

APPLICATION FOR TCAP FUNDING

DUNS No.: 137043662

A. Statement of Intent

1) This letter is to inform you that the Kansas Housing Resources Corporation (KHRC) intends to accept the entire amount of its Tax Credit Assistance Program (TCAP) formula allocation.

2) KHRC administers several federal grant programs including: HOME, CSBG, Stewart B. McKinney Act, DOE Weatherization Program and is also the contract administrator for HUD's project based Section 8 portfolio in Kansas.

3) The 2009 LIHTC allocation process is reviewing first round applications and is ready to make decisions.

4) The agency contact for TCAP is Fred Bentley, Director of Rental Housing, 611 S. Kansas Avenue, Suite 300, Topeka, Kansas 66603-3803. Telephone: (785) 296-3724. Fax: (785) 296-8985. Email: fbentley@kshousingcorp.org. KHRC is registered with the Central Contractor Registration (CCR) under the DUNS number listed above.

B. Description of Competitive Selection Criteria

All applications are evaluated based on the Selection Criteria in the Qualified Allocation Plan (attached hereto as Exhibit A). In addition to the ranking determined by the competition of applications pursuant to the Selection Criteria, KHRC will further rank and give priority to applications based on the following criteria:

1. Developments that can be completed by February 16, 2012. (Required of all applicants)
2. Developments in federally declared disaster areas where a loss of rental housing has been identified.
3. Developments with a 2008 credit allocation that can't close due to a lack of sufficient equity.
4. Developments that have investors but need gap funding.
5. Developments that have completed the HOME environmental review process.
6. Developments already under construction.

Funding will be provided on a declining scale based on the number of those criteria that are met. KHRC defines an "award of LIHTCs" as the full execution of a reservation agreement for tax credits.

C. Commitment and Expenditure Deadlines

KHRC will closely monitor all developments that receive TCAP funding to ensure that they meet all deadlines required by the law. Initial commitments of funding will occur within ten days of the selection process, pending completion of the environmental process. A pre-development conference within two months of the TCAP award will be required. Construction start will be required within four months. If this date is not met, KHRC will reassess the development and determine if the deadlines can be met. If it

is determined that the deadline in the law cannot be met, the TCAP funds will be redistributed to the next eligible development that has been approved but not able to close due to a lack of gap financing. This process will be replicated every four months if necessary to ensure that all developments stay on track to meet the deadlines in the law.

D. Recovery Act Accountability and Transparency

KHRC commits to meeting all of the Recovery Act Accountability and Transparency requirements. KHRC will report to HUD within ten days following the end of each calendar quarter starting on June 10, 2009 and provide the information outlined below:

The total amount of TCAP funds received;

The amount of TCAP funds expended or obligated to projects or activities, including unobligated balances;

A detailed list of all projects or activities for which TCAP funds were expended or obligated, including:

The name of the project,

A description of the project,

An evaluation of the completion status of the project,

An estimate of the number of jobs created and number of jobs retained by the project, and

Any further information that is required in the TCAP grant agreement.

KHRC will also post on its website a description of its competitive selection criteria for awarding TCAP funds to eligible developments, as well as information on all developments selected for funding and the amount of each TCAP award. KHRC agrees to submit reports in a format and at such times as required by HUD. All records regarding TCAP awards will be available to HUD and OIG.

To implement the Recovery Act accountability and transparency requirements KHRC agrees to make its project selection process and criteria available to the public and accept comments from the public for a period of not less than five days. KHRC will notify HUD, as required, with verification that it met this requirement.

EXHIBIT A**SELECTION CRITERIA**

The KHRC evaluates applications for tax credit allocations using the following selection criteria and point system.

- Property Location
- Housing Needs Characteristics
- Development Characteristics
- Applicant/Sponsor Characteristics
- Tenant Population Characteristics
- Public Housing, Government Assisted and Conventionally Financed Waiting Lists.
- Bonus Point

The selection criteria and point system that are used in ranking applications are outlined below. In the event of a tie in overall total points earned by two or more applications, the determining factors are, in order:

- the development that is designed to serve the lowest income tenants as determined for item E2, Page 14;
- the development that has the lowest intermediary costs as determined for item C.1, page 12;

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2009 DEVELOPMENT SELECTION CRITERIA
Maximum – 310 points

