

# *2025 QAP Public Hearing*

Kansas Housing Resources Corporation



# QAP Timeline

Date	Event
August 1, 2024	Draft QAP Released
September 4, 2024	Draft QAP Public Hearing
September 18, 2024	Draft QAP Comments Due
October, 2024	Final QAP Issued



# Proposed Changes

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## Section II – Application/Award Process and Fees

- Moved the development limit per new principal language (A Principal that has never been allocated tax credits before January 1, 2023 in the state of Kansas is only eligible to receive an award of tax credits for one (1) project under the QAP, and may not receive a second project until the awarded development has closed. A third application will not be awarded until a complete cost certification has been submitted to KHRC for the first awarded development.)
- Requiring the applicant to be a general partner or managing member past stabilization
- 4% New Construction Approvals will have 360 days to start
- Clarifying when fees are due, who is eligible for non-profit fees, and how 4% fees are determined



# Proposed Changes

## Section II – Application/Award Process and Fees

- Updated Dates

4% Dates	4% Events
February 21, 2025	Round 1 Due Date
May 23, 2025	Round 1 Announcement Date
August 15, 2025	Round 2 Due Date
November 14, 2025	Round 2 Announcement Date
9% Dates	9% Events
January 10, 2025	Preliminary Applications Due
February 21, 2025	Full Application Invitations
May 23, 2025	Full Applications Due
August 8, 2025	Award Announcements



# *Proposed Changes*

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## **Section V. Threshold Eligibility**

- Adding an applicant disqualification for not complying with QAP Section IX(A)
- New Construction Incompatible Uses – noting the industry change from 100-year flood hazard to Federal Flood Risk Management Standard floodplain
- Conversion to Homeownership proposals must have a nonprofit applicant that can detail their capacity and history of providing homeownership education and support

## **Section VI. Selection Criteria: Rehabilitation**

- KHRC may consider the type and length of assistance contract when reviewing project-based rent assistance

## **Section VII. Selection Criteria: New Construction**

- Adding that 4% application evaluation will include Past Performance



# *Proposed Changes*

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## Section VII. Selection Criteria: New Construction

- Penalties
  - Split Development and Compliance
  - Development – added, “requested more than 10% of a credit allocation increase between initial award and 8609 issuance”
  - Development – added, “increased PAB issuance by more than 10% between initial award and 8609 issuance”



# Proposed Changes

## Section VII. Selection Criteria: New Construction

- Penalties - Compliance
  - KHRC may deduct up to 20 points
  - changed management companies or ownership without notifying and submitting required documentation to KHRC at least 30 days prior to the change after January 1, 2023 (10 points);
  - violated any commitment in the Declaration of Land Use Restrictive Covenants as determined by Housing Compliance Division (5 points per violation per property);
  - continuously failed to establish and/or contribute to the replacement reserve account (5 points per property); and/or
  - persistently failed to satisfactorily perform in accordance with the Compliance policies and procedures, including outstanding compliance fees, high vacancy rates, excessive tenant concerns, uncorrected physical deficiencies, lack of urgency correcting health and safety issues (5 points per property).



# *Proposed Changes*

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## Section VII. Selection Criteria: New Construction

- Below Market Loans and Support - Establishing a floor for 5 points to \$4,000/unit
- Other Support – Sales Tax Exemption must be in connection with the issuance of IRBs
- Deeper Affordability or Homeownership –
  - moved the 30% income targeting to this section
  - Clarified that to be eligible for FMR points, the box must be checked on the Excel Application





# Proposed Changes

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## Section VIII. Underwriting Standards

- For projects with no hard debt and/or deferred developer fee, KHRC will review with additional scrutiny, and KHRC may reduce award
- Rehabilitation Developer Fee – added formula staff uses when determining allowable developer fee. Also added that KHRC may require developer fee amount over \$20,000 per unit to be deferred

## Section IX. Post-Award and Compliance

- Added that KHRC must approve a reduction in deferred developer fee for 4% developments
- Added At 90 days prior to closing, KHRC will evaluate the feasibility of the credit allocation award. Developments that need an increase more than 10% of the original award may be subject to a penalty.



# Proposed Changes

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## Appendix C: Design Requirements

- For rehabilitation proposals, PNA required at preliminary application
- Accessibility Guidelines - QUALIFIED CONSULTANT
  - Each awarded project must retain a KHRC-qualified Consultant to monitor the project for accessibility compliance. The Consultant must perform the following:
    - A pre-construction plan and specification review to determine that the proposed property will meet all required accessibility requirements.
    - An inspection of the construction site after framing is completed to determine that the property is following the approved plans and specifications as to accessibility.
    - A final inspection of the property after completion of construction to determine that the property has been constructed in accordance with all accessibility requirements.



# Comments Received So Far

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- Rename the Bond Issuance Fee to Private Activity Bond Allocation. There is confusion with the distinction between KDFA's or a local municipality bond issuance fee (for issuing the bonds) and the QAP fee which is really for the PAB allocation due at bond issuance.
- Conversion to Homeownership section of the draft 2025 QAP, please consider a change to allow duplex units to be allowable for homeownership projects as well as single family homes.
- KHRC was awarded the Section 811 grant from HUD. KHRC will consider adding under the Unique Opportunities set-aside, "Two of the five may be proposals that will commit to the Section 811 Program."



# Public Comment

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All comments will be accepted until **September 18<sup>th</sup>** at the close of business. Please submit comments to KHRC by email at: [HousingDevelopment@kshousingcorp.org](mailto:HousingDevelopment@kshousingcorp.org).

Please visit our QAP website page at <https://kshousingcorp.org/qualified-allocation-plan/> for our final and redlined draft QAPs and public hearing registration.

