

2023 Round 3 Kansas Moderate Income Housing (MIH) Frequently Asked Questions (FAQ)

This Frequently Asked Questions (FAQ) document provides additional guidance regarding Request for Proposal (RFP) requirements. Applicants are responsible for submitting a complete application by reading and following the RFP, this FAQ, and other resources provided by KHRC. These materials are found under “[Documents | Forms | Resources](#)” drop-down menu on the [MIH webpage](#).

Questions and answers are carried over from prior rounds as well as those received since. **(Substantive changes and additions since the last 5/19/2023 release are shown in red.)**

Please submit all questions electronically to MIH@kshousingcorp.org.

A. Background

1. Is there a way to make sure I am on the mailing list in the future?

Subscribe to the “Moderate Income Housing” email list at kshousingcorp.org/subscribe

2. Would you be able to provide us with any other entities that have used this program?

You can view previously award projects by going to the [MIH webpage](#), scrolling down to “[Documents | Forms | Resources](#)” and selecting “Prior Award Lists.”

B. Administration

C. RFP Overview – Eligible Applicants / Eligible Activities

1. We are not 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 [Housing Resources Developer Profile Database](#).

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

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

3. Are contract administration and compliance costs MIH fundable?

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

4. Can MIH applicants be reimbursed with MIH grant funds for their time assisting with the administration of the project, or to count it towards the matching funds?

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

5. Is there preference given to new or rehab? Or is it really about total number of units/best bang for the buck?

There is not a preference between the two. Every project is evaluated on its merits, including the number of moderate-income housing units proposed with the MIH funding requested.

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

Yes, you are eligible to apply. 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. However, there are going to be a lot of considerations to determine whether it is a strong proposal. If an applicant wanted to start an entirely separate project while the first was in progress, it would be considered. However, KHRC prefers not to fund new applications that are requesting MIH funding for an MIH project already in progress – if an MIH grantee wanted to do this, we would want to understand the background.

7. 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.

8. Can a project involve more than one developer? For example, if a city wanted to support two different projects, with two different developers, to better leverage the MIH dollars, would this be eligible?

A project with more than one developer, builder, and/or contractor would be considered for MIH funding. However, they must be working on the same project. Per the RFP Section D. Application Process: “**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.”

9. How would a project by one developer with multiple locations within the community be viewed (scattered site)?

It is fine if it is part of the same project. One developer, multiple locations is different than multiple developers, multiple locations.

10. Are homeowner occupied units eligible for MIH funds?

MIH does not rehab owner occupied units.

11. Are currently occupied rental units eligible for MIH funds?

The line is not black and white for MIH, although we have determined that units that are habitable are not eligible for the Kansas Housing Investor Tax Credit (KHITC). However, if the units are occupied, but in need of work, then they are likely not as competitive for MIH.

12. Will past MIH grantees be viewed negatively if an applicant applies for 1) a second project in the same city or county, or 2) applies for a second phase of an already completed MIH project?

Attachment B. Evaluation Guidelines, 2.d. states: “For applicants who have an award history with KHRC, consideration will be given in part based on the applicant’s history, experience, loan or grant administration activity and compliance with the relevant programs” and 2.f. “Previous responsiveness to requests for information.”

We evaluate all parties in the development team, including the developer, the owner, the development company, and the community. Part of this evaluation involves confirming that the parties involved have the ability to execute the projects they are proposing. Is there enough need in the community to fill the number of units the applicant is proposing? Does the applicant have the experience to administer the project and meet compliance requirements? Does the developer have experience with the type of project being proposed?

If an applicant would like to apply for an MIH grant to execute a Phase 2 on an already completed Phase 1 that included MIH funds, that would be acceptable

13. The term “vertical construction” has been used to describe an eligible cost. Does this mean MIH funds can be used to pay for the materials and labor used to construct the building apart from site improvements or public infrastructure?

MIH is for primarily for vertical construction. If there is a Rural Housing Incentive District (RHID) involved, we want MIH to be for vertical construction only. If there is not an RHID, infrastructure can be part of the proposal. Infrastructure costs will be structured as a loan, while the vertical construction costs may be structured as a grant. Eligible site improvements depend on the type of improvements being done and the necessity of the improvements. Public infrastructure would not be eligible for MIH funding (RHID or not) unless it was somehow necessary for or connected with the MIH project.

14. Is construction of site improvements that will be privately owned (e.g., landscaping on site, sidewalks on site) eligible to be funded by MIH?

Landscaping and sidewalk are okay, so long as it is not causing the cost to the homeowner to go up.

15. Are private sewer and water lines an eligible MIH cost?

Yes, private sewer and water lines are eligible to be funded by MIH. In cases like this, applicants should think about the impact of what they are trying to do (i.e., is it going to meet the housing needs?) However, if there is an RHID involved, MIH funds should not be used for these costs. The RHID should be utilized instead.

16. Is it correct that MIH should not be used to fund infrastructure if RHID is a potential source of revenue for infrastructure? Does that mean an MIH application that proposes using MIH funds for public infrastructure (e.g., sanitary sewer mains, water mains, streets, and sidewalks) will not be considered?

Yes, that is correct – MIH should not be used to fund infrastructure if there is an RHID involved. Public infrastructure would not be eligible for MIH funding (RHID or not) unless it was somehow necessary for or connected with the MIH project. Infrastructure costs will be structured as a loan.

17. The MIH materials indicate that the funds will be given to cities and counties. Does this mean private companies cannot access MIH funds or does it mean that cities and counties are where the funds will be deployed by whoever is awarded them?

By statute, MIH can only go to city and county governments. Oftentimes the cities or counties work with and subgrant to developers or private companies for the projects.

18. Could an application that requests funding for multiple projects also have multiple structures and locations?

Per the RFP Section D. Application Process: **“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.”

One application could include requests for the multiple different structures and locations. However, they must be part of the same project.

19. Do submission guidelines for an MIH grant allow us to make a submission for all or part of construction cost?

MIH guidelines allow applicants to submit applications for eligible costs up to the current cap of \$650,000. Applicants can apply for all or part of construction costs but cannot apply for more than \$650,000.

20. What would happen if an applicant applied and was approved but not funded because KHRC reached the \$5 million limit? Can the applicant move forward with their project, since their application was approved, or will they need to wait until they are officially funded to continue with the project?

For the MIH program, we only approve applications we intend to fund that round. If applications are not approved because we run out of funds, the applications are denied. Applications do not roll over with MIH – if an applicant is denied, for whatever reason, they are required to reapply to be considered again. If an application is denied for quality reasons, applicants will need to rework and resubmit. If the applicant is not approved because we are over the \$5 million, the applicant will still need to resubmit the application, but it could be with very few changes.

21. What would happen if an applicant applied for an MIH grant and was denied, but then went on to start the first phase of the project anyway and elected to reapply for MIH funds later for phases of the project that had not been started? Would KHRC consider that a project that has been started (since one or more phases are underway) or not (since other phases have not been started)? Can projects begin prior to being awarded funds?

It could be fine if an applicant did a phase without MIH and then applied for MIH for the other phases that have not been started – not ideal, but fine. There are restrictions on projects starting prior to being awarded funds. In general, KHRC does not fund applications that are requesting MIH funding for a project already in progress.

KHRC needs to ensure that projects are completed in compliance with KHRC’s standards. Additionally, as KHRC administers this finite resource, this restriction helps KHRC evaluate projects with the most need.

