



## TESTIMONY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

Kansas Housing Resources Corporation  
Ryan Vincent, Executive Director  
March 15, 2022

Chairman Waymaster and members of the Committee:

On February 8, 2022, I presented to the Committee on Kansas Housing Resources Corporation (KHRC), our recently completed State Housing Needs Assessment, and the opportunity to make long-term investments to address Kansas' housing problem. KHRC has appreciated the ongoing conversation at the Legislature, with various stakeholder groups, and in our rural and urban communities alike. As detailed in our housing study, there is no one-size-fits-all solution to decades of housing challenges; instead, Kansas needs more tools to strengthen existing public-private partnerships to develop more homes.

KHRC offers a variety of housing development programs, from our Moderate Income Housing (MIH) Program which funds development and infrastructure in rural communities to our Housing Tax Credit Program which finances affordable housing statewide. Attached to this testimony is a Housing Development/MIH presentation which provides additional detail on these programs, highlights specific projects, and outlines the development timeline. Also attached to this testimony is a diagram showing how MIH funding flows through KHRC to the communities, and ultimately, Kansans we serve.

Home has never been more important than it is right now. KHRC's housing study captures the need and offers the goals and strategies to address Kansas' housing problems. Investing in housing allows communities to grow, employers to expand, communities to prosper, and families and neighborhoods to thrive. KHRC brings expertise in administering housing resources, a network of partners and builders, and flexibility needed to respond to changing markets. We stand ready to serve the State and our stakeholders as we Unlock Home for Kansas. I welcome any questions the Committee may have.

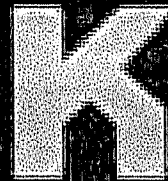
# Moderate Income Housing Program Legislation Process





# Kansas Housing Resources Corp.

Housing Development - MIH



# ***Moderate Income Housing*** – *Housing Needs Assessment*

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## Statewide Profile Insights/Themes

- Housing stock is older than 1960
- Housing values are depressed
- Renters are cost burdened
- Low production of housing units
- Demand for middle income housing
- Desire for variety in housing types



## ***Moderate Income Housing*** – *Housing Needs Assessment*

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### Statewide Goals/Strategies

- Add more middle-income housing
- Diversify housing stock to match local demographic and employee needs
- Increase reinvestment in older housing stock, including vacant units

## ***Moderate Income Housing – General Information***

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- Created in 2012
- Only current state funded housing program
- Grants and loans to cities and counties with populations less than 60,000
- Average award - \$200,000
- Average leverage/unit - \$25,000

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## *Moderate Income Housing – Eligible Activities*

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- Housing development
  - Homeownership
  - Rental
- Infrastructure with housing development
- Down payment Assistance



## *Moderate Income Housing – Notable Projects*

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- Marion
  - Awarded \$125,000 in 2017 to build 5 homes for purchase
  - Three bdrm/2 bth homes – 1,300 sq. ft.
  - Homes sell for approx. \$200,000



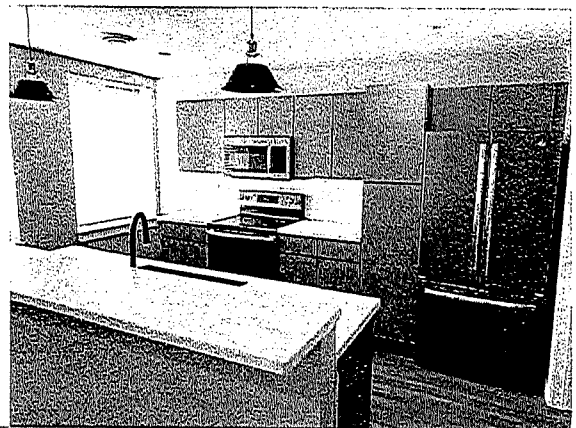
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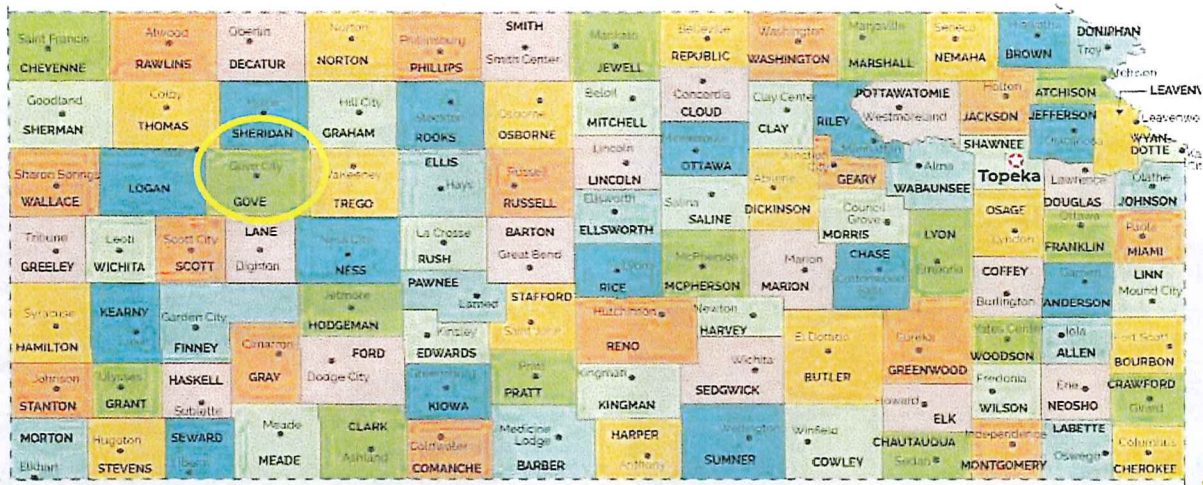
- Atchison
  - Awarded in \$400,000 2018 to convert the downtown YMCA to 17 apartments
  - Studios to 2 bedrooms (\$595/mo. – \$950/mo.)
  - Leveraged Historic Tax Credits



