

2012 Multifamily Finance Application Questions & Answers

- Q. To receive 5 points under the Development Team, Sponsor Characteristics section of the scoring, may a female- or minority-owned **general partner** entity qualify?
- A. Yes, a female- or minority-owned general partner or developer entity would qualify to receive points in this category. Please note, however, that you must submit formal certification of your status as a Women Business Enterprise (WBE) or Minority Business Enterprise (MBE). WBE/MBEs must provide certification from a state or federal government agency or a professional housing or construction association. Please visit <http://www.mwbe.com/cert/certification.htm> for more information on becoming a certified WBE or MBE.

In addition, the WBE/MBE must provide their Articles of Incorporation to establish that the following criteria are met:

1. Ownership: Minimum fifty-one percent ownership by a woman or minority. The WBE/MBE must share in all risk and profits commensurate with their ownership interest.
2. Control and Management: Proof of active management of the business. Women or minorities must possess the power to direct or cause to direct the management and policies of the business.

Please refer to Chapter 8 of the 2012 Rental Guidelines for more information.

- Q. The online application asks for the DUNS and EIN numbers for the project owner. In housing credit projects, the owner is oftentimes a to-be-formed partnership. In this case, is it acceptable to submit the DUNS and EIN number after funding announcement, with the technical submission?
- A. Yes, since the ownership entity has yet to be formed, the DUNS and EIN numbers may be submitted with technical submission. In the online application, simply enter all 9's in that field. However, please note that the DUNS and EIN numbers must be provided for all other entities requested in the application.
- Q. If KHC retains the operating deficit reserve (ODR) account, what are the requirements for releasing the funds?
- A. KHC requires the ODR account to be maintained for a minimum of 6 months. A development must reach sustained occupancy (defined as three consecutive months with at least 85% occupancy) to receive these funds.

- Q. If an application from a previous funding round is being resubmitted, are the previously submitted market study and the local support letter still acceptable?
- A. The market study is good for 1 year. As long as it is still within that 12 month range when announcements are made in January, an update will not be required. Local support letters are also good for one year as long as the official who signed the original letter is still in office. If the local jurisdiction has had a change in leadership, you must obtain a new support letter with the current local official's signature.
- Q. If a project is proposing to rehabilitate an historic building that is already on the National Register of Historic Places, do I still need to submit a copy of the Part I Evaluation of National Register Status to the State Historic Preservation Office (SHPO)?
- A. Yes, if the project is proposing state historic tax credits as a funding source, the applicant must provide a copy of the Part I that was submitted to SHPO as an uploaded attachment to the KHC application. The Part I is the first step in applying for the state historic credits and KHC needs verification that the application process to SHPO has already been initiated.
- Q. If I am applying for housing credits only (no KHC funds), do I only need to submit the Business Credit Report Authorization form?
- A. No. All projects, regardless of KHC resources requested, are subject to a full credit review and must submit the credit review documents outlined on page 73 of the 2012 Rental Guidelines. Please note, however, that housing credit-only projects will not be required to provide a guarantor.
- Q. Are the proceeds generated from Kentucky state historic tax credits an eligible HOME match source?
- A. Yes, the refund the owner receives from the allocation of state historic tax credits is an eligible match source for HOME funds provided the funds are made as a permanent investment to the HOME-funded project (not loaned and with no expectation of repayment).