Projects that do such work may be evaluated as less competitive in the application process. This restriction is meant to address substantive work completed or in progress prior to the project's application.

Prior to applying, projects that need to address health and safety concerns can do so. For the reasons stated above, projects that complete work beyond health and safety concerns may be evaluated as less competitive in the application process. However, please note that any work done prior to receiving an MIH award is at the developer's own risk. KHRC cannot guarantee that any project will receive funding.

The [LIHTC 8823 Guide](#) contemplates health and safety concerns. Please feel free to review this guide. If you have questions about how KHRC would view repairs you are making based on this list, our team would be happy to answer any questions.

22. For awarded projects, would the grantee (city or county) write checks for gap financing or down payment assistance?

When it comes to disbursing the funds, KHRC usually requires the grantee to front the costs of the project. The grantee would submit requests for disbursement, along with supporting documentation (e.g., receipts, invoices), and so long as the requests are eligible under the grant agreement – the document the grantee signs with KHRC before administering the project – and there are funds remaining in the grant, KHRC would refund the grantee. In some cases, with larger disbursements such as down payment assistance, KHRC could consider providing the costs up front if proper documentation is provided. As far as who writes the checks themselves, KHRC provides the funds directly to the grantee. After that, it is under the grantee's discretion as to who writes the checks.

23. How are the grant dollars calculated per project? Is there a dollar amount decided for each apartment unit?

KHRC does not have a set-in-stone method for this. We tell communities to look at their project and the needs of their communities, and then present to us a project with a price tag that makes sense for that specific community.

24. Does MIH require applicants to have a UEI number or active SAM registration?

Applicants are required to have an active SAM.gov registration and Unique Entity ID (UEI) number.

25. What happens if another developer has a buyer and they want a lot within an MIH subdivision, and the buyer intends to pay and build a home outside of the MIH program?

As long as the lot is not designated as MIH in the application – or Grant Agreement, should the application be approved – then this would be fine. Per MIH FAQ L.7. below, "During the compliance period, every household who moves into a unit designated for MIH must fall within the income limits and grantees must verify their income. In special circumstances, the grantee can request permission for an MIH household to be slightly above or below income limits, but this is not allowed without KHRC approval". But if the lot/home/project is not connected to the MIH project and is simply within the same subdivision, then this would be acceptable.

26. Can an economic development group submit an application for MIH and be the applicant?

An economic development entity can apply for MIH funds on behalf of a city/county, but the applicant would still have to be listed on the application as City of () or County of (). This is a statutory requirement. The same would apply if the economic development entity is a department of the city/county (and therefore is the city/county). The economic development board can administer the project on behalf of the city/county but could not be listed as the applicant.

27. Would the program consider an application for 3-D printed homes?

Construction of a 3-D home would be allowed as long as it is built to meet all required local building codes, required accessibility codes, and meets the energy requirements on the MIH Energy Certification form.

Some questions to consider: Is there a market for this type of home? Resale? Would the applicant have a buyer under contract before starting each 3-D home?

28. Is a land bank type project eligible?

Yes, it would be considered as long as there is new construction involved (i.e., you cannot just propose to demolish homes and not replace them with new MIH construction).

29. May we apply for MIH funds for special assessments?

MIH is primarily a vertical construction resource, so while special assessment requests are eligible, KHRC will want to see it paired with vertical construction expenses. You may apply for special assessments for lots where construction has not already started (including excavation or pouring foundations). Please use your 2.1 Narrative to fully explain and justify your request, including:

- The request for paying off the special assessments needs to be clear and specific.
- How it ties to the units for which construction funding is otherwise being requested.
- Describe how paying off will benefit the buyer (i.e., making the new units more affordable).
- Estimate the financial impact both with and without the special assessments paid off:
 - Effect on the units' "Estimated Sale Price" (in the Excel "MIH Application")
 - Effect on the units' "Total Monthly Housing Cost"

30. May we propose using MIH funds for moving and renovating an existing vacant home?

Yes. Please include the moving costs under "Rehabilitation" and utilize your 2.1 Narrative to explain and detail the proposed activity and costs more fully.

31. We are preparing an MIH application to create a revolving loan fund to provide a portion of down payment funds to local individuals and developers who would like to construct a new home or rehabilitate a vacant home. How would we fill out the Application for this new program?

MIH funding is not intended to fund the establishment of formal revolving loan funds; however, the proceeds from an MIH project should be reinvested to fund more MIH units.

MIH funding may be used for down payment assistance – please utilize your 2.1. Narrative to detail their planned use and administration. Indicate the number of units in Section II. Type of Development of your Excel "ALL Applications" worksheet. Enter the total amount requested in Section II. Funding Information in the "MIH Application" worksheet.

If applying for down payment assistance only, you would not complete following sections of the “ALL Applications”:

- IV. Partnership Information
- VI. Additional Development Information (second half)

Nor would you complete the “MIH Application” worksheet Section VII. Development Budget.

32. Are we required to have site control, or lots identified, for proposed down payment assistance?

No.

33. If a community gets lots donated, can MIH funds be used for demolition along with new construction?

Yes, MIH funds can be used for demolition as long as there is new construction (i.e., you cannot just propose to tear down homes and not replace them with new MIH construction).

34. Is having historic tax credits tied to a project going to harm my application to MIH given the increase in tax credits for those types of restoration projects?

Historic Tax Credits would be looked at favorably. Please include in “MIH Application” worksheet Section III. Source of Funds and explain in 2.1 Narrative.

35. Can a county make an application for a MIH grant on a project inside the city limits?

Yes, a county can apply for a project within a city's limits in its own county.

36. We are looking at a future project that would build out a new infill neighborhood with single family residential and also accessory dwelling units (ADUs) on top of the detached rear garages. For unit count and HIRC calculation purposes would an ADU count as a unit?

One (1) ADU would equal one (1) unit.

37. Can a city submit one application each round, if the application is for a different development each round?

A MIH applicant could apply for a different project in each application round. However, per the RFP, Section E. Current Funding Priorities one of the priorities of the program is “an equitable distribution of funds throughout the state.” Per statute, KHRC is tasked with distributing funds across Kansas, and so we prioritize funding communities that do not have open awards.

38. Are properties with a deed restriction or covenant agreement attached before the property is designated as MIH eligible for the program? For instance, if a city donated a lot and specified that it was to be split into three lots and used to build three single family homes, would that requirement make the property ineligible for MIH funding or does it matter?

The eligibility of a property with an accompanying restriction would depend on what was included in the restriction. You gave the example of a lot donated by the city with the requirement that the lot be split into three lots for single-family homes. At first glance, this does not appear to be something that would make a property ineligible for MIH; however, we have not reviewed the restriction, so we could not say

for certain. Existing restrictions on properties that are included in an MIH application are part of the consideration process and depending on what the restrictions are, would speak to the competitiveness of the application.

If an applicant were to apply for MIH and include a property that has an existing restriction, the important thing would be to make certain that the application includes adequate information on the restriction. That way the review team can understand the impact of any restrictions that are in place.

39. If an existing apartment building has some vacant/unoccupied units, but also some occupied units, could this be eligible?

Yes; however, similar to the answer to the FAQ C.11 above, this may affect competitiveness.