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# Moderate Income Housing – Notable Projects

- Gove County - 2019
  - \$100,000 for Homebuyer Assistance – 5 Households
  - Local Housing Study determined the county had vacant housing; potential buyers needed the down payment to purchase them



# Moderate Income Housing – Program Management

- Timeline

| Month              | Tasks/Benchmarks   |
|--------------------|--|
| June               | Prepare RFP and Application for Funding  |
| July               | Open Application for Communities   |
| End of September   | Applications Due   |
| October - December | Application Review and Award Announcements   |
| January            | Prepare and Execute Grant Agreements   |
| February - July    | Projects begin   |
| All Year           | <ul style="list-style-type: none"><li>• Disbursements</li><li>• Site Reviews</li><li>• Technical Assistance, Project Adjustments</li><li>• Compliance and Project Close-Outs</li></ul> |



# *Housing Development– General Information*

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## Low Income Housing Tax Credit

- Subsidizes the new construction and rehabilitation of affordable rental housing
- A typical LIHTC uses the credit for 70% of the development budget, leaving 30% of the budget to fund through other sources.
- Areas with depressed rents have limited options to cover that 30%.
  - Lower rents cannot support traditional debt
  - KHRC has limited federal resources that further restrict the rents, so sometimes they will not help the development





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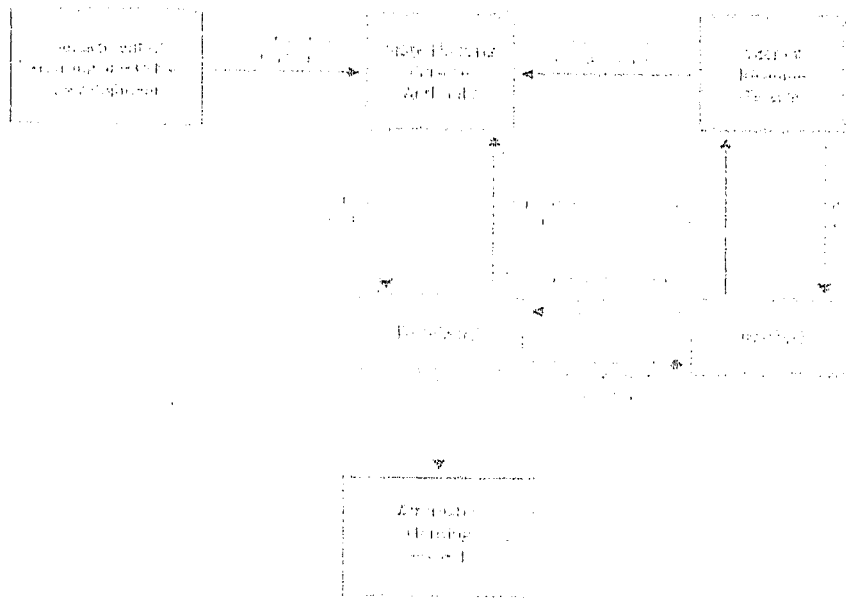
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# Housing Development – General Information

## Low-Income Housing Tax Credit Involves Multiple Public and Private Actors

Structure of Low-Income Housing Tax Credit



## *Housing Development*

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- Solana Village Townhomes – McPherson, KS
  - 18 units for households with disabilities

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## *Housing Development*

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- Stony Brook Homes – Scott City, Norton, and Hoxie
  - 15 single-family homes

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# Moderate Income Housing Program Legislation Process

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## Structure of Low-Income Housing Tax Credit

