

Moderate Income Housing Program



Funds Available for Kansas Municipalities

By Ryan Vincent, Executive Director, Kansas Housing Resources Corporation

Like many states, Kansas struggles to offer quality, affordable housing options, particularly in our rural communities. Aging housing stock, rising construction costs, limited contractor availability, and tight lending conditions all create barriers to individuals and families moving into rural areas. In turn, employers cannot house their workers, preventing business expansion and requiring employees to drive in from adjacent counties and even states. Federal housing programs are available to help address the needs of low-income citizens. However, moderate income households that cannot afford market-rate housing but do not qualify for housing assistance need resources too.

History of Moderate Income Housing Program. Recognizing these challenges and how important affordable housing is to economic development and vibrant communities, the Kansas Legislature created the Moderate Income Housing (MIH) Program in 2012. The State has allocated \$2 million annually for the program.

The MIH Program is administered by Kansas Housing Resources Corporation (KHRC), the State's housing finance corporation. "Unlocking Home" for citizens of our State, KHRC's mission is to help Kansans access the safe, affordable housing they need and the dignity they deserve. Information on KHRC's programs can be found at www.kshousingcorp.org.

MIH Eligibility & Uses. The MIH Program funds grants and/or loans to Kansas cities and counties with populations of less than 60,000 people. Currently, there are 97 counties and over 600 communities in Kansas that are eligible for the Program.

By statute, the funds must pass through the cities and counties; however, awardees may partner or contract with outside entities like housing authorities, non-profit organizations, community housing development organizations or developers.

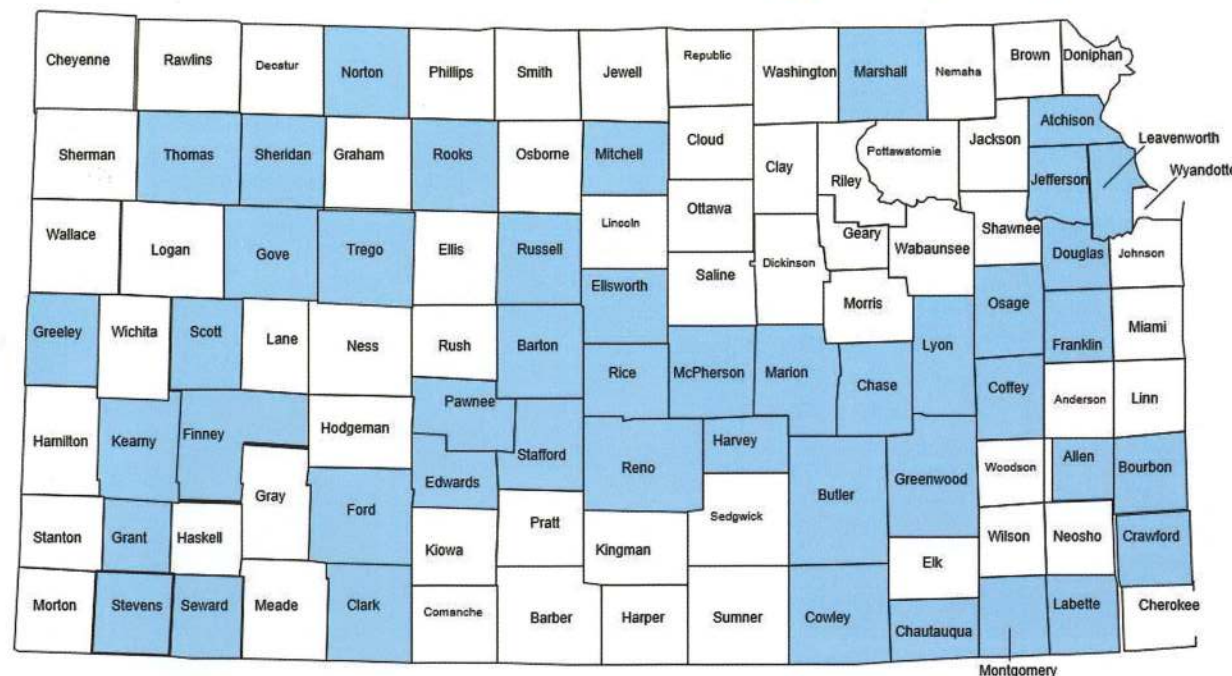


The MIH program was used in Montgomery County in southeast Kansas. The County is experiencing job growth at VT Hackney, an international company that makes refrigerated trucks (75 new jobs), and Cessna where over 50 new positions are being created. John Deere and Spear Manufacturing are also adding jobs. Many employees in the county live in Oklahoma because there is inadequate housing in the local communities where the 2007 flood destroyed over four percent of the housing. KHRC provided a \$80,000 loan to provide homebuyer assistance to support the construction of eight new single-family homes in Cherryvale and Independence with matching funds provided by the County and the respective cities.

MIH funds are used for housing development activities for multi-family rental units, single-family for-purchase homes, and water, sewer and street extensions for residential dwellings. MIH funds finance construction costs, rehabilitate unsafe or dilapidated housing and offer down payment and closing cost assistance to homebuyers.

Impact of MIH. Since its inception, KHRC has received 122 applications from cities and counties requesting \$35.8 million in MIH funding. KHRC has awarded \$14.4 million to 52 communities across the State. KHRC has achieved a leverage factor of almost \$6 for every \$1 of state resources spent.

2012-2018 Moderate Income Housing (MIH) Program Awards



Liberal, the county seat of Seward County in southwest Kansas is experiencing job growth in the agri-business sector, notably in the beef processing industry where National Beef would like to expand if there was adequate housing. There is the potential for new meat processing companies as well. The Liberal school district has experienced a large turnover in teachers which adds to the need for housing.

A community-wide market study for Liberal states a need for 77 to 100 houses a year to meet the pent-up demand. Another study shows a great need for additional rental housing. The City has a real estate tax rebate program through the Neighborhood Revitalization Program. It has also established a Rural Housing Incentive District to help address infrastructure needs. MIH funding has been provided to assist in the development of 48 new rental housing units.

In its most recent funding round, KHRC funded (among other projects): infrastructure costs for a new neighborhood in Arkansas City; a rehab of a historic YMCA building in downtown Atchison into 16 rental units; gap financing for new duplexes off Main Street in Lucas; and demolition and new construction funds to replace dilapidated housing in Sedan.

How to Apply. Upon receiving funds from the State each year, KHRC issues a Request for Proposal (RFP) for MIH funds, which details eligible applicants and activities, application procedures, grant/loan structuring, award criteria,

compliance monitoring and reporting requirements. For the 2019 funding round, KHRC has posted its RFP on its website at: <http://www.kshousingcorp.org/funding-availability.aspx>

The deadline to submit proposals under the MIH RFP is Monday, September 30, 2019. 📅

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