40. What is the applicable federal interest rate?

They are currently sitting at between 3.57 and 3.72%.

41. Is a loan of \$3,000,000 too much to ask for?

We do not have a maximum loan request at this time. \$3M would be significant, but if you and the city can show that you can pay the debt service, we could consider it.

42. Are you considering combining the loan program with MIH grant funding?

Yes.

43. Can the City who we are applying through first request a gap financing grant, but if not awarded can we switch to gap financing loan in the same round with the same application?

No. All infrastructure requests will come in this round as a loan.

44. I see that all infrastructure must be a loan, but are all loans only for infrastructure?

At this time, we are requiring infrastructure to be a loan. In future rounds, we will have loans for the vertical construction of projects.

45. I can see a scenario where an applicant applies for MIH Infrastructure loan funding and KHITC – in that case are you counting both to make the project feasible?

Yes.

46. If we request a loan, can the city act as a pass-through to the project developers?

The city/county is the recipient, or mortgagee, of the loan funds; however, they may pass them through to the developer/owner. You may put into place an agreement with the developer/owner on how best to administer these funds.

47. Is there a list of eligible loan expenses?

No. The RFP has the framework for how we look at the costs.

48. In the FAQ there is discussion about RHID versus loan – if there is a non-vertical construction expense that an RHID would NOT pay for, is that justifiable to prove the ‘necessity of the improvements’ per the FAQ language?

If your “non-vertical construction expense” falls within the confines of “Eligible Building-Specific Site Costs” from the “**Eligible Activities**” subsection of the RFP:

“Onsite costs that are assigned to a specific residential building are eligible for MIH grant funds, in addition to vertical construction costs. These include costs generally accounted as site costs including paving that serves only one unit, meter and sewer tap fees for an individual unit or building, other underground utility costs from a main service to the unit or building; clearing, grading and pad elevation for a specific building.”

49. Do loans also require a pre-construction meeting?

Yes.

50. Are the MIH building construction standards applied to the entire structure or only the part paid for by MIH?

The entire project.

51. Do the loan funded buildings also need to meet the MIH building construction standard?

Yes.

52. What if the loan is used for something non-structural (e.g., solar panels)?

The loan is for a MIH project, so there will still need to be MIH units attached to the loan.

53. Do loans also hold the 5-year MIH resident requirement?

Yes.

54. If we are seeking a loan and it would be made to a City—secured by a Property tax stream—are there income limits on the tenants?

There will be income limits – the projects will be for households between 60 and 150% of the statewide AMI.

55. Will there be an income limit if only an infrastructure loan is applied for?

Yes, the MIH income limits will be in place.

56. Is there a timeframe difference between Rental projects and Owner occupied projects?

No.

57. The City as applicant, developer as user of the loan funds, what kinds of collateral or financial guarantees would the State need to see as assurance (from either party) should the developer default on paying back the loan?

We want the applicant to bring the strongest application they can. The amount and type of collateral, as well as any guarantees, will all be considered as KHRC evaluates the strength of the proposed loan.

58. Is there limit on the amount of loan if you decide to use partial loan?

There is not a limit. We will review for the ability to repay.

59. Is there any prepayment on the loan or limit of time you have to keep the loan?

We are currently talking about quarterly payments. We do not address prepayment penalties.

60. Does the County receive a grant then loan the money and reimburse the state?

The loan is with the city or county for a project. They city or county will pay the funds back to KHRC.

61. Do you have exact terms yet?

Applicants can present the terms that works for their project up to 10 years.

62. Can the amortization be longer than 10 years, with a balloon, if necessary?

The RFP only has up to 10 years for amortization. They can write their application with a longer amortization, but Finance and Legal will have to review.

63. We began this process recently with an eye toward applying for 2023 Round 3. We are using RFPs from Rounds 1 and 2, the 2023 Round 2 "Technical Assistance Tour" slideshow, and the many other materials on the KHRC website to guide our work. Is that acceptable?

Applicants are welcome to use guidance and documents from previous rounds to guide them in preparing to apply, but applicants should **always** use the RFP and application from the current application round when submitting an application.

64. Since we do not currently have a program that allows 100% HTLTV with a 2nd mortgage, the borrower would be required to put in at least 3%, is that acceptable for the program?

This would be part of the applicant's program design, which would be fine.

D. Application Process

1. I know only one application can be submitted per round, but does that account for all programs? Can a city submit two applications, one for the regular MIH and the other the MIH-ARPA?

Yes, a city (or county) can simultaneously submit one MIH and one MIH-ARPA application, if they are for different projects.

There are guidelines for submitting multiple applications in the same funding round across multiple programs, including MIH-American Rescue Plan Act (MIH-ARPA) and Kansas Housing Investor Tax Credit (KHITC):

- A city or county can submit both an MIH and an MIH-ARPA application for different projects.
- A city or county can apply for MIH and/or MIH-ARPA with an associated KHITC application.
- A builder or developer can submit a KHITC application without an associated MIH or MIH-ARPA application.

2. Is it appropriate to email some items directly to you to supplement the application or should those just be bolded and highlighted in our narrative and other items?

Please include any supplementary materials in your Section F. Application Required Documents (see FAQ D.4. below) either in the “2.1 Narrative,” as an attachment at the end of “2. Project Information,” or clearly labeled elsewhere in the application where they make the most sense. Bolding or other highlighting is always helpful for drawing our attention to the most important points.

3. How do we submit our Excel Application and other RFP Section F. Application Required Documents?

KHRC requests that the Excel Application and Section F. Application Required Documents be submitted via electronic upload to Procorem, an online project portal designed to manage documents and tasks from application, to award, and through construction and compliance (if awarded).

We have posted a [“How to Apply” video](#) to help walk applicants through the Procorem setup process step-by-step. It is very straightforward.

The point of contact(s) listed on your [“Notice of Application”](#) will be sent Procorem WorkCenter account setup instructions.

If you have difficulty or unable to upload the application electronically, please email MIH@kshousingcorp.org. Applications can be submitted through email; however, if the application is approved, the applicant will be required to move the documents to Procorem.

4. How can we best name and organize our application files and accompanying documents?

Please clearly label each section with headers or coversheets that match the consecutive numbering of the RFP Section F. Application Required Documents. We ask that you follow the following naming conventions in labeling and saving your documents:

- **Excel Application** – “23-02- *NameofApplicant*-Application.xlsx”
 - Please print, sign, scan, and include your Excel Application as the first attachment with your Application Required Documents below.
- **Application Required Documents** – “23-02-MIH-*NameofApplicant*-RequiredDocuments.pdf”
 - Please submit all Application Required Documents (e.g., attachments, accompanying materials) **as a single, combined, and consecutively numbered PDF document.**

5. In Section III of the MIH application – Source of Funds (Construction & Permanent Financing), how should MIH applicants applying for KHITC resources account for the credits they are requesting?

When completing Section III of the MIH Excel application, there are two options to account for the KHITC resources being requested:

- 1) If you know how much the credits will sell for, you can provide the total amount of equity in the “Amount of Funds” box. Then, in the narrative section directly below, you can explain how you determined the amount of equity you are estimating to be generated by the credits, including the price the credits are anticipated selling for.
- 2) If you do not know how much the credits will sell for, you can enter the number of credits you are applying for (for example, 1,200,000) in the “Amount of Funds” box. In that scenario, you can use the narrative box to explain that you do not know how much the credits will sell for, and so you have entered the number of credits for which you are applying.

