

Question #1 How will the land that KHC acquires and makes available for lease be marketed or made known to developers, and will this be a competitive process?

KHC Response *KHC will not be independently acquiring or making land available for lease to developers. Instead, KHC's approach involves acquiring property that has received an award of 9% or 4% Low Income Housing Tax Credits (LIHTC), meaning developers would secure the site themselves as required by the LIHTC application process and, if eligible, KHC would acquire the property from the project as part of the LIHTC process.*

Question #2 Is it possible for land or sites that developers acquire on their own to take out and enter this program in some way?

KHC Response *Developers must obtain site control as part of the LIHTC application process. If a property receives an award of LIHTC, it may potentially participate in the program, provided all other eligibility requirements are met.*

Question #3 How will the PILOT payment be calculated?

KHC Response *Developers will propose a PILOT structure through direct negotiations with the applicable taxing jurisdictions.*

Question #4 Is KHC going to be involved in the negotiations?

KHC Response *No. Developers are responsible for negotiating the PILOT terms with all applicable political subdivisions. KHC's role is not to negotiate on the developer's behalf but to ensure that the final PILOT agreement meets statutory and program requirements and is incorporated into the ground lease.*

Question #5 What happens if the local governments are unwilling to provide a PILOT / Are unreasonable in said negotiations?

KHC Response *Projects that are unable to secure required approvals, would not qualify under the statute and be unable to participate in the PILOT program.*

Question #6 Is the thought that these would be upfront payments, annual, or some sort of hybrid?

KHC Response *Developers must make annual payments equal to the negotiated PILOT amount.*

Question #7 What is the term of the PILOT anticipated to be?

KHC Response *The lease itself could be potentially up to 99 years, but the PILOT/tax-exemption term aligns with the LIHTC extended use period, typically 30 years.*

Question #8 Would like to learn more about what the extended use agreement would be.

KHC Response *The statute requires that the property be subject to an extended use agreement (EUA) in favor of KHC for the tax exemption to apply. This requirement will be satisfied by the Low-Income Housing Tax Credit (LIHTC) Land Use Restriction Agreement (LURA) required by Internal Revenue Code Section 42 and by KHC for all LIHTC properties.*

Question #9 When will the PILOT program be available?

KHC Response *The PILOT program will be available after January 1, 2027.*

Question #10 When will the PILOT program materials be available?

KHC Response *KHC is currently drafting the program guidelines, policies, and procedures and those materials will be published once finalized.*