A. <u>Property Location (not to exceed 50 points)</u>	<u>Maximum Points</u>	<u>Score</u>
1. A property is located in a HUD defined Qualified Census Tract or Difficult Development Area.	10 points	
2. A property is located in a county of the State with a median income less than the statewide non-metro average.	10 points	
3. A property is located outside a Metropolitan Statistical Area (MSA).	10 points	
4. Site locations will be further evaluated for community support, neighborhood consistency, and site usability, accessibility and marketability. (See Exhibit A for specific criteria).	20 points	
B. <u>Housing Needs Characteristics (not to exceed 45 points)</u>		
1. Development will receive 1 point for each 2% of three bedroom units as a percentage of the total units.	Up to 10 points	
2. Development has at least 1 unit reserved to provide temporary housing (maximum of 2 years) for a homeless family or elderly person.	5 points	
3. Development preserves existing affordable housing that would be subject to foreclosure or default if tax credits were not available as indicated by deteriorating physical condition, high vacancy rate or poor financial performance.	10 points	
4. Development provides rehabilitation of existing, structurally sound, energy efficient, affordable housing. Points will be awarded on hard costs for rehabilitation per unit on a sliding scale as follows:		
\$10,000 - \$15,000 per unit;		5 points
\$15,001 - \$20,000 per unit;		10 points
\$20,001 - \$25,000 per unit;		15 points
Over \$25,001 per unit.		20 points

	<u>Maximum Points</u>	<u>Score</u>
C. <u>Development Characteristics (not to exceed 80 points)</u>		
1. Highest priority will be given to applications with the lowest percentage of intermediary costs. (These costs may include, but are not limited to, attorney fees, engineering fees, and architect fees). Points awarded on a sliding scale up to 5% of total costs. Points deducted on a sliding scale beginning with 6% of total costs.	15 points	
2. Development provides amenities as shown from the list below:		
<u>Level One (one point each)</u>		Up to 10 points
Organized recreational activities		
Green area		
Bike rack		
Security landscaping		
Washer/Dryer hook-ups in units		
Outdoor uncovered seating/benches		
Picnic tables		
Garden area		
Barbeque grills		
Free dial up internet/computers for tenants in office or common area		
<u>Level Two (two points each)</u>		
Common laundry room		
Green area with paved walking paths		
Outdoor covered seating/benches		
Carport		
Security system in unit		
Security fencing		
Free high speed internet/computers for tenants in office or common area		
Basketball court		
Library		
<u>Level Three (three points each)</u>		
Playground/tot lot with equipment		
Clubhouse/community room		
Swimming pool		

	<u>Maximum Points</u>	<u>Score</u>
Gymnasium/exercise room		
Safe room		
Garages		
Free internet access in each unit through Ethernet cable or wireless technology with a minimum 3mbps per 40 units (Note: This is not an all inclusive list. Other amenities may be noted and shown in the application).		
3. Development provides or has agreements in place for services shown on the list below (5 points for each service)	Up to 10 points	
Credit Counseling		
Literacy/Language Training		
Food/Nutrition Classes		
Homebuyer Education		
Medical Counseling/Consultation		
Senior Citizen Center		
Day Care Center		
Resident Management and Initiatives		
Safety and Drug Awareness		
Meals on Wheels		
Transportation provided by owner		
4. Development provides an Energy Star certification for all buildings. For rehabilitation developments a HERS score of 85 or less is committed.	15 points	
5. Development creates single-family housing that is intended for eventual tenant ownership.	10 points	
6. Development involves the use of housing as part of a community revitalization plan, including the adaptive reuse of a building that is eligible for the historical register or is sited in an officially declared historic district.	20 points	

**Maximum
Points**

Score

Applicant/Sponsor Characteristics (not to exceed 10 Points)

- 1. Applicant is a KHRC certified CHDO which conforms with the provisions of 501(c) (3) or 501 (c) (4) of the I.R.C. and performs the primary function of owner, manager or developer. 10 points

E. Tenant Population Characteristics (not to exceed 75 points)

- 1. Development provides 100% of units targeted to tenants 55 years and older and/or to tenants with special needs. 20 points
- 2. Development is designed to serve the lowest income tenants by providing: Up to 35 points

% of Units	Median Income					P O I N T S
	50%	45%	40%	35%	30%	
10-12	2	3	5	6	7	
13-14	4	6	10	12	14	
15-16	6	9	15	18	21	
17-18	8	12	20	24	28	
19-20	10	15	25	30	35	

The market study must verify the need for the rent levels that are targeted.

- 3. Development provides market rate units. Two points will be awarded for each 5% of market rate units. Up to 10 points
- 4. Development serves individuals with children. 10 points

F. Public Housing Waiting Lists (5 points maximum)

- 1. Applicant has entered into an agreement with the P.H.A. or the local governing unit to accept the referral of tenants on the P.H.A. waiting list. (See Exhibit B). 5 points

G. Bonus Points (45 points maximum)

- 1. Developments that address the priority housing needs shown on page 1 herein. (15 points for each priority need). Up to 45 points