6. We are working on an MIH/KHITC application, and the developer needs between \$700,000 and \$800,000 to make the project work. Is it best to ask for the maximum amount from each with a statement in the narrative stating that what he really needs is combination of the two totaling \$800,000 or is it best to request half from each program? Or even something completely different?

How applicants elect to combine or divide their requests between program resources is up to the applicant. KHRC cannot advise on that front, though we do encourage applicants to ask for what they need to complete the project. But we would recommend that applicants use their application narratives to fully explain why the requested amount is necessary.

7. In previous applications from prior rounds, were funds more likely awarded if the applicant requested the max amount for both programs with a statement explaining their exact needs? Or were applicants more likely to be funded by requesting the exact amount and dividing the request between the two programs?

We encourage applicants to ask for what they need to complete the project. Application and Award Lists for previous rounds are publicly available on our webpage under “[Documents|Forms|Resources](#)” and the submenu “Prior Round Award & Application Lists.” These can give applicants an idea of what applicants applied for and were awarded in prior rounds.

8. Do you know of any persons or companies that have provided consulting services to complete the application process?

KHRC does not maintain such a list. The Kansas Department of Commerce does maintain a “[Housing Resources Developer Profile Database](#)” as well as a “[Find Assistance in Your Area](#)” tool.

E. Current Funding Priorities

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

That is our goal, as stated in the RFP Section E. Current Funding Priorities. 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. If a grant submission is not awarded in prior rounds, will it be looked at favorably on in another round in the future?

An applicant can always reapply. If we get an application and we do not fund it, our Housing Development Liaisons, listed in the RFP Section B. Administration, 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.

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.

3. The maximum MIH award is \$650,000. Do you think this max will increase in the future?

\$650,000 is an increase from \$400,000 in previous years. It is possible the maximum will increase, but we will see how the next few rounds go. If a project needs more than \$650,000, we encourage communities to look at the MIH-ARPA funds.

F. Application Required Documents

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

RFP Section F. Application Required Document “5. Housing Needs Analysis or Survey of the Community” requires that a housing needs assessment or market study be included with your MIH application. We will accept a Department of Commerce Housing Assessment Tool (HAT), a third-party assessment, or a RHID-required assessment.

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

We prefer that the required Housing Needs Analysis or Survey of the Community be completed in the last 3 years. If all that is currently available is an existing study older than three (3) years, we will accept it; however, please include an addendum to provide updated data and a narrative detailing the current housing needs in your community that the proposed project will address.

This is a requirement that we are still defining. We were satisfied with what we received in the last round, and so we have no changes at this time.

4. Will you review the energy standards required?

MIH Energy standards are detailed on the required Energy Certification form.

5. See also FAQ F. 27.

6. Do we need to update the dates on the letters of support to 2023, or will a letter dated 2022 suffice given the housing need has not changed?

We would like to see updated commitment letters (e.g., bank financing, developer/contractor availability, partners, other units of government) for 2023. However, more general letters of support (from local businesses, etc.) can stay the same, if the information (e.g., jobs, economic impact) is still current.

7. What is the right mix of MIH units to non-MIH units in an application?

At minimum, it should be the percentage of the request to the total development budget. A \$500,000 request of a \$2,000,000 project would mean that 25% of the units would be MIH. KHRC would want to round up to the nearest whole unit.

The above calculation is a minimum for compliance. You may choose to include more to be more competitive.

8. How can applicants add more categories to the Excel Application Section V. Development Team Information?

Please put this in your 2.1 Narrative and the Development Team “involvement” narrative in the Excel “ALL Applications” worksheet and clearly distinguish it from anyone whose current or former relationship to KHRC must be disclosed.

9. How can applicants add more categories to Section III. Source of Funds?

Please include this in your 2.1 Narrative and the Source of Funds narrative of the Excel “MIH Application” worksheet.

10. How can applicants reflect municipal bonds for infrastructure?

The Section III. Source of Funds: Permanent Financing section should equal Section VII. Development Budget, which is the budget for the entire project, whether that is through municipal bonds or a mortgage. Applicants would utilize Section III. Source of Funds. If there are multiple individual mortgages, applicants can combine them under “Multiple Mortgages” in a single row.

11. If land is being donated to the project, how should this be included in the Development Cost? Where can applicants show the donation to offset the cost?

Donated land would be considered leveraged funds. Please include this in the narrative in Section III. Source of Funds. On the budget, it should remain 0.

12. Are there guidelines or forms for the Property Appraisal (Feasibility) Market Study?

If this refers to Common Application Required Document “5. Housing Needs Analysis or Survey of the Community,” then KHRC will not pay for that. If this refers to appraisals prior to unit sale, we will consider that as part of closing cost requirements. We do not have a guideline on appropriate cost, but a local bank might be able to give an idea of how much those run in an applicant’s area.

13. Is an environmental report required? If so, what are the parameters?

We require that applicants who are awarded MIH grants complete an environmental checklist prior to beginning construction.

14. Manufactured homes are built to the federal preemptive building code which contains energy conservation standards, is that the energy standard they comply with to qualify for the MIH?

We will accept the National Program Requirements for ENERGY STAR Certified Manufactured Homes, Version 2, dated July 1, 2019, to satisfy MIH-specific Application Required Document “13. Energy Certification (KHRC Form).”

15. How can we access regional and county-specific data from the Kansas Statewide Housing Needs Assessment 2021?

The [Regional Assessment](#) provides regional and county data in PDF form. Online [Storymaps](#) (scroll halfway down the page) use multimedia tools to explore regions and display report findings.

16. On the Excel “MIH Application” worksheet, what are you looking for with regards to “community definition”?

For “community definition,” applicants should note specifically what area the unemployment data is for (i.e., if a city is applying, note if the data provided is for the county).

17. What are you looking for specifically to document Site control, Zoning, and Source of Funds?

Per the RFP Section F. Application Required Documents, below are some representative examples of suitable documentation of the following:

“3.1. Proof of site control” – any document showing control of the property, such as a quit claim deed, screenshot of online property record, etc.

“3.2. Proof of proper zoning or proper zoning application” – zoning map, planning commission statement, statement that county/city is not zoned, etc.

“4.1 Proof of funding source(s)” – letters of commitment, bank letter, city/county resolution, etc.

This supporting documentation is requested to document and support the Construction and Permanent Financing amounts and leverage narratives provided in Section III. Source of Fund of the “MIH Application.” If supporting documentation is not available, please provide a full explanation in your “2.1 Narrative” why that is the case and how it will be addressed.

18. If an applicant submits an incomplete application (i.e., key components are missing or insufficient), will you let the applicant know and allow them to correct the deficiency during the review period?

Application required documents are outlined in the RFP Section F. Application Required Documents. Applicants are responsible for submitting a complete application by reading and following the RFP, FAQ, and other resources provided by KHRC. These materials are found under “[Documents | Forms | Resources](#)” drop-down menu on the [MIH webpage](#).

In the past, KHRC has issued deficiency lists to applicants to give them an opportunity to resubmit information they did not fully provide in their original application submission. However, due to an increased number of applications anticipated, and the availability of three (3) funding rounds annually, KHRC will no longer issue deficiency lists during the MIH application review period.

