



Who We Are

A self-supporting, public corporation, Kansas Housing Resources Corporation (KHRC) serves as the primary administrator of federal housing programs for the State of Kansas.



Our Mission

The mission of KHRC is to increase the availability of affordable, decent and accessible housing for low and moderate-income Kansans. To achieve our goal, we collaborate with numerous partners across the state, including mortgage lenders, developers, builders, real estate agents, service providers, homeless advocates, non-profit organizations and government agencies.



What We Do

Created as a "one-stop shop for housing," KHRC administers affordable housing programs with the following areas of emphasis: Homeownership, Energy Efficiency, Rental Assistance, Rental Housing Development, Emergency Housing, Community Services and Program Compliance.

www.kshousingcorp.org

Activities

Working statewide, KHRC:

- Provides down-payment assistance to qualifying first-time homebuyers.
- Offers rental assistance to low-income families and individuals.
- Promotes energy efficiency improvements for owner-occupied and rental housing.
- Offers incentives to developers that finance the construction or rehabilitation of affordable rental housing in Kansas.
- Educates multi-family property owners and managers about program compliance to ensure that renters have a safe and affordable place to live.
- Preserves existing housing through rehabilitation.

Our History

Formerly the Division of Housing within the Kansas Department of Commerce and Housing, Executive Reorganization Order No. 30 and 2003 Senate Bill No. 285 transferred the organization to become a division within the Kansas Development Finance Authority (KDFA). In 2003, KHRC became a subsidiary corporation of KDFA.

Funding

KHRC does not receive operational revenue from the State of Kansas, but rather sustains itself through Federal contracts for service and program administration fees.

SUMMARY OF KHRC PROGRAMS

Homeownership



The **First Time Homebuyer Program** helps individuals and families purchase homes of their own in Kansas. Income-eligible borrowers can use a forgivable loan to reduce out-of-pocket expenses associated with buying a home.

The **Moderate Income Housing (MIH) Program** aims to help cities and counties develop new infrastructure and housing in rural areas. Developed in response to the increased need for higher income, workforce housing throughout Kansas, MIH awards, which come in the form of grants and/or loans, include the development of single-family for-purchase homes, multi-family rental units, and water, sewer and street extensions. Some awards also help rehabilitate unsafe or dilapidated housing and offer down-payment and closing-cost assistance to homebuyers.

Rental Assistance

Tenant Based Rental Assistance helps income-eligible households with rent, security deposit and utility deposits. Assistance, in the form of a rental payment, reduces a household's rent to thirty percent of the tenant's income. Rent above that amount is paid directly to the landlord on behalf of the household.

Emergency Housing

The **Emergency Solutions Grant (ESG) Program** replaces the Emergency Shelter Grant Program and expands the eligible activities to include homeless prevention and rapid re-housing components. The purpose of the ESG program is to help individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. The five components available for ESG funds include street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance and data collection through the Homeless Management Information System (HMIS).

Energy Efficiency



The **Weatherization Assistance Program (WAP)** improves a household's energy efficiency and fuel savings by ensuring the home holds in heat and air-conditioning, while keeping hot and cold air out. At no charge to the client, income-eligible families receive a comprehensive home assessment which includes repair or replacement of heating systems, insulation and caulking.

Contact:

611 S. Kansas, Suite 300, Topeka, KS 66603
785-217-2001, 800-752-4422

Community Services



The **Community Services Block Grant** provides core funding for more than a thousand Community Action Agencies at work in rural and urban communities across America. Eight community action agencies in Kansas leverage funds from federal, state and local governments with grants from private donors to help ameliorate the causes and effects of poverty.

Rental Housing Development

Housing Tax Credits promote the development of affordable rental housing for low and moderate-income individuals and families. The tax credit, rather than a direct subsidy, encourages investment of private capital in the development of rental housing by providing credits to offset an investor's federal income tax liability.

