



**KANSAS  
HOUSING**  
RESOURCES CORPORATION

# **Kansas Moderate Income Housing (MIH) Request for Proposal**

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## Background

Kansas Housing Resources Corporation (KHRC) is a public corporation that administers federal and state housing programs on behalf of the State of Kansas. KHRC programs address single and multifamily housing development, down payment assistance for first-time homebuyers, rental assistance, and housing with supportive services. A summary of KHRC programs can be found at [www.kshousingcorp.org](http://www.kshousingcorp.org).

In addition, KHRC administers the State Housing Trust Fund (SHTF), a statutorily created fund with the stated purpose of supporting housing programs and services. The SHTF was created by House Bill No. 2517 and then codified as K.S.A. 2017 Supp. 74-8959. While limited in resources, KHRC has historically utilized the SHTF to provide loans and grants for affordable housing development.

Recently, Kansas communities and employers have stressed a growing need for affordable moderate-income housing (MIH), defined for purposes of this Request for Proposal (RFP) as housing generally for households between 60 and 150 percent of HUD's FY2021 income ranges. Attachment A to this RFP details MIH income targeting based on number of household members. MIH is vital for economic development, yet difficult to achieve given that most federal housing programs serve a lower income bracket, and market supply is limited due to high development costs, low appraisals, tight lending conditions, and lack of investor interest.

In response to the increased need for moderate income housing, \$2 million has been provided to the SHTF for the purpose of administering and supporting housing programs, resulting in this MIH RFP.

## Administration

The primary contacts for the MIH program are:

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Director of Housing Development  
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## **RFP Overview**

Under the MIH RFP, KHRC expects to release approximately \$2 million. **Under the legislation, KHRC shall only use the funds for loans or grants to cities or counties for housing development in rural areas.** Further definitions of these terms follow.

This RFP contains information on eligible applicants and activities, application procedures, award criteria, grant/loan structuring, and reporting and compliance monitoring requirements.

Applicants should be aware and understand that this MIH RFP and any awards are funded in whole or in part by State of Kansas funds provided through House Bill 2517. In the event the State funds supporting this RFP or subsequent award become unavailable, are reduced, or rescinded, KHRC may terminate or amend this RFP and application without penalty and will not be obligated to pay the applicant from any other sources, including KHRC, SHTF, or State of Kansas monies.

### ***Eligible Applicants***

To be eligible to apply for MIH funding under this RFP, applicants must be either an eligible city or county. For purposes of this RFP an eligible city is defined as any city incorporated in Kansas with a population under 60,000. An eligible county is defined as any county with a population of less than 60,000. A county with a population larger than 60,000 can apply on behalf of a city with a population less than 60,000.

Applicant cities and counties may partner or contract with outside entities or individuals, including but not limited to public housing authorities, nonprofits, community housing development organizations, developers, and local employers. Notwithstanding the preceding sentence, the applicant shall retain full responsibility for compliance with all RFP rules and requirements.

### ***Eligible Activities***

Under the MIH RFP, applicants may only use funds for: (1) actual housing development, including acquisition of real property, new construction, modular or manufactured housing, rehabilitation of existing vacant housing, and/or home buyer assistance of actual housing development; or (2) infrastructure in combination with actual housing development. For new construction, state requirement KSA58-Article 14 applies. Fair Housing Design standards may apply.

This RFP has been structured to allow flexibility to applicants in developing proposed activities within the definitions laid out above. Applicants are encouraged to apply for

developments with ties to economic development that leverage funds from both private and public sources, preferably for MIH needs.

Grants or loans will be limited to no more than \$400,000 per awardee. Applicants are encouraged to request funds in the form of loans over grants. KHRC may give priority to below market rate loans to ensure maximum impact of this RFP.

## **Application Process**

The deadline to submit applications under this RFP is **5:00 PM on Monday, September 27, 2021**. Please submit the application and PDF documents electronically to [hhishmeh@kshousingcorp.org](mailto:hhishmeh@kshousingcorp.org).

Applicants may only submit one application, but may include more than one proposed activity, so long as the application lists the applicant's priorities.

## **Application Requirements**

All applications shall include the following:

1. MIH Application (which includes);
  - a. Use of Funds: *Describes the applicant's proposed eligible housing activities with the RFP funds;*
  - b. Budget: *Provides estimated sources and uses of all funds, including any leveraged funds needed for the proposed eligible housing activities;*
  - c. Leveraged Funds: *Provides a certification and supporting documentation of any leveraged funds committed in the application, including how in-kind labor or services have been calculated (see Leveraged Funds section for additional information);*
  - d. Job Creation: *Provide information about job creation, lack of housing and/or inadequate housing in the community.*
2. Executive Summary: *Provides overview of application;*
3. A copy of the most recent Housing Assessment or Market Study done by or on behalf of the community.
4. Capacity Statement: *Describes capacity of applicant to administer the funds, as well as addresses the capacity of any partner or contractor that will be utilized. Applicant must include a resolution from the applicant's governing body giving applicant the authority to apply for and participate in this RFP;*
5. Community Support: *Demonstrates community support for the proposed housing activities; and*

6. Certifications: *Subject to exceptions for older buildings, all other proposed housing construction is required to:*
  - a. *Comply with the accessibility standards identified in K.S.A. 58-1401, et seq; and/or Fair Housing design standards, as applicable.*
  - b. *Meet the minimum standards of the 2018 International Energy Conservation Code or Energy Star Program.*

KHRC reserves the right to request additional information as it deems necessary to evaluate the applications.