Future MIH rounds will open every four months. If an applicant does not submit required information or complete documentation, they will have the opportunity to correct any deficiencies and apply again in the next round. KHRC staff will also offer unfunded applicants an opportunity to schedule technical assistance (TA) calls to answer questions and review suggestions for developing a more competitive application in subsequent rounds.

19. What is the “Notice of Application” request/requirement for the MIH applications?

The [Notice of Application](#) is a KHRC form that is due in advance of applications and is to notify KHRC of what application(s) the applicant intends to submit (MIH, MIH-ARPA, KHITC) as well as which persons should have access to the applicant’s Procorem WorkCenter.

20. If our application was not funded in prior rounds and we are reapplying, do resolutions, letters of support, and cost estimates need to be updated?

- **City/County Resolutions** – see FAQ F. 27.
- **Formal letters of commitment**– leveraged funding support, bank letters, city/county commitments, etc. – must be updated.
- **General letters of support** – from local employers or businesses, community members, etc. – do not need to be updated.
- **Cost Estimates** – do not need to be updated, if they are still applicable
- **Energy and Accessibility Certifications** – must be updated.
- See also FAQ F.6. above.

21. Have the letters of support requirement been removed?

Formal letters of commitment (or equivalent) should be provided under Section F. Application Required Documents “11. Leveraged Funds – 11.1. Letters of Intent, Approval Confirmations, and/or supporting documentation.”

General letters of support should be provided under Section F. Application Required Documents “6. Community Support” or “5. Job Creation and Economic Development – 5.1.4 Supporting documentation.”

22. On the Excel “ALL Applications” worksheet, what people are to be included in the ‘Main Contacts’?

“Main contacts” are those who have the most contact with KHRC. For example, whomever oversees the grant at the city/county level (clerk, city manager, mayor, etc.) and someone from the development team (developer, contractor, builder, etc.). This could also depend on whether it is city/county-led vs. developer-led project, which would impact which party has the most contact with our team.

23. What are the responsibilities that would fall to the city or county to properly administer the funds?

The city or county is responsible for the disbursement of the funds and the compliance on the project. They will be a part of all communications and the grant agreement will be with the city or county. We usually see responsibilities divided one of two ways: developer-led projects or city/county-led projects.

In a city/county-led project, the city or county manages all aspects of the MIH project. This includes (but is not limited to) monthly reports, disbursement of funds, compliance management, annual reports, and day-to-day communication with KHRC.

In a developer (or non-profit)-led project, the developer will be involved in these things, as KHRC does work with other organizations in addition to the city/county. However, compliance and other MIH requirements are the responsibility of the grantee, not the organization they designate to manage the project or portions of it. KHRC may consider noncompliance issues when evaluating future MIH applications.

If a grantee elects to do a developer-led project, KHRC would expect the developer to cc the grantee on all communication with KHRC. This is because, whether the grantee elects to do a developer-led project or a city/county-led project, the grantee for MIH funds will always be the city or county awarded. Thus, all final decisions will always have to be made or approved by the grantee before KHRC can implement them.

24. How is KHRC envisioning the structure of the supplemental information (Section F. Application Required Documents) when a project applies for both MIH-ARPA and KHITC. How would KHRC like the information organized to make it as easy as possible to assess an application?

Please include “Common Requirements” attachments in both your MIH-ARPA and your KHITC applications using the numbering scheme provided. Having each section separated by numbered and titled cover sheets is also very helpful.

“MIH-ARPA-specific” and “KHITC-specific” attachments should be included separately using the numbering scheme provided. Again, cover sheets are helpful.

We have posted a [“How to Apply” video](#) that details the online document upload process, including naming conventions, to be followed.

25. What documentation examples are you looking for under 11. Leveraged Funds where it asks for “11.1 Letters of Intent, Approval Confirmations, and/or supporting documentation”?

Example of documentation for Leveraged Funds sources include:

- “In-kind labor and services” – letter of support; estimates or quotes
- “Reduced fees and taxes” – letter of support; resolution from the applicable governing bodies
- “City contributed work” – letter from city department; resolution from the city/county

26. Do you make example resolutions available?

We do not – instead, we rely on applicants to use their own form and discretion.

27. May governing bodies draft their resolutions so that, if not funded in the current round, they can be used again in future round applications?

Yes, the same resolution may be resubmitted for up to 12 months if it is for the same project and the project has not substantially changed (i.e., not more than +/- 10% of the number of units). The resolution should identify the parameters for subsequent applications, including a clause that it is only for a particular project (e.g., project name and/or address). The city/county may put their own time constraints on the resolution; however, we will not accept resolutions that are over a year old. This allows for up to three (3) application rounds.

We will not accept an older resolution for a project that is different than the previous application.

28. Do we need to subtract complex amenities – fitness center, laundry – or ancillary space such as foyers from XI. Development Budget?

No.

29. Will KHRC still review an application if the HAT is mostly finished, and they submit what they have?

A complete, up-to-date housing needs analysis is more competitive than an incomplete one; however, please submit what you have, and we will consider it.

30. If the rural community we are helping apply for an MIH grant does not have a housing assessment, what other options do we have to suffice this section’s requirement?

The RFP Section F. Application Required Documents states: “Each application requires a full submission of the required documents.” It goes on to list Common Requirements, which includes “5. Housing Needs Analysis or Survey of the Community.”

The Department of Commerce’s [Housing Assessment Tool \(HAT\)](#) may be the best option available to such a community. They could submit their own self-assessment, not following a particular template; but it may not be as competitive as a proposal utilizing a more formal process. However, we have seen some self-assessments that were better than some of the commissioned ones.

See also FAQs F.2., F.3., and F.28. above.

31. 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](#) (scroll halfway down the page) use multimedia tools to explore regions and display report findings in an interactive manner.

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

32. Does the [Local Housing Solution’s Housing Needs Assessment tool](#), created in partnership with PolicyMap, provide enough information to use for a local housing needs assessment or survey?

No, we cannot accept the Local Housing Solution’s Housing Needs Assessment as your city- or county-specific housing analysis or survey. However, you may use it as a starting point or include its data and charts in your own local housing needs assessment or survey.

Their own “[Using Local Housing Data](#)” resource page includes this important caveat:

“Local Housing Solutions provides a Housing Needs Assessment Tool, which relies on nationally available data from the U.S. Census Bureau and other federal sources, to help localities understand local housing needs...

Local data, such as data generated by local government agencies or programs or through surveys or qualitative research, provide an important complement for nationally available data, allowing localities to paint a richer and more accurate picture of the locality’s housing needs.”

We encourage the community to consult the resource page linked above for ideas on how to flesh out national data with local sources. In addition, the Kansas Department of Commerce’s [Housing Assessment Tool \(HAT\) Guide](#) provides guidance on how to incorporate national data into your local assessment.

33. The Common Application asks for census tract information in cells HJ 23. What if a project might cover multiple census tracts?

Please include each census tract that applies. However, you do not have to do this in the Excel spreadsheet if it will not fit in the applicable cell. If it will not fit, you can use the census tract blank in the Excel application to refer the review committee to the section you elect to include the census tracts in. *Again, please include each census tract that will apply.*

34. The Common Application asks for census tract information in cells HJ 23. What if a site has not been assigned an address?

If your location has not been assigned an address, please provide the geocode for the nearest address to the MIH site. Then in parentheses next to it (in the same cell), tell us 1) that this is the nearest address to your site and 2) how many miles the geocoded property is from the MIH site.

