



2020 Multifamily Q&A

(new questions highlighted in yellow)

Q #1: In regard to the Strategic Investment points, can a nonprofit who will have majority interest in the newly-formed ownership entity enlist help from the local business community in the form of a capital campaign to solicit donations for the specific affordable housing project? The funds raised from the capital campaign would then be a direct contribution from the nonprofit to the newly-formed ownership entity for the development.

A: Yes, this would be acceptable. The nonprofit must provide a letter committing the capital campaign pledges to the new to be formed ownership entity. These funds cannot flow through any of the other entities that make up the ownership as listed in the organizational chart. The funds raised must be from local business entities, not individuals. It is acceptable for a national company (chain) to pledge funds; however, the company must have a local presence in the community and the commitment letter must be from the local store/location.

Copies of the individual pledges from each of the businesses must be provided as proof of the pledged commitment. The signed pledges must state that the donation is intended for the specific purpose of the development of the affordable housing project and contain the name of the development, its location and the amount of their pledge. The pledges should meet the required standards for a commitment as stated in the Multifamily Guidelines. The nonprofit should seek advice from their tax accountant or attorney regarding any potential tax consequences.

Q #2: Is it possible to add an entity to the development team who did not receive a capacity approval letter and did not submit a capacity application prior to the deadline?

A: Per the 2019-2020 Multifamily Guidelines, “Applicants must submit the Development Team Capacity Application in the same calendar year as the funding application but not less than **60 days** prior to the funding application submission deadline, or 60 days prior to preapplication submission for Tax-Exempt Bond projects.” If the proposed development team member has not received a capacity approval letter and/or missed the submission deadline, they will not be able to participate in the current application round.

Q #3: For tax-exempt bond projects, what is the deadline for providing the Notification of Application for Funding form (NOAFF) to the applicable elected officials?

A: For all tax-exempt bond projects, whether submitting through the open window process or in response to a Notice of Funding Availability (NOFA), the proof of receipt of the NOAFF must be dated no less than 30 days prior to submission of the full application (not pre-application).

Q #4: Under the New Supply scoring category *Access to Strong Schools*, in Jefferson County, elementary level schools are grouped into clusters with approximately 6 schools in each cluster. You are not automatically assigned to any one of those schools in particular, nor are you guaranteed admission to the school listed as the “resides” school for a particular home address. According to the JCPS website, “...Students are assigned to a cluster based on the home address. Parents must complete an application for cluster schools, ranking their preferences... Transportation is provided to schools within the cluster.” Would any elementary school within the assigned cluster for a particular project address be eligible for use in the scoring for the Access to Strong Schools category of the application?

In addition, there are several schools on the list of strong schools that are Jefferson County magnet schools. These schools include J. Graham Brown (all levels as it is K-12), Male High, and Brandeis Elementary. Acceptance to those schools is based on an application process that does not guarantee admission, and those 3 schools in particular have many more applicants than incoming students every year. Are those schools acceptable to be used as a strong school for all locations in Jefferson County?

A: In order to be consistent and because not all school districts use the “cluster” methodology, KHC will score based on the “resides” school for the project address and not include other schools in the cluster. If the “resides” school is identified on Tab 9 of the scoring workbook, it is eligible for points. A magnet school is not eligible unless it is the assigned or “resides” school for the project address.

Q #5: Can a strategic investment donation be paid to the project in installments if it goes toward the hard cost of the development?

A: No. Cash or materials donated for Strategic Investment points must be contributed to the property up front and available for use during construction.

Q #6: For scoring item #1 under Existing Supply, “Rent-Restricted Properties Most in Need of Rehabilitation,” is a full title exam needed if a letter from the provider of an existing project-based rental assistance contract is submitted as proof of the last substantial rehabilitation?

A: A detailed description of the required documentation for proving the date of last substantial rehabilitation can be found in the Multifamily Guidelines. If you are submitting a letter from the existing rental assistance provider (HUD or RD) you are not also required to submit a full title exam. A full title exam is only needed for those rent-restricted properties that are submitting a copy of the last recorded deed restriction executed at the time of the last substantial rehabilitation.

Q #7: For the Project/Property Information section of the application, why will the application not accept my Census Tract of 123.4?

A: The format for the census tract field is: XXXX.XX

Q #8: I am having trouble saving the information entered into the online application.

A: It is recommended that you use Internet Explorer 9 or above, the latest version of Firefox or Chrome when completing your application.

Q #9: Regarding the Strategic Investment points, the scoring criteria states “donated cash or materials only.” Will donated land from a local business count as well?

A: Yes, donated land from a local business is eligible for strategic investment points. To document the value of the property being donated, you must provide an appraisal which has been prepared by an independent, certified appraiser in conformance with established and generally recognized appraisal practices and procedures. You must also provide a statement from the owner stating that the property was donated as a contribution to affordable housing. The value of the donated land must be included in the acquisition cost on the underwriting model.