is an eligible activity under KHITC. Does this mean the whole property must be vacant?

The number of vacant units, whether one single-family home or units in a multifamily building, is less important than the condition of the units themselves. In order to qualify under KHITC, vacant units must be uninhabitable. The purpose of the KHITC Program is to develop adequate housing, so vacant units that are habitable but outdated would not meet the intent of the program.

D. Application Process

1. Can you review my budget ahead of time to make sure I did it correctly?

If fairness to all applicants, we do not review projects or applications prior to submission. We can answer specific questions directed to MIH@kshousingcorp.org; however, a budget, narrative, or other sections of the application will only be formally reviewed after application submission.

E. Current Priorities

1. Will the equitable distribution of Tax Credits across the state be done by population/geography?

We weigh many factors when making funding allocations including, but not limited to, population, geography, and the quality of proposals. Additionally, the statute addresses the distribution of tax credits based on population size.

2. Would you consider allowing previously approved RHID projects to apply for Tax Credits during the first round?

We will allow previously approved RHID projects in the January application round as long as vertical construction has not begun.

3. Would you consider a round of funding for projects that can display they are truly shovel ready (i.e., infrastructure in place and building permit applied for)?

We are not considering this.

F. Application Requirements

1. Is a new city Resolution needed for applications that are re-submitting for 2023 Round 1?

Yes, a new Resolution is required.

2. If using MIH and KHITC, do you need a separate Resolution for each?

No, one Resolution that incorporates both programs will be accepted.

3. Does the 2021 Statewide Housing Needs Assessment provide enough information to use for a local housing needs assessment or survey?

No, we cannot accept the 2021 Statewide Housing Needs Assessment as your city- or county-specific housing analysis or survey. Of course, you can use it as a starting point. The "Regional Assessment" document provides regional and county data in PDF form. The online Storymaps use multimedia tools to explore regions and display report findings in an interactive manner.

Per the Statute, to be designated a Qualified Housing Project, a KHITC project is required to provide: "an analysis or survey of the housing needs of the community provided by the project builder or developer or the governing body of the city or county where the project is located."

We ask that you include this analysis or survey of housing needs of the community with your KHITC application as required in Section F, "7. Housing Needs Analysis or Survey of the Community," on page 6 of the RFP. We will accept the Department of Commerce Housing Assessment Tool (HAT), a third-party assessment, or an RHID-required assessment.

4. Does the cash investment in the project need to equal or exceed the total tax credits requested?

Section 10 (b)(1) details that tax credits are awarded by unit. We have heard that some potential investors are interested in selling the credits, which may result in an investment dollar amount that is less than the total number of tax credits requested. However, there are builders and developers who have indicated they will be investing directly and utilizing this credit for their own income tax purposes, which would result in an investment equal to or more than the number of tax credits requested.

5. With the $30,000 Housing Investor Tax Credit per unit, and with 31 units, the tax credit will be $930,000, correct?

The assumption that it is going to be $930,000 is just that, an assumption. We will be looking at the application request to make sure that it is right-sized.

Is the Housing Investor Tax Credit to be included with the MIH application financing? If the intent is to sell these credits, what percentage of the total Housing Investor Tax Credit should be included in the application, under Source of Funds (Construction and Permanent Financing)?

Yes, the tax credits should be incorporated into the proposed MIH application financing. That should be done in section "VII. Sources of Funds" of the application for Construction and/or Permanent Financing. If you are selling the credit for $1 per credit, then that would be a $930,000 source for the equity from those credits. If the developer or the builder is putting in money in cash, then that would be builder equity. We would then expect to see the credit request coming in the Housing Investor Tax Credit application due on October 28.

6. Do you have to know who is purchasing the credits at the application stage?

No, we do not need specific information on who is purchasing the credits at the time of application.

7. How should we account for the Housing Investor Tax Credit in section "VII. Source of Funds" on the MIH application?

For the MIH application, you would put the equity generated from selling the credit as a funding source.