35. If MIH funds will be used for down payment assistance, how can that be demonstrated in the Development Budget?

Down payment assistance will not go in the budget. Down payment assistance will be listed as a source.

36. Is what you are requesting a *minimum* of a 10-year operating proforma, and can we still use a 15-year or 20-year proforma?

We ask for a 15-20 year proforma for LIHTC deals; however, we are only requiring 10 years for MIH because of the shorter restrictive use period. A longer period of projection is beneficial to everyone.

37. We already have a Procorem WorkCenter because we applied in a previous round. Do we still need to submit a Notice of Application?

Yes, you must submit a new Notice of Application. Application WorkCenters from prior rounds cannot be used to submit new applications – applicants will need new Procorem WorkCenters. WorkCenters from previous rounds will be archived prior to the new round of application WorkCenters being made available. Applicants will no longer be able to upload materials to application WorkCenters from prior rounds.

38. We already have a Procorem WorkCenter because we were awarded in a previous round. Can we submit the Notice of Application to our current WorkCenter?

No, applicants must submit Notices of Application via email to MIH@kshousingcorp.org. Existing Procorem WorkCenters are for existing projects and should not be used to submit materials for new applications, including the Notice.

39. We already have a Procorem WorkCenter because we were awarded in a previous round. Do I need to complete the Notice of Application?

Yes, you must submit a new Notice of Application. Your existing Procorem WorkCenter cannot be used to submit new applications, so applicants will need to submit a Notice of Application to notify our team that applicants need a WorkCenter for their new application.

40. We are still trying to determine whether we will apply for MIH or MIH-ARPA. Can an applicant select both on the Notice of Application if the applicant is not certain which program the community will submit under?

Yes, if the team is still deciding which resource to apply for, you may select both resources on the Notice of Application. If you select both resources, then be sure that in the “City or County (If applying for MIH or MIH-ARPA)” blank, after you enter the applicant’s name, you make a note in parenthesis that you are still deciding which resource to apply for.

41. I submitted my Notice of Application by the deadline, but I have not received Procorem access. When will I receive the email?

Procorem WorkCenters will be available to grantees at least 10 days prior to applications being due. If you have not received access to your WorkCenter by that time, please reach out to MIH@kshousingcorp.org.

42. If there is a developer on board, are the narratives required to contain a justification or request?

You can provide a 10.1.1. narrative or, if 10.1.1 processes and/or policies were not followed, a short narrative under 10.1.2 justifying a sole source decision.

43. Is the developer/Project Manager supposed to follow the City’s procurement policy?

See above. Yes, under 10.1.1.; however, if they do not, then use 10.1.2.

44. Are we supposed to include the procurement policy?

If following 9.1.1., please provide an excerpt of the relative Procurement Policy sections.

45. If we do a countywide housing study, can each city in that county use that same study or do you want the housing study to be directly for the city turning in the application?

We do have applicants submit county-wide housing studies; however, we would prefer that they have separate sections and break-out data and information on the individual cities in those counties.

46. We understand that all projects/communities are different, but for a small city/county that has just begun this process—including data collection, nailing down details of the project, etc.--do you have any guidance as to what kind of timeframe is realistic for building a successful project and completing MIH/KHITC application packages? We had our eye on submitting for 2023 Round 3 funding but wonder if that expectation/goal is consistent with what you have seen from others' experiences, or we need to be looking toward a Spring 2024 application. Would we encounter any kind of penalty or hurt our ultimate chance of funding if we were to submit the Intent to Apply for 2023 Round 3, but then found it necessary to hold off and apply for Spring 2024 Round 1 funding instead (obviously submitting a new Intent to Apply for that new round)?

KHRC leaves the decision of when to apply to the applicant. Applicants know their projects, their capacity, and their community, and so KHRC could not recommend that applicants apply in one round over another.

Applicants are not penalized for submitting a Notice of Application and then not submitting an application. We understand that circumstances change, and timelines do not always stay according to schedule. You can submit a Notice and then not apply, though if this were to occur, we do ask that applicants notify KHRC so we can remove the Notice from our list.

G. 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.

4. If a city gifts land to the developer, does this count as their contribution/money for the grant program, or would they need to provide something in addition to that?

The gifted land would be considered a contribution from the city – per the MIH-specific Application Required Document “11. Leveraged Funds,” please provide “11.1. Letters of Intent, Approval Confirmations, and/or supporting documentation” as well as list and describe in your Excel “MIH Application” and in your 2.1 Narrative. It is up to the City whether to include additional leveraged funds in their proposal. See also the RFP Section G. Leveraged Funds.

5. Where should applicants include Neighborhood Revitalization Program (NRP) tax rebates in the budget?

If there is a cash benefit during the construction or permanent periods, list under III. Source of Funds. If is not a cash benefit, detail how NRP benefits the project in the “other items used to leverage the proposal” narrative and in your 2.1 Project Narrative.

6. Will KHRC review budgets, applications, or drafts ahead of time and provide feedback or advice?

KHRC does not review projects or applications prior to submission. We can answer specific questions, but a budget or other sections of the application will only be reviewed after application submission.

7. Can lots be donated as part of the in-kind?

Yes, donated lots qualify as leveraged resources.

8. 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.

9. 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.

10. 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.

11. 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 [Kansas 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.

12. 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. As it is their program, the [Kansas Department of Commerce](#) is the best resource for specific questions regarding RHID.

13. 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.

14. For new construction, RHID is eligible for many of the infrastructure costs (not vertical construction). However, there are often gaps that are left unfunded when utilizing RHID only. For

example, at the end of the repayment period, there are often infrastructure costs not recaptured. Can MIH be eligible for those gaps that are left unpaid by the RHID project?

The expectation that MIH costs do not cover infrastructure when an RHID is in place was made based on the suggestion of stakeholders. KHRC will continue to not use MIH for infrastructure costs when an RHID is in place.

15. Will an applicant be penalized for not having an existing RHID if they intend to apply for an RHID in the future?

In a case like this, we would want to stress that if the application has MIH covering infrastructure costs, KHRC would want the applicant to address why they are not using an RHID or something else to cover infrastructure costs. Infrastructure costs will be structured as a loan.

16. What stage in the RHID process does an applicant need to have completed to apply for MIH?

There is no specific stage an applicant is required to be at in the RHID process. In the application, the applicant would need to demonstrate which part of the RHID process they are in by submitting documentation for each step they have completed per Section F. Application Required Documents, Common Requirements “8. RHID (if applicable).”

17. Can MIH be used for a portion of the infrastructure?

MIH is primarily for vertical construction. Infrastructure costs will be structured as a loan, while the vertical construction costs may be structured as a grant.

18. Is the RHID the largest/strongest leverage for MIH?

KHRC does not have a way of measuring this in terms of dollars leveraged. However, we understand it is a large factor, and we consider it appropriately.

19. Does the lender finance the construction or just the purchase of the completed home?

An MIH grant or loan could be used by the Grantee (city or county) to assist in the construction financing, but unless it is approved as part of the application, MIH would not generally pay 100% of the costs. A lender could provide construction financing, or a builder/developer could self-finance construction.

H. RFP Award Process

1. If project is awarded, does the MIH program require the proposed work to be competitively bid? For example, on a rehabilitation project, if a roof needs to be replaced, do you required that work to be competitively bid?