The **HOME Rental Development Program** helps communities, via non-profit housing developers, respond to housing needs that the private sector has failed to address. These non-profits, called Community Housing Development Organizations (CHDOs), obtain funding to supplement a primary loan for the housing development and, in the process, strengthen the capacity of the organization. Communities achieve added housing stock with an enhanced tax base to further their economic development efforts.

www.kshousingcorp.org

Program Compliance

KHRC's asset management division serves as the **Project-Based Section 8 Contract Administrator** for the State of Kansas. Our staff works to ensure that property owners and managers participating in the U.S. Department of Housing and Urban Development's Housing Assistance Payment Program maintain the units in a safe and sanitary condition. We also serve as the go-to resource for owners and managers regarding information on reporting requirements and regulatory compliance.

The **Rental Compliance and Housing Preservation Division** oversees project performance for developments that have received an allocation of Housing Tax Credits, Private Activity Bonds and HOME Rental Housing Development program dollars. Compliance staff provide enhanced asset management assistance and monitoring oversight, and are involved in budget analyses, reserve draws, monthly and annual reporting, project stabilization, project monitoring through on-site reviews, training and technical assistance, conflict resolution and tenant complaints.

Education and Training



From mortgage lenders to realtors, property managers, owner and agents, weatherization contractors, emergency shelter providers, developers and architects, KHRC provides numerous in-depth training opportunities across the state for our partners involved in affordable housing.



NOTES

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STATE HOUSING TRUST FUND

KANSAS HOUSING RESOURCES CORPORATION

OVERVIEW: Kansas Housing Resources Corporation (KHRC) is a self-supporting public corporation, which serves as the primary administrator of federal housing programs for the State of Kansas. KHRC's mission is to increase the availability of affordable, safe and accessible housing for low- and moderate-income Kansans. Created as a "one-stop shop for housing," KHRC administers affordable housing programs with the following areas of emphasis: Homeownership, Energy Efficiency, Rental Assistance, Rental Housing Development, Emergency Housing, Community Services and Program Compliance.

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More information on KHRC's programs and services, as well as its audited financial statements, can be found at www.kshousingcorp.org.

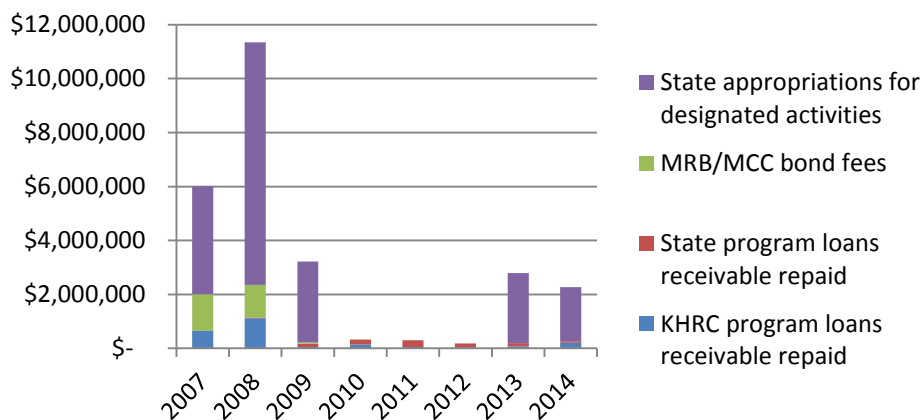
HISTORY & FUNDING: Formerly the Division of Housing within the Kansas Department of Commerce and Housing, Executive Reorganization Order No. 30 and 2003 Senate Bill No. 285 transferred the organization to become a division within the Kansas Development Finance Authority (KDFA). In 2003, KHRC became a subsidiary corporation of KDFA. Governed by a Board of Directors, KHRC does not receive operational revenue from the State of Kansas, but rather sustains itself through Federal contracts for service and program administration fees.

STATE HOUSING TRUST FUND

ESTABLISHMENT AND PURPOSE: Established in 1991, the State Housing Trust Fund (SHTF) was created by House Bill No. 2517 as a vehicle to deposit housing funds and provide necessary match for the Federal HOME Investment Partnerships Program. Now codified at K.S.A. 2013 Supp. 74-8959, the SHTF legislation contains no designated funding sources and is essentially a discretionary, interest-bearing trust account for the purpose of housing programs and services. The statute allows KHRC, as the administrator of this fund, to maintain and invest funds outside of the State Treasury and to apply for and receive grants, gifts and donations.

FUNDING: While many state housing trust funds around the country have robust designated revenue streams from taxes on real estate sales, development charges, or recording fees, the Kansas SHTF does not have these traditional revenue streams in place. Instead, Kansas SHTF activities are funded from diminishing MRB/MCC issuance fees (\$1,978 received since 2010), multi-family bond issuance fees from Private Activity Bonds (\$0 received since 2009), and other miscellaneous revenue streams. KHRC has also made contributions and donations to the SHTF from its fee-for-

State Housing Trust Fund 2007 - 2014 Cash Receipts

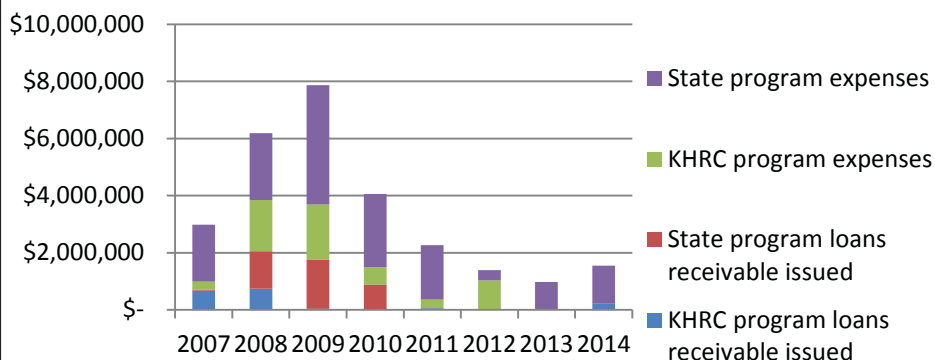


services activities as deemed appropriate by KHRC's Board of Directors. (Please see the graph summarizing SHTF revenue sources.)

HISTORICAL USES:

The SHTF has historically funded programs such as the Kansas Accessibility Modification Program (KAMP), Emergency Repair Program (ERP), Kansas Warm Homes Initiative, Housing Development Grant Program (HDGP) and the Moderate-Income Housing Program (MIH).

State Housing Trust Fund 2007 - 2014 Cash Disbursements



KAMP was a program that assisted eligible persons with disabilities with making accessibility-related modifications to their residence. The Warm Homes Initiative provided more than ten thousand winterization kits for distribution across the state. ERP offered financial assistance to income-eligible homeowners to make emergency home repairs that were necessary to ensure the occupant's continued safety. HDGP, a program approved by the Kansas Legislature in

2008, helped disaster-impacted communities across the state build new housing and infrastructure, such as streets, water and sewer systems.

The MIH program, approved by the Kansas Legislature in 2012, was designed to help cities and counties develop moderate-income housing and infrastructure in rural areas. Details on this initiative follow on the next page. Previously, SHTF dollars have also funded other housing community development, emergency loans and grants, and landlord-tenant counseling activities. (The graph above summarizes historical uses of SHTF funding.)

NOTE: The KAMP, Kansas Warm Homes Initiative, ERP and HDGP programs have been either eliminated or suspended due to funding cuts. However, KHRC remains ready to offer such programs again in the future should funding become available.

MODERATE-INCOME HOUSING PROGRAM

HISTORY: In 2012, KHRC created the Moderate-Income Housing (MIH) Program after the Kansas Legislature allocated \$2 million to the SHTF for the purpose of administering and supporting housing programs. KHRC supplemented the new state funding with \$330,000 in existing SHTF resources. In both 2013 and 2014, the Legislature allocated an additional \$2 million per year in continued support of MIH activities.

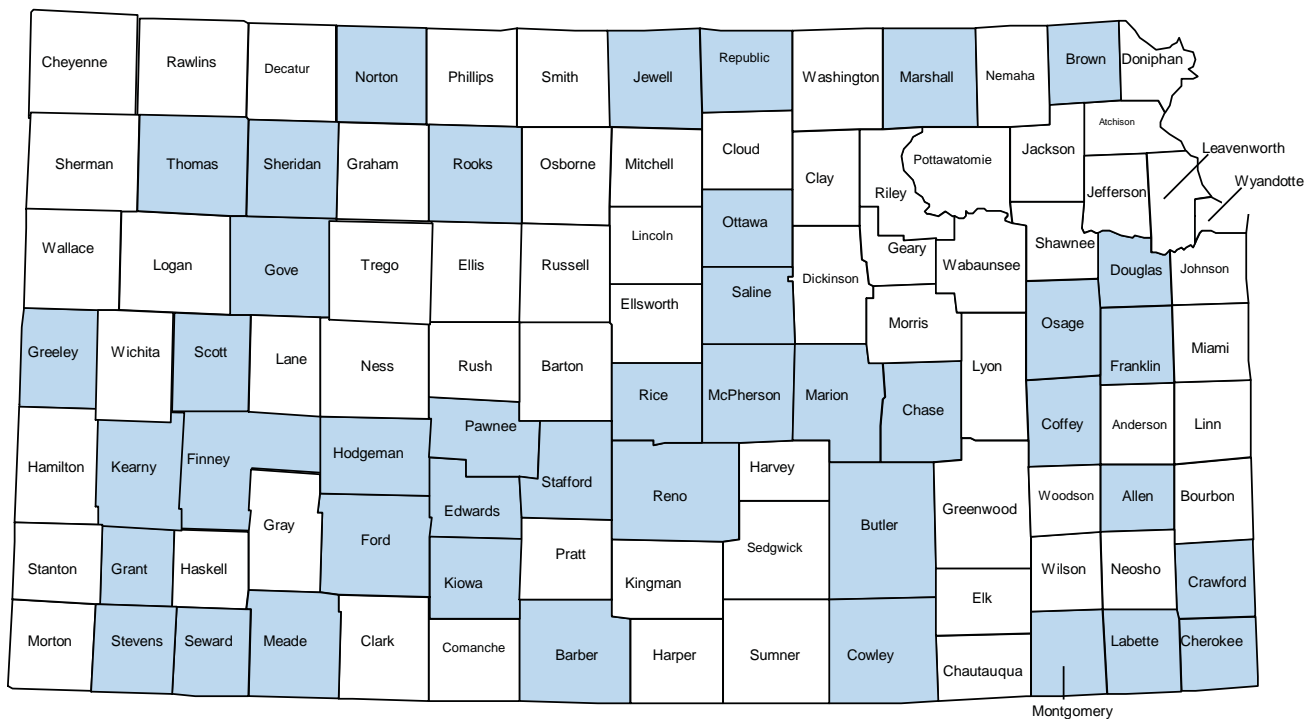
PROGRAM OVERVIEW: The MIH program serves the needs of moderate-income households, those families that cannot afford market-rate housing, yet don't qualify for federal housing assistance. MIH grants and/or loans are awarded to cities and counties to develop multi-family rental units, single-family for-purchase homes, and water, sewer and street extensions in communities with populations fewer than 60,000 people. MIH awards also help finance construction costs, rehabilitate unsafe or dilapidated housing, and offer down-payment and closing-cost assistance to homebuyers.

NOFA PROCESS: Each year, KHRC issues a Request for Proposal (RFP) for the MIH program, which details eligible applicants and activities, application procedures, grant/loan structuring, award criteria, compliance monitoring and reporting requirements. In addition, KHRC annually hosts several public hearings throughout the state, conducts online webinars and accepts written public comments in an effort to give citizens the opportunity to provide input on the proposed RFP.

APPLICATIONS RECEIVED: In the three years of the program, KHRC has received 65 applications from cities and counties requesting \$20,465,590 in MIH funding. A review team of KHRC staff evaluate the applications on several criteria, including housing need, readiness to proceed, and the ability to leverage funds from other sources.



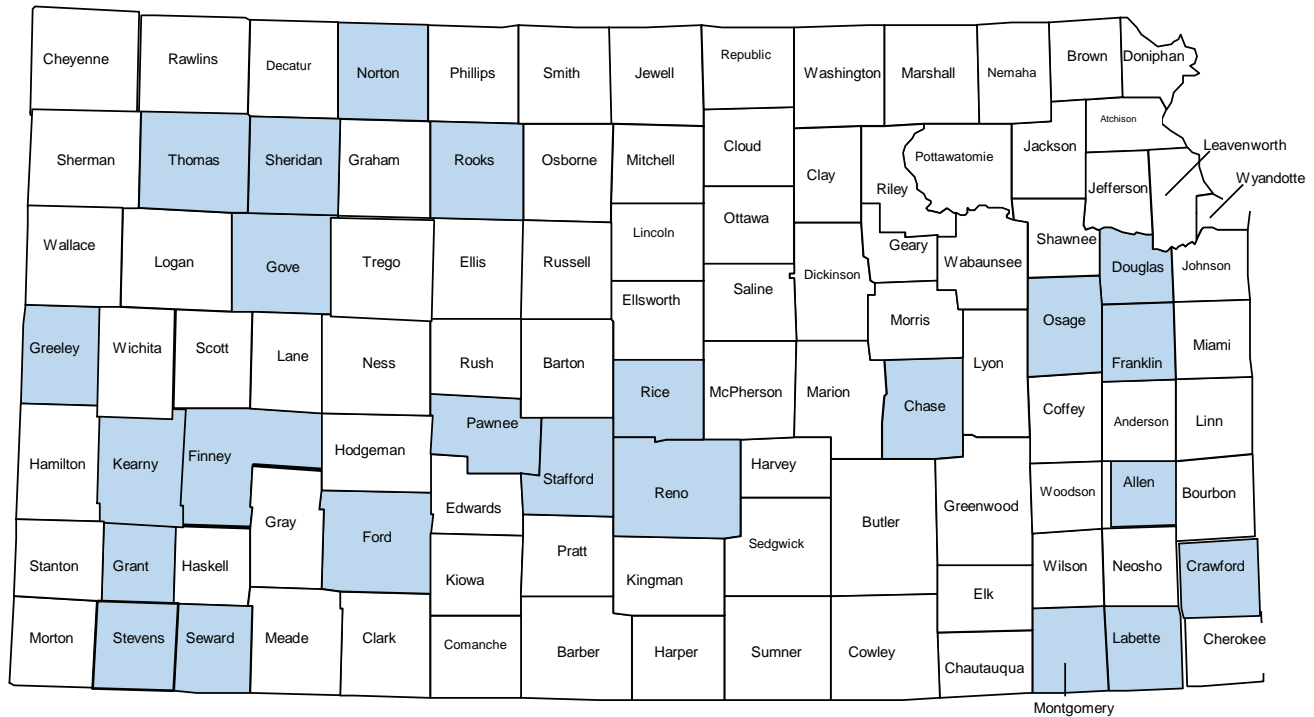
2012-2014 Moderate Income Housing Program
Applications



AWARDS GRANTED: KHRC has awarded \$6,291,451 of funding to 28 communities. The funding helped finance the development of rental units, single family for-purchase homes, and infrastructure improvements. This includes construction costs, rehabilitation of existing housing and down payment and closing cost assistance to homebuyers.



2012-2014 Moderate Income Housing Program Awards



LEVERAGE FACTOR: The MIH program has achieved a leveraged factor of almost \$8 for every \$1 of state resources.

ELIGIBLE APPLICANTS: Cities and counties with a population fewer than 60,000 are eligible for MIH funding. Applicants are allowed to partner or contract with outside entities or individuals, including but not limited to public housing authorities, non-profits, community housing development organizations, developers and local employers.

ELIGIBLE ACTIVITIES: Housing development activities funded through the MIH program include (1) developing infrastructure necessary to support housing; or (2) housing development, including acquisition of real property, new construction, modular or manufactured housing and/or rehabilitation of existing housing. Applicants are encouraged to apply for projects with ties to economic development that leverage funds from both private and public sources. For maximum statewide impact, KHRC limits grants or loans to no more than \$400,000 per awardee.

Completed MIH Projects in 2014

Pioneer Estates - Garden City

Pioneer Road Estates was a collaborative partnership between all four taxing entities in the community—the City of Garden City, Finney County, Garden City Community College, and Garden City Schools USD 457. Innovative funding helped make the project a reality. In December 2012, the Garden City Commission passed an ordinance creating a Rural Housing Incentive District for Pioneer Road Estates. In addition to their support of the RHID, USD 457 donated 11 acres of land for the homes

to be built upon. The donated land increased the viability of the project. In return, the development created a much needed secondary access road for the recently constructed school. Other partners in the project were GC Residential Builders, LLC; Kansas Housing Resources Corporation; American Warrior Construction; and Rural Housing Partners.



Governor Sam Brownback speaks to the audience at the dedication for Pioneer Estates development, located in Garden City, Kansas.



Robert Pivonka, Mayor of Larned, cuts the ceremonial ribbon with KHRC Executive Director Dennis L. Mesa pictured to the right of him. Others attended the ribbon cutting to celebrate the Prairie Vista development.

Prairie Vista - Larned

KHRC provided the City of Larned with \$400,000 in 2012 as gap filler to help build 20 rental units on the west side of town. Expansion of the state hospital there has created a need for moderate income housing that could not be addressed with tax credits. The rental units are three bedroom duplexes built on a slab with a safe room and attached garage.

AWARD SUMMARIES: The following list offers a brief summary of the 2014 awards and the housing activities that are being assisted.

2014 MODERATE-INCOME HOUSING AWARDS

City of Baldwin City

Award Amount: \$200,000

A grant of \$200,000 will provide the homebuyer assistance of up to \$20,000 per home. Over the next 5 years, 10 homes will be developed in the price range of \$185,000 to \$220,000. The city will waive building permits and tap fees for each home. Mid-America Bank will provide financing for the construction and purchases of the homes. Located in Douglas County between Lawrence and Ottawa, the city, with a population of 4,600, has experienced a 33.1 percent population growth since 2000, and is located close to the Burlington Northern Railyard/Intermodal Yard between Gardner and Edgerton.

City of Dodge City

Award Amount: \$ 75,000

A \$75,000 grant is being provided to continue with a rehabilitation effort that began two years ago. The City is acquiring old, abandoned houses at tax sales, making improvements to the houses, and then selling or renting them, using the proceeds to acquire and rehabilitate additional houses. The City is also providing funding. Volunteer labor and students from the Dodge City Community College Trade Program are helping with the rehabilitation work. With a population of 34,819, Dodge City has experienced a 6.9 percent job growth over the last six years primarily from the beef industry and energy sector, which has increased employment at the schools, the hospital, and the retail businesses.

Grant County

Award Amount: \$350,000

Located in southwest Kansas in an agricultural and energy producing area, the county is receiving a \$350,000 grant as a gap filler to assist with the development of 16 rental housing units in Ulysses that will serve seniors who are current or retired farm workers. The development will be primarily financed through the USDA Section 514 Farm Housing Worker Program. With a population of 7,964, the county has job growth in the livestock production area.

Greeley County

Award Amount: \$115,000

The County was approved for a \$115,000 grant to provide a gap filler for the construction of four units of rental housing in Tribune. It is expected that another four to eight units will be leveraged from this grant. The city is donating the land and installation of water meters. Farmers State Bank in Oakley is the lender, and a real estate tax rebate will be provided by the county through the Neighborhood Revitalization Program. Greeley county has a population of 1,258, and is experiencing one of the highest growth rates in the state, with increased student enrollment of 25 percent and solid job growth in numerous business sectors.

City of Hutchinson

Award Amount: \$200,000

A \$200,000 grant is being provided as a gap filler to assist with the construction of 10 rental units and a total of 12 units in a deteriorated urban neighborhood, where two units have already been built. Financing is being provided by the First National Bank with contributions from Hutchinson Community Foundation, New Beginnings, Inc. and the City of Hutchinson. The City has a population of 42,142, and is expecting to add 77 new jobs in the next two years after experiencing job growth of 360 positions in the last two years.

Kearny County**Award Amount: \$300,000**

This western Kansas county with 3,987 people was approved for a \$300,000 grant as gap financing to build up to a total of ten units that will include up to four units financed by MIH funds. The housing will be built in Lakin, the county seat, and Deerfield. Additional financial support for the development is being provided by Kearny County Bank, the Deerfield school district and Kearny County, through the Neighborhood Revitalization Program. Job growth in the agricultural and energy sectors, as well as Kearny County Hospital, and on-going need in the school districts is driving the need for more housing.

City of Lyons**Award Amount: \$100,000**

The city is receiving a \$100,000 grant to complete a single family development started with MIH funds last year. The grant will provide homebuyer assistance for the purchase of four homes at a projected cost of \$147,000 for each home with financing provided by First Bank. The city will provide building lots, utility service line connections, energy code certification fees and will waive sales taxes, building permits and utility hook-up fees. Located in Rice County, Lyons has a population of 3,736, and has experienced solid job growth in several business sectors over the last ten years.

City of Plainville**Award Amount: \$362,000**

The city was approved for a \$362,000 grant that will support the development of six single family homes and two additional lots. The funding will be used to help demolish an old hospital, prepare the site for development and as down payment assistance for home buyers. Other funding is being provided by the developer, Ravason, LLC, the City of Plainville, and Rooks County. Plainville has a population of 1,903, with many of its employees are living outside the city and the county. Jobs are being lost, and available positions declined, because of a lack of adequate housing.

City of Sterling**Award Amount: \$198,000**

Located in a job growth area of Rice County, funding of \$198,000 is being provided for site acquisition and infrastructure improvement at three locations that will support the construction of 12 single family homes. The City will assist with funding and real estate tax rebates through the Neighborhood Revitalization Program. With a population of 2,326, Sterling is experiencing job growth at several local businesses including Jacam, Kansas Ethanol, and Cal Maine Foods. Sterling College is also experiencing job growth due to increased enrollment.

City of Wellsville**Award Amount: \$200,000**

A grant of \$200,000 will provide the homebuyer assistance of up to \$20,000 per home. Over the next 5 years, 10 homes will be developed in the price range of \$185,000 to \$220,000. The city will waive building permits and tap fees for each home. Mid-America Bank will provide financing for the construction and purchases of the homes. Located in Franklin County adjacent to I-35, the city, with a population of 1,850, has experienced a 14.9 percent population growth since 2000, and is located close to the Burlington Northern Railyard/Intermodal Yard between Gardner and Edgerton.

TOTAL 2014 MIH AWARDS: \$2,100,000

CONCLUSION

For over 20 years, the State Housing Trust Fund has served Kansas families and communities, promoting affordable, quality housing and related services. In the past decade under KHRC's tenure, the SHTF has been the vehicle to respond to ever-changing housing needs. From natural disasters to economic downturns, the SHTF and KHRC have helped rebuild Kansas communities, allowed elderly and disabled persons to stay in their homes, and assisted individuals obtain the dream of homeownership.

KHRC's corporate structure and the SHTF's broad flexibility allow rapid response to new challenges, as most recently demonstrated by the MIH initiative. Looking forward, the mechanics of the SHTF and KHRC are in place to serve the State into the future. Addressing the growing need for quality, affordable housing and recognizing its ties to economic development remain at the forefront of KHRC's mission. Anticipated and realized Federal funding cuts for housing programs only exasperate the situation. A dedicated, sustainable funding source for the SHTF is vital to serve Kansas families and communities. KHRC appreciates this opportunity to inform the Legislature and public about these recent successes and looks forward to working with the Kansas Legislature, the Administration, and our housing partners on meeting the ever-changing needs of housing in the future.