For the "Name of Lender or Source of Funds," you should fill this in with "Investor Credit Equity" and whomever is purchasing the credits. The Amount of Funds will be the equity generated. Below is a screenshot of the "Permanent Financing" section of the MIH application to illustrate:

Permanent Financing: List total source of funds for the development at closing. Do not include construction finance.					
Please attach proof of funding source with the application.					
Name of Lender or Source of Funds:	Amount of Funds:	Annual Debt Service:	Interest Rate of Loan Period:	Amortization Period:	Term of Loan:
Moderate Income Housing Grant	$ -				
Investor Credit Equity - credit credit purchaser	$ equity generated				

If applicable, you should also put equity information in the "Construction Financing." If the amounts that will come in during the construction period and then at permanent financing are different, the application should reflect that.

8. **Will you consider creating a "short form" application process for small rural communities when a project is just a few units?**

That is a possibility for future rounds. Currently, we are thinking about them in terms of both MIH and Housing Investment Credit. We have not really contemplated the size of the project and the difference of applications for different sizes. Please submit any specific suggestions – including item that you think we do not need for smaller projects – during the comment period on the next draft RFP.

9. **Where should the Application Fee be sent?**

   Kansas Housing Resources Corporation
   Attn: Housing Development
   611 S. Kansas Avenue, Suite 300
   Topeka, KS 66603

10. **Section V of the Excel Application requests an EIN for investors. If the investor is an individual, do they need to provide their Social Security Number (SSN)?**

    Individual investors may provide only the last 4 digits of their SSN in the application. However, investors will be required to provide their full SSN to KHRC prior to the issuance of the tax credit.

11. **Do applicants need to submit letters of support?**

    No, letters of support are not required.

12. **Does KHRC have a template or suggested language for the Resolution?**

No; you may use the Resolution language/format that is most common in the community where your project is located.

13. **Does KHRC provide a proforma template?**

No; builders/developers should submit the proforma document they rely on for all development activity with the RFP requirements included.

G. RFP Award Process

1. **How do you determine the number and amount of Housing Investor Tax Credits a project is eligible for?**

In this first round, we are going to have some flexibility and the ability to see what the applications will look like. We may have a better idea of how this will work, and more of an answer to this question, in future rounds. To be transparent, our experience with rightsizing credits is on the LIHTC side, which is different than the Housing Investor Tax Credit. We would welcome feedback and suggestions prior to the issuance of future rounds RFPs.

2. When is the Housing Investor Tax Credit received by the applicant?

In Section 9(b), the statute talks about issuing “tax credits for qualified housing projects to qualified investors who make cash investment in such qualified housing projects and to project builders and developers.” We interpret that to mean that the credits are to be distributed once when: 1) the project becomes a qualified housing project and 2) the cash investment is made.

We are proposing to start issuing credits once the project achieves the list of requirements proposed on page 9 of the RFP. We propose to do an initial processing of eligible credit certificates at construction closing, and then once per quarter after that. Qualified Housing Projects do not have to request credits each quarter, but it is available to them. We are proposing that after the initial credit processing, we will assess a processing fee of $50 per certificate.

3. After the award process, how will the credits be given – immediately, over time, or after construction is completed?

We anticipate structuring it so that the credits are tied to when the investment is made. This is how the Housing Investor Tax Credit is different from the Low Income Housing Tax Credit (LIHTC) program. We anticipate doing credit processing at closing. If you are doing a large project – and there is going to be some financing pieces that are all going to come together at the same time – then we will process those certificates at that time. After that, we plan to process certificates once a quarter. If the builder or developer is funding the project, then they may want that credit more often throughout the year rather than just one time.

4. Different tax credit programs (e.g., historic tax credits, community service tax credits, LIHTC) work very differently. Can you please walk through the mechanics of exactly how the money is collected by the developer?

Once an investor can show that an investment has been made in the project, we will be able to process and issue the credit certificate. We just need to verify that an investment has been made – for example, once a deposit has been made to a construction account that is connected to a Qualified Housing Project. There is language in the statute regarding different debt instruments and equity items that may qualify. We will just want to talk through what that could look like in different situations. If there are other instruments that you want to use, we will want to start having those discussions before the application, if possible, but at minimum, before the investment so we can make sure that it meets the statutory requirements.

5. On page 7 (Section 10) of House Bill 2237 it states: “Only the full amount of the tax credit for any one qualified housing project investment may be transferred and may only be transferred one time.” If a qualified investor does transfer their credits, must they transfer all the credits that one investor originally received?

For example, you award the maximum eligible credits to a developer of a ten unit project ($35,000 X 10 = $350,000). The original sale of the credits is as follows: Investor #1 buys $100,000 of credits; Investor #2 buys $100,000 of credits; and Investor #3 buys $150,000 of credits. (Note that the actual amount of cash paid to the project is negotiated at some discount.) Investor #3 decides

to transfer his credits. They cannot, based upon the quote above, transfer part of their credits. They must transfer the entire amount.

Correct, in that scenario Investor #3 would be able to transfer the full amount of their credits ($150,000.00), and the credits could not be transferred again. Additionally, to be able to make the transfer under Section 10(d) the Investor #3 could not have any tax liability.

Can Investor #3 transfer their credits to multiple investors where the total transferred equals their original tax credit purchase?

Based on the language in the Act, "Only the full amount of the tax credit for any one qualified housing project investment may be transferred and may only be transferred one time." It would seem that the full amount, not a partial amount, would need to be transferred; however, there may be some flexibility.

6. **Please clarify whether the developer can sell their awarded credits to multiple investors and keep some credits for their own use?**

Yes, under Section 9(e), KHRC will enter into an agreement with the developer that will set out the amount of tax credits to be issued for the project. That agreement will also state the amount of tax credits approved for a developer's cash investment, if any, and the amount of credits remaining for issuance to other investors. If the developer has made a cash investment and personally received a credit, then that credit could also be transferred as provided under Section 10.

H. Reporting Requirements

1. **Are the Housing Investor Tax Credits only for the current year's taxes? Or can they be used over multiple years? Is there a limit of how many years it may be carried over?**

HB2237 allows: "if the amount of the credit exceeds the taxpayer's tax liability in any one taxable year, the remaining portion of the credit may be carried forward in the succeeding taxable years until the total amount of the credit is used, except that no credit may be claimed after four taxable years next succeeding the taxable year that such credit was issued, and any remaining credit shall be forfeited."

2. **Who are eligible buyers of the Housing Investor Tax Credits?**

KHRC will not be involved with the buying and buyers of the credits. The statute details how and to whom we can issue the tax credits – and those are qualified investors: "a natural person, a business or a bank or other financial institution of association and the project builder or developer."

3. **Can tax credits be sold to investors who have tax liability that they are looking to offset but have no direct involvement in the housing project?**

Yes, we anticipate that that will happen. The statute states, "Any qualified investor without a current tax liability at the time of the investment in a qualified housing project that does not reasonably believe such investor will owe any such tax for the current taxable year and who receives a tax credit … shall be deemed to acquire an interest in the nature of a transferable credit limited to the amount of the credit issued to the qualified investor ... This interest may be transferred to any person whether or not such person is then a qualified investor and be claimed by the transferee as a credit against the transferee's Kansas tax liability in the same manner as the transferor beginning in the year the credit is transferred. The credit may be carried forward as permitted by subsection."

4. **What is the percentage of that tax credit? For example, if an investor makes a $35,000 investment in the housing program, how much will that reduce the tax liability for the investor?**

The tax credit is allocated based on the number of units in the project and the need as determined by the application. The reduction of tax liability would be the amount of credits in the certification form.

5. **If the investor made a $100,000 investment, by how much is their Kansas tax liability reduced?**

If the certificate is for $35,000, then it would be that. It is for however much the certificate is for related to the award that was made.

6. **What amount are the investor buying the credits for (i.e., 95 cents on the dollar)? Or is it dollar for dollar?**

We do not know for this new credit. We will have to wait to see how the market values them.

7. **It will be vital to know the present value of the tax credit. When do we anticipate knowing that?**

We have not heard a definitive expected value is at this time. On the LIHTC side, we do not know the value until we receive the applications. Once we receive the first round of Housing Investor Tax Credit applications in October, we will share what we are hearing (and finding?). There may be some people that have an idea, and we welcome their thoughts in the meantime.

I. Credit Disbursement

1. **This section requires that an "aggregate amount of tax credits issued in one tax year" of "no less than $2,500,000" be allocated to each of the two (2) smaller counties ranges. Can you explain the "no less than," i.e., what if there are not that many units being built?**

We are going to work our hardest to meet those needs and to really encourage and support the developers and projects in those smaller counties. However, the statutory language is clear that while we shall? do at least $2.5 million in both sub-sets of those smaller counties, we can only go up to $8 million in the larger counties.