KHRC asks that applicants, if awarded, use their usual procurement policies and processes for bidding out each portion of the eligible activities under the Grant Agreement.

2. For awarded applicants with homeownership projects, would it be better to build the homes, have them appraised, and use the appraisal to determine the asking price, or it would be better to sell the homes at construction cost?

This would depend on the area. In some areas, the appraisal might be inaccurate and so the home would not be able to be sold for the appraisal price and still be affordable to the households in the MIH income range (60-150% AMI). The price of the home should be based on what the community can afford (see FAQ H.8).

The 30% referenced in FAQ L.8 is not based on the AMI limits provided in the RFP. The 30% is based on a household's income. It is up to the applicant to determine what best fits their community. An option could be to reach out to local real estate agents and find out what the market can bear for the applicant's locality. If the applicant appraises the property, is the appraisal price affordable to the community?

The intent of MIH is to sell to homeowners within the 60-150% AMI range. If the appraisal price is an amount those households can afford, then that might be reasonable. If the appraisal price is an amount that those households cannot afford, then the applicant might need to price the property accordingly so that the 60-150% AMI range could afford the properties.

3. If the applicant uses funds for rental housing, the applicant may be required to record a Land Use Restriction Agreement (LURA) for a period of five years. What is being envisioned and under what circumstances?

Simple LURA.

I. Reporting Requirements

J. Fund Disbursement

1. It sounds as if these funds are reimbursement funds—so we would need to spend \$650,000 to get the money back from KHRC? What do communities do that do not have \$650,000 freed up to spend before receiving funds back?

Monthly progress reports are required, and reimbursement requests can be submitted at that time and processed at that time.

2. Are MIH projects tax exempt?

KHRC does not have the ability to give any tax exemptions. Projects would need to work with their local government for that.

3. Can you explain how payments work if a project is awarded? For example, can an awarded grantee submit a request for grant funds once a month based on invoices received and costs incurred?

If a project is awarded, payment requests can be flexible. KHRC would withhold a portion of the funds until project completion, but the rest of the funds could largely be disbursed as the grantee prefers. For example, the grantee could request the funds once a month, once a quarter, or wait to request all the funds until the project is completed. The grantee could also request the funds as necessary (once the grantee collects enough receipts that they would like to submit them for reimbursement, they can). As I said, for the most part, the schedule is up to the grantee and there is flexibility.

4. Does the grant reimburse the full amount of the request? For example, could a request be submitted to KHRC for invoices totaling \$100,000?

It depends. The grant *could* reimburse the full amount of the request if the expenses described in the invoices/receipts are eligible for reimbursement under the Grant Agreement. If awarded, eligible expenses would be contemplated in the grantee's Grant Agreement, so there would be understanding from the beginning of what would qualify for reimbursement.

That said, if there were to be concern that the grantee was spending funds too quickly or if there were compliance concerns, KHRC could step in and work with the grantee to figure out a solution. KHRC could potentially withhold funds until the project is able to get back on track, but that does not automatically mean funds will be rescinded.

5. What is the approximate turnaround time on receipt of the funds once a request for disbursement is submitted?

After KHRC processes the request and sends it to our Finance team for payment, it usually takes about 14 business days for the funds to reach the grantee. The time it takes for KHRC to process the request depends on whether or not KHRC has follow-up questions for the grantee.

6. When KHRC discusses withholding a percentage of the MIH grant until project completion, is that a percentage of the project costs, or is it case-by-case basis?

The exact amount withheld is flexible, which would be contemplated in the Grant Agreement if applicants are awarded.

K. Disclosure of Relationship

L. 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.

2. How do the MIH income limits relate to rental rates? What is the range of rents that can be charged and still qualify for the MIH grant?

Income guidelines are provided in the RFP Attachment A: "RFP Income Target Guidelines" and compliance details provided in the RFP Section L. Compliance Monitoring.

Proposed rental rates are provided by the applicant in Section IV. Annual Rental Operating Income of the Excel "MIH Application" worksheet. See also L.1. Compliance Monitoring answer immediately above.

3. How do the MIH income limits relate to students?

MIH income limits are provided in the RFP Attachment A: "RFP Income Target Guidelines." Grantees should be consistent in applying these guidelines to tenants during the five-year compliance period.

4. What is the energy requirement if 10 or more units are proposed? At what stage must these standards be demonstrated?

All MIH-specific projects are required, per the RFP Section F. Application Required Documents, to complete an Energy Certification form which details the required MIH Energy standards.

5. For MIH, projects are required to contract with an energy rater for any project with 10 or more units. When testing is completed, how many units are required to be tested?

All MIH-specific projects are required, per the RFP Section F. Application Required Documents, to complete an Energy Certification form which details the required MIH Energy standards.

6. The other point about the program that jumped out was the income range that this project applies to. Per the information provided by KHRC, the program is geared toward providing housing to people in the \$35,360 to \$90,900 per person income range. But there does not appear to be anything that requires any sort of reporting regarding whether or not grantees have actually rented to people in that income range. Are the reporting requirements for the program only related to reporting how the money is spent, not whether or not the target population is actually benefiting from the project?

There are reporting requirements on how the money is spent. KHRC has a request for disbursement form that grantees submit, along with supporting documentation, prior to being reimbursed for MIH costs.

One of the purposes of the MIH program is to serve moderate income households who make between 60-150% of HUD's area median income (AMI), and KHRC does have a compliance form that grantees are asked to complete during a project's five-year compliance period. This five-year compliance period starts when the project is completed. KHRC does not need to approve each renter, but we do require the compliance form to be filled out and submitted each year for 5 years checking income for new tenants. Tenants do not need to be reverified each year – they only need to be verified at move-in.

7. Do grantees have to take steps to make sure that every renter, or a majority of them, or some other threshold falls within the moderate income limits? If grantees are verifying income, does that mean grantees have to get the renters to provide that information before approving them for occupancy? What happens if grantees cannot or do not meet the threshold number of renters that fall within the moderate income limits?

In each application, applicants must state how many units are designated for MIH (Section II of the "ALL Applications" worksheet). This number will be included in the Grant Agreement, which is the document all grantees sign if they are approved for MIH funding. During the compliance period, every household who moves into a unit designated for MIH must fall within the income limits and grantees must verify their income. In special circumstances, the grantee can request permission for an MIH household to be slightly above or below income limits, but this is not allowed without KHRC approval.

Yes, households will need to provide some kind of proof of income in order to be approved. Grantees can determine what they consider to be proof of income, but KHRC will need to approve the method. Typically, we see grantees use tax returns as verification. Once the method is approved, grantees must consistently use it for all households.

As far as what would happen if grantees were unable to fill their units, this should be considered when writing the application. Grantees should demonstrate in their application that there is a need for moderate income housing in their community. Grantees should apply for the amount of funds and number of units that (among other things) the grantee 1) has the capacity to develop and 2) has the capacity to fill based on the need in the community. If special circumstances arise *despite a thoughtful application*, KHRC will work with the grantee to achieve their grant agreement criteria. If, after multiple attempts, working with the grantee to achieve our affordable housing goals does not succeed, KHRC has the ability to rescind the grant.

8. A group wants to construct five (5) new homes, all in the \$220,000 range per home. Based on the MIH income limits, does the cost per home exceed the range of application acceptability?

Since MIH housing is designed to serve the 60-150% AMI income bracket (see the RFP Attachment A), we want to ensure that the housing is affordable to those households. For homeownership projects, we are looking to make sure the homeowner's costs are affordable to the homebuyer. We like to see costs (monthly mortgage and interest, insurance, and taxes) at 30% or less of the owner's income, so we know that costs are affordable to the homeowner.

9. If homeownership is proposed, when the home is built and sold, does the five year recapture agreement transfer to the purchaser? Which means they would have to income qualify and not sell the unit for five years? Is that correct?

For homeownership projects, the five-year recapture agreement should always be with the purchaser (the initial MIH household purchasing the home). The house would be built and sold by the grantee, and the MIH household would sign documents (such as a deed restriction or second mortgage/promissory note) that would protect the affordability of the home for the compliance period of five years. This discourages the homeowner from selling the home and making a profit during the compliance period. The first homebuyer will have to qualify under MIH income guidelines. After that initial household is qualified as meeting MIH guidelines, no subsequent households need to be verified.

If you are asking if the recapture provision would transfer to the subsequent buyer if the MIH home sold during the five-year compliance period, no, it would not. However, if the MIH homeowner elects to sell during the compliance period, they will be subject to repayment penalties in the deed restriction/second mortgage that was signed.

10. We understand that, if need be, awarded grantees can request an extension in writing for additional time to complete the project if events occur that are out of the grantee's control. However, what if the project itself extends beyond the 18 months?

Awarded grantees may request extensions on projects. Per the RFP Section H. RFP Award Process, "Development completion is expected within 18 months of the award notification." The expectation is that projects start within 6 months of award and that substantial progress, including some completed units, is made within 18 months.

For applications that are submitted with the understanding that the project will take longer than 6 months to start or 18 months to complete, this will be part of the evaluation process of the application. The length of time a project takes to complete is part of the competitiveness of applications and will be evaluated during the application review.

11. Reserved.

12. Is the 30% debt-to-income ratio for housing loans only? Or is other debt (e.g., car payment, credit cards, student loans) included in the 30%?

Per the RFP Section L. Compliance Monitoring: “KHRC’s expectation is that the homeownership costs are 30% or less of the household’s income.” In the Excel “MIH Application” worksheet, Section VI. Homeownership we ask only for monthly Mortgage, Utilities, and Interest, Taxes & Insurance costs.

13. We understand that once our homes are built, homebuyers will need to prove they fall within the moderate household income range. Will assets be considered, or only direct income?

Only income, not assets, is considered.

14. Who owns the house during the life of the grant?

- KHRC Loan Holder?
- Mortgage Holder of home buyer?
- Grant/Loan recipient?

It depends on how the grantee sets up their project. The home could be owned by the applicant (city or county) or the builder/developer until it is sold to an MIH eligible household.

15. Would the KHRC hold a Lien on the house until paid for?

No, KHRC does not hold a lien. However, KHRC asks that grantees place a second mortgage/promissory note or deed restriction on the homes for a five-year compliance period (not until the home is paid for) to ensure affordability of the homes.

16. Is renting to a student with income below the range in Attachment A eligible for MIH grant funds?

No. The grantee shall ensure that tenants are initially qualified with gross incomes within the most current MIH income ranges, subject to change and as [posted on the KHRC website](#).

17. We are renovating an old nursing home. It is a large facility, and we would only use half of it for housing. We intend to use the remaining area for other opportunities such as daycare, a historical society, or even the city hall. Is there any regulation of using MIH funds and housing City Hall in the same building?

It would be fine to have housing in only part of the building. Just know that funding for the project would be pro-rata – there must be enough housing work needed on the project to justify the funds you are requesting.

18. Per the MIH FAQ L.7., “In special circumstances, the grantee can request permission for an MIH household to be slightly above or below income limits, but this is not allowed without KHRC approval.” As such, if we had a tenant move in day one making more than 150% of the median income, what would happen? In this instance, would we need prior KHRC consent before the tenant could actually move in?

KHRC is willing to have discussions regarding tenants who do not exactly fit the limits, however, communication with KHRC is a crucial factor. KHRC can provide waivers for specific units or households

to not meet the income limits, but that has to be a discussion prior to a household being admitted into the MIH unit. Grantees cannot waive the income limits themselves – they must have KHRC approval to do so.

Looking at your example, if a tenant moved in on day one and was over/under the income limits, the project would be out of compliance and we would look for ways to remedy that, as repeated or uncorrected compliance issues may impact future MIH applications. KHRC expects MIH grantees to be checking income limits as part of the tenants' application process. Checking income limits before prospective tenants sign a lease eliminates the possibility of households who do not meet the income limits being admitted.

If the project had significant difficulty finding tenants who met the income limits, then we could discuss waivers. However, if that were to occur, KHRC would want to understand what kind of effort the project made to target households at the moderate income level. If after making a great deal of effort, the project was unable to find households who met the income requirements, then, again, we could discuss waivers.

The problem in either of these scenarios (**A. households are admitted to the project on day one at under/over income, or B. the project struggles to find households who meet the limits**) is that if these scenarios occur, then what is being demonstrated is that there is not a significant moderate income housing need in the community. That's why KHRC asks for a Housing Needs Analysis or survey of the community with MIH applications, so our team can determine that there will be a need for the proposed units when the time comes to sell or lease the units (see [Section F of the MIH RFP, #5](#)).

19. Is there a website as there is for KHAP funds that we would register the borrower and obtain papers?

Documents related to the Grantee's agreement with the buyer would be drafted at the local level and specific to that project, with KHRC approval. We do not provide standard templates for those agreements, because they are between the grantee and the buyer. This would be a process determined at the project level, however, KHRC does require that the restriction/second mortgage/etc. be filed with the Register of Deeds.

Attachment A. RFP Income Target Guidelines

Attachment B: Moderate Income Housing RFP Evaluation Guidelines

Attachment C. Accessibility Requirements

1. K.S.A. 58-1402 allows for the accessible entrance to be through a garage. KHRC provides the following guidance:

If the garage is used as the *only* accessible entrance to a dwelling unit, it should have a separate (non-overhead) entrance into the garage, with a minimum 42 inch clear path from the exterior door to the interior door that is not impinged on by a vehicle parked inside the garage. This is to ensure safe access

into and out of the dwelling unit if the overhead door becomes inoperable, and regardless of whether there is a vehicle in the garage.

- 2. K.S.A. 58-1406 states that the accessibility requirements do not apply to “a private residence which is owner-occupied or which is under contract for occupation by the owner.” KHRC’s interpretation is:**

A dwelling unit which is being constructed for an unidentified future buyer, or for a buyer who has not yet executed a contract for purchase of the home is *not* exempt and must meet the above requirements for accessibility.

- 3. As part of the MIH requirements, must units be ADA accessible?**

For MIH, the RFP refers only to: “Kansas Accessibility Standards K.S.A. Chapter 58, Article 14 and/or HUD Fair Housing Design Requirements also apply (see Attachment C).”

MIH does not reference or incorporate ADA requirements.

Beyond MIH, ADA only applies to spaces for public use, not residential units. If you have a leasing office, commercial space, community space that can be used by the public, etc., ADA will apply. In that case, if we are not providing the funds, it would be a matter for others to enforce.

Attachment D: Required Documents Checklist