## **Leveraged Funds**

KHRC will consider the applicant's actual contribution of funds or in-kind labor and services in evaluating the applications. KHRC will also consider leveraged funds realized through applicant's proposed partnerships.

For purposes of leveraged funds under this RFP, in-kind labor and services shall be calculated at an hourly rate of \$10.00 for unskilled labor and \$25.00 for professional or trade services.

Applications with a Rural Housing Incentive District will be prioritized, given the applicants provides the feasibility analysis and description of the project from the RHID redevelopment plan with the MIH application. RHID will not be considered as leveraged funding.

Further, if an applicant uses funds for single family housing development or assistance, the applicant must implement a recapture provision. The recapture provision shall require the homeowner to repay a prorated amount of grant/loan funds to the applicant if the applicant sells the single-family housing within five years of its construction or rehabilitation.

## **RFP Award Process**

Applications will be collected and evaluated by KHRC's Housing Development team.

The Kansas Moderate Income Housing RFP Evaluation Guidelines (Attachment B) will be used in the evaluation of the applications.

The review team will make a recommendation for awards to KHRC's Loans and Grants Committee for approval.

KHRC will notify applicants on the results of their application in December 2021.

Successful applicants will receive an award letter specifying any additional requirements deemed necessary by KHRC prior to receiving funds. Additional requirements may include but are not limited to: designs, a Phase I Environmental Report, and a site visit by KHRC staff.

Award recipients will be required to sign an agreement prior to beginning any work, detailing the procedures and requirements for proceeding with the approved housing activity, requesting funds, and reporting the use of awarded funds. The agreement will require that recipients use any income derived now or at a later time from their housing activity solely for housing purposes.

If the awardee receives the funds in the form of a loan, KHRC will require a promissory note and a loan agreement. The term of the loan is negotiable between the awardee and KHRC.

Development completion is expected within 12 months of the awardee receiving the funds unless otherwise approved by KHRC. Prior to making any changes in the approved eligible housing activities during the course of the work, awardees must request written approval from KHRC.

## **Reporting Requirements**

**Beginning with the first business day of the month following an award being made to an applicant and each month thereafter, the awardee shall submit in writing monthly status reports to KHRC until the development is completed and all funds have been expended.** The status report should detail the use of funds to date, along with a self-assessment comparing that use with the recipient's proposed use from its original application to KHRC. The status report shall include an evaluation of the housing activities to date as well as the status of construction and the nature and reasons for any changes in the activities. A monthly status report should be filed even if there has been no progress or activity from the previous month.

When the development has been completed and all funds have been expended, awardees shall provide KHRC a final accounting of funds, including the use of any income generated from the housing activities within 60 days of development completion.

## **Fund Disbursement**

For awarded funds to be disbursed applicants will submit a cover letter requesting the funds with proper supportive documentation, such as an invoice or contract. The funds awarded will be distributed as a reimbursement given applicants are complying with the

KHRC grant agreement. Applicants can request up to 15 percent of the awarded funds upfront. Applicants must provide KHRC with the proper PDF documentation throughout the project development as proof. KHRC may visit the development site to ensure work completion.

## **Disclosure of Relationship**

Applicants must disclose any current or former KHRC employees acting as a consultant or interested party. Current KHRC employees cannot receive a financial gain from the funding of a project received through KHRC for a period of two years after his/her employment ends.

## **Compliance Monitoring**

KHRC will monitor an awardee's compliance with applicable requirements of this RFP and any agreement entered with KHRC under this RFP. All financial transactions of the cities or counties relevant to this RFP may be audited by KHRC, Legislative Post Audit and other agencies or agents of the State of Kansas.

Applicants approved for rental developments must submit tenant income information for five years. Applicants must submit the KHRC compliance form annually for the five-year compliance period.

Applicants approved for a homeownership project must submit homeowner income information upon sale and proof of the five-year recapture provision.



