

May 8th, 2025

Amended 2025 Qualified Allocation Plan

On April 24, 2025, Governor Kelly signed House Bill 2289 which implements additional requirements regarding the Kansas Affordable Housing Tax Credit ("KAHTC"). More specifically, HB 2289 restricts the total allocation of KAHTCs to \$25 million for the 2025 Qualified Allocation Plan ("QAP"). KHRC has been working diligently to incorporate this change into the 2025 QAP in a fair and transparent manner for our stakeholders.

In accordance with Section I.B. of the QAP, KHRC proposes to amend the 2025 QAP. From the \$25 million state credit award limit, approximately \$8.8 million would be used for the 9% applications and the timeline and process currently set out in the 2025 QAP for those applications would not change. The state credits remaining after the 9% awards would then be divided equally between the two 4% rounds.

KHRC intends to maintain the 9% application round, as well as the two 4% application rounds, currently provided under the QAP. There would be no changes to the 9% application process. The amended 2025 QAP would allow up to \$8 million KAHTCs to be available in each 4% round.

Additionally, to allow flexibility and ensure that the most competitive applications are awarded given the now limited state resource, KHRC proposes removing the targeted set-asides for 4% new construction and rehabilitation projects, which are both currently set at 35%.

The last recommended change to the 2025 QAP is to delay the scheduled 4% first round award announcement date from May 23, 2025, to June 6, 2025, to allow adequate time for the public comment and public hearing processes on the proposed amended QAP as outlined below.

A proposed redline of the 2025 QAP is available on our <u>website</u> with the below changes made:

- On page 1 the language notes the passage of HB 2289 and the \$25 million state credit award limit now imposed, and addresses the public comment period and public hearing for the amendment.
- On page 4 the 4% first round award announcement date has been updated.

• On pages 10 & 11, the amount of state credit available in each 4% round is stated and the targeted set-asides are removed.

Stakeholders may provide feedback on the proposed amended QAP at the virtual public hearing, **May 23rd at 10:30 am.** To register for the public hearing, please click the link below. Additionally, written comments with be accepted until 5:00pm, May 23rd, 2025 to Deanne Engstrom, Director of Housing Development at housingdevelopment@kshousingcorp.org.

To register for the virtual public hearing, please visit: https://register.gotowebinar.com/register/4513684795161042267

Thank you for your continued partnership in creating affordable housing for Kansans.

Deanne Engstrom, Director of Housing Development