2. **Is it $30K or $35K per unit? (I have heard duplexes at $35K and other apartment buildings at $30K per apartment.)"**

Since a duplex has two (2) "residential units" it would quality for a tax credit for each unit. The tax credit maximum amount is dependent on county population, not housing type. Per HB 2227 Legislative Summary:

> "Tax Credit Maximums
> The Director will be allowed to issue tax credits as follows:

- Up to $35,000 per residential unit for qualified housing projects located in a county with a population of not more than 8,000;
- Up to $32,000 per residential unit for qualified housing projects located in a county with a population of more than 8,000, but not more than 25,000; and
- Up to $30,000 per residential unit for qualified housing projects located in a county with a population of more than 25,000, but not more than 75,000.

The bill limits a qualified housing project to a total of 40 such residential units per year for both single-family and multi-family dwellings."

3. How are units determined for the Kansas Investor tax credit certification? Per Building? Per apartment?

Per "unit", so each apartment would count as one (1).

J. Disclosure of Relationship

K. Compliance Monitoring

1. What is KHRC's plan for a standalone KHITC project's recapture period? Does it follow the property forever?

There is no recapture period for the KHITC program. The statute says the following about noncompliance:

(a) If the director determines that a project is not in substantial compliance with the requirements of this act or the agreement executed pursuant to section 9, and amendments thereto, the director shall inform the project builder or developer of the project in writing that the project will lose designation as a qualified housing project in 120 days from the date of mailing of the notice unless such builder or developer corrects the deficiencies and becomes compliant with the requirements for designation.

(b) At the end of such 120-day period, if the project is still not in substantial compliance, the director shall send a notice of loss of designation to the project builder or developer, the secretary of revenue and all known qualified investors in the project. Loss of designation of a qualified housing project shall preclude the issuance of any additional tax credits with respect to the project, and the director shall not approve any subsequent application for such project as a qualified housing project. Upon loss of the designation as a qualified housing project, the project builder or developer shall repay any tax credits such taxpayer has claimed.

And no, it would not follow the property forever. Under the current round of tax credits (that is connected to the July 2022 MIH application round), the compliance period would be 5 years, which is connected to the MIH recapture/compliance period not KHITC.

2. Does the Housing Investor Tax Credit follow the same MIH income requirements?

No, it does not. We will be looking at your housing analysis or survey to make sure that the housing you are proposing meets the needs of the employers, tenants, and the households in your community.

3. The Housing Investor Tax Credit was advertised as having no income limit. Will subsequent rounds be no income limit or still tied to MIH income limits?

If you are using the Housing Investor Tax Credit with MIH, then the MIH income limit is applicable. As with any program, we will follow the most restrictive requirements. However, if you are not using MIH, then there would be no income limit. We will be evaluating your application and the analysis or survey to make sure that the housing you are proposing meets the identified employment and housing needs of your community.

4. Does the KHITC Program have a construction timeline similar to the MIH Program of 18 months?

There is not a timeline required by statute. However, KHRC will monitor progress of the project. If adequate progress isn't made, the project may lose its designation as a qualified housing project. In that event, KHRC will provide notice to the builder/developer of any issues, and if the issues are not addressed timely, the project will lose its designation and no further credits will be issued for the project.

Attachment A: Fee Schedule

1. Is your 3% fee based upon maximum or sale price of credits?

It will be based on the allocated credits. It is possible that we will not be allocating the full 30,000 per unit credit. For example, if we do 10 units at $10,000 per credit, then that would be $100,000 total in credits. The fee would be 3% of that $100,000.

2. Can your fees be paid from the sale proceeds of the Housing Investor Tax Credits?

Yes.

Attachment B: KHITC RFP Evaluation Guidelines

1. Have you considered a square foot limitation to prevent misuse of the Housing Investor Tax Credits?

We have talked about that. At this point, we are not putting in those limits.

Our expectation is that the investor will detail and justify – with your housing analysis or survey – the size and type of housing that is needed. We will internally evaluate the appropriateness of proposed unit sizes. If a housing analysis or survey says a community needs a certain size of units, and we have two applications, and one of them is more appropriate than the other, then that one will be more competitive. We are relying on our developers to be thoughtful and good stewards of the financial resources that we have to develop affordable housing. We really want to focus on the investment side and the output of quality housing.

Attachment C: K.S.A. Chapter 58, Article 14