## Attachment A: RFP Income Target

# KANSAS HOUSING

## Moderate Income Housing Income Range HUD's FY 2021 Income Limits

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
150%	\$ 81,281	\$ 92,906	\$ 104,531	\$ 116,063	\$ 125,344	\$ 134,719	\$ 144,000	\$ 153,281
60%	\$ 32,513	\$ 37,163	\$ 41,813	\$ 46,425	\$ 50,138	\$ 53,888	\$ 57,600	\$ 61,313

Based upon HUD's FY 2021 State Income Limits

*\*The Moderate Income Housing program is intended for households who do not qualify for other housing resources that are restricted to lower incomes. These funds are not intended to substitute housing resources specified for lower incomes. Therefore, if a community needs to develop housing for a population that includes households below 60% of AMI, KHRC has the right to make an exception on a circumstantial basis.*

## **ATTACHMENT B: KANSAS MODERATE INCOME HOUSING RFP EVALUATION GUIDELINES**

Applications for grant or loan funds under the Kansas Moderate Income Housing (MIH) RFP will be evaluated based on the following guidelines:

### **1. Need**

- a. Ability to identify housing needs of applicant's community
- b. Urgency of housing need, i.e., areas of significant economic development
- c. Ability of applicant to address housing need with existing funds
- d. Community's response to housing need to date
- e. Receipt of MIH funding previously

### **2. Capacity:** Capacity of applicant (and applicant's partners or contractors, if applicable) to administer RFP funds, including resolution from governing body approving participation in RFP, history of applicant, organizational structure, and experience with similar grant/loan administration activities.

### **3. Use of Funds**

- a. Specifically identified intended use of funds, including allocation of expenditures, and expected outcomes
- b. Targets moderate income housing needs of community
- c. KHRC's analysis of impact of funds on housing, economic development, government, etc., in community

### **4. Community Support:** Ability to demonstrate community support

### **5. Rural Housing Incentive District (*if applicable*):**

- a. Redevelopment plan Description of Project
- b. Redevelopment plan Feasibility Analysis

### **6. Leveraged Funds**

- a. Specifically identifies and values sources of leveraged funds
- b. Proportion of leveraged funds as compared to RFP funds

### **7. Loans Over Grants:** Ability to request and utilize RFP funds in the form of loans (below market) over grants

### **8. Application**

- a. Timeliness of application and responses to requests for follow-up information
- b. Thoroughness of application – application completed in its entirety, questions thoroughly answered, supporting documents submitted
- c. Ability to meet minimum RFP requirements
- d. If multiple proposed housing activities in application, applicant's priorities clearly stated

**9. Applicant History, Experience and Compliance**

- a. For applicants and/or developers who have received awards previously, consideration will be given in part based on the applicant's and/or developer's past history, experience, loan or grant administration activity and compliance with the MIH RFP and grant agreement along with:
  - i. Readiness to proceed
    - 1. Is the previous development 100% complete?
    - 2. Did the previous development begin on time?
  - ii. Submission of monthly reports
  - iii. Responsiveness to requests for information

## **ATTACHMENT C**

### **Chapter 58.--PERSONAL AND REAL PROPERTY**

#### **Part 6.--MISCELLANEOUS PROVISIONS**

#### **Article 14.--ACCESSIBILITY STANDARDS FOR CERTAIN DWELLINGS**

**58-1401. Accessibility standards for certain dwellings; definitions.** As used in this act:

(a) "Dwelling" means any single family residence and each individual living unit in a duplex or triplex residential building which is constructed with public financial assistance.

(b) "Public financial assistance" means:

- (1) A building contract or similar contractual agreement with any state agency;
- (2) any real estate received by the owner through a donation by the state;
- (3) state tax credits;
- (4) grant assistance from state funds;
- (5) state loan guarantees; or
- (6) federal funds administered by the state or a state agency.

(c) "Director" means the director of the division of housing in the Kansas development finance authority.

**58-1402. Same; design and construction standards.** (a) Except as provided by this act, dwellings shall be designed and constructed to have at least one accessible entrance on an accessible route. If the entrance is served by a ramp, the ramp shall have a maximum slope not to exceed a ratio of one inch rise to every 12 inch horizontal run and shall have a level landing at the top and bottom of each run.

Accessible entrance doors and doorways shall have a minimum clear opening of 32 inches. The accessible entrance may be any entrance at the front, side, back or garage of the dwelling that is served by an accessible route. The accessible route shall be no less than 36 inches wide with a slope not to exceed a ratio of one inch rise to every 20 inch horizontal run. If a patio door serves as an accessible entrance, a standard six-foot sliding patio door assembly shall be deemed to be sufficient to comply with the requirements of this subsection. The threshold of such doors shall not exceed 1/2 inch or, in the case of a sliding door, 3/4 inch.

(b) All doorways located on the same floor on which the accessible entrance is located within the dwelling intended for user passage within the dwelling shall be sufficiently wide to allow passage by persons using wheelchairs. Except for doors serving closets having less than 15 square feet in area, all doors located on the same floor on which the accessible entrance is located which are intended for user

passage shall provide a minimum 32-inch clