

RESOURCES CORPORATION

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.

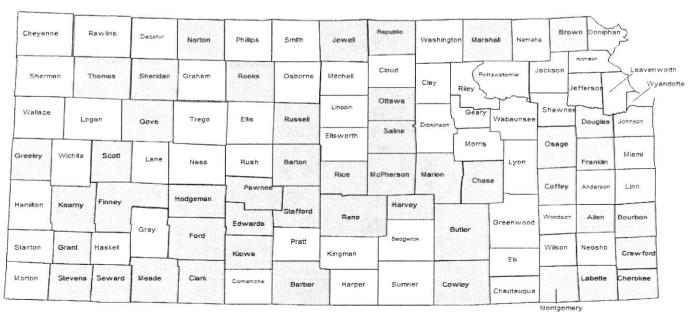
PROGRAM OVERVIEW: The MIH program serves the needs of moderate income households that cannot afford market-rate housing, yet do not qualify for federal housing assistance. MIH grants and/or loans are awarded to cities and counties to develop multi-family rental units, single-family for-purchase homes, 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 hosts 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 four years of the program, KHRC has received 79 applications from cities and counties requesting \$23,087,212 in MIH funding. A review team of KHRC staff evaluates the applications on several criteria, including housing need, readiness to proceed, and the ability to leverage funds from other sources.



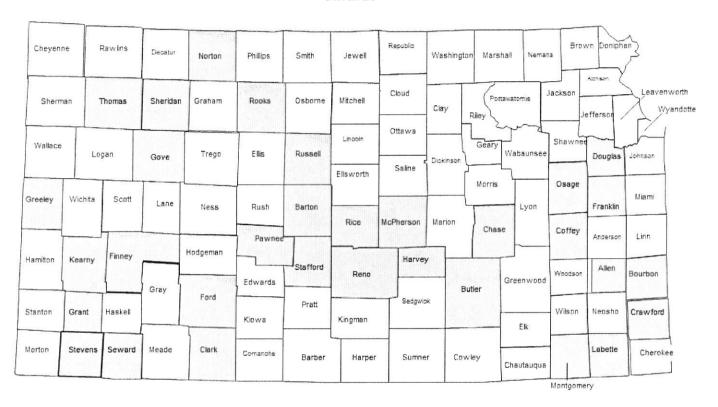
2012-2015 Moderate Income Housing Program Applications



AWARDS GRANTED: KHRC has awarded \$8,497,951 of funding to 37 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.



2012-2015 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 2015



City of Liberal

The City of Liberal received \$350,000 in MIH funding to help build 48 rental units. There are nearly 250 open positions at National Beef Packing and local officials anticipate two meat processing companies could add another 100 jobs. The school district also hired several new teachers in 2013.



Greeley County

Greeley County was approved for a \$115,000 grant to provide a gap filler for the construction of four units of rental housing in Tribune. Two duplexes are nearing completion, and one has already been rented.

AWARD SUMMARIES: The following list offers a brief summary of the 2015 awards and the housing activities that are being assisted.

2015 Moderate Income Housing Awards:

City of Ashland Award Amount: \$125,000

The City has been awarded \$125,000 to be used as a gap financing to build two duplexes (four units) that will be managed by Ashland 2020, a 501 (c) 3 organization. The city owns the land and is contributing \$8,500 in demolition costs, water meters and tap fees. They have also been awarded \$125,000 of Community Service Tax Credits.

City of Bronson Award Amount: \$18,000

The City has been approved for \$18,000 to be used for down payment assistance for one single family house. They have completed a Housing Assessment Tool (HAT) and have applied for other housing type grants but have been unsuccessful. Bronson has numerous homes that are appraised so low that they do not qualify or the amount of a grant to rehabilitate the home would not cover the cost. The city is providing \$2,700 for utility connections and a drainage culvert.

Coffey County Award Amount: \$150,000

Home to Wolf Creek Power Plant, Coffey County has been provided \$150,000 to build one triplex in Burlington. Each unit will be two bedroom, one bathroom with their own laundry. The Coffey County Housing Authority will maintain and manage the units.

City of El Dorado Award Amount: \$90,000

The City of El Dorado, located in South-central Kansas, has been awarded \$90,000 to be used for acquisition and demolition of some dilapidated structures, they will then build three rental units.

City of Great Bend Award Amount: \$175,000

Located in central Kansas, the City of Great Bend has been approved for \$175,000 to provide down payment assistance to seven homebuyers. The City is partnering with Housing Opportunities, Inc. (HOI) who will serve as the general contractor. The City is waiving building permit fees, tap fees, and has approved an area for a Neighborhood Revitalization tax rebate and donated approximately \$90,000 in engineering fees.

City of Holcomb Award Amount: \$400,000

The City of Holcomb, located in Southwest Kansas, has been provided a grant in the amount of \$400,000 for infrastructure where eight duplexes and one triplex for a total of 19 units will be built. The City has a Neighborhood Revitalization Program (NRP) in place and will leverage \$60,254 in tax rebates. A Community Housing Assessment Team (CHAT) Report on Holcomb updated in 2014 charts the housing need. The infrastructure improvements will be an extension of sewer and water lines with water taps as well as asphalt streets with curbs and gutters.

City of Minneola Award Amount: \$173,500

The City of Minneola has been awarded a grant in the amount of \$173,500 to clear dilapidated structures and prepare a lot to build three duplexes. Minneola District Hospital as well as a new alternative energy business is expanding. The City has conducted a housing assessment.

Award Amount: \$275,000

City of Moundridge

The City of Moundridge, located in McPherson County, has been approved for an award in the amount of \$275,000 to cover the cost of gap financing to build six duplexes (12 units). The proposed development site is located in an Rural Housing Incentive District (RHID). The city has conducted a HAT to assess housing needs. The developer is building 30 tax credit units at the same site which will provide costs benefits. The City is paying for extension of utilities.

City of Newton Award Amount: \$400,000

The City of Newton, located in Harvey County, has been provided a grant in the amount of \$400,000 for gap financing to build 44 units (10 MIH) consisting of 16 – one bedroom/ one bath; 16 – two bedroom/two bath and 12 three bedroom/two bath duplex units. The three bedroom duplex units will include two car garages. An RHID is planned. A city wide market analysis from August of 2011 by Canyon Research Southwest, Inc. is provided to establish the need.

City of Russell Award Amount: \$200,000

The City of Russell, located in Russell County, has been awarded a grant of \$200,000 to build three MIH duplexes. The city has obtained an allocation of Community Service Tax Credits and a grant from the Dane G. Hansen Foundation. The city is assisting with installation of utilities and land purchase. There is a NRP that will provide a tax rebate. The need has been established through a community planning process that began in 2013 with Russell County Economic Development and RDG Planning in Omaha.

City of Pittsburg Award Amount: \$200,000

The City of Pittsburg has been approved for \$200,000 to be used to cover the cost of a fire suppression system in two buildings located in downtown Pittsburg. After the buildings meet city codes for fire suppression the property owner will contribute \$200,000 of his own funds to renovate the buildings and create five 2-bedroom units and a single bedroom unit that will be located above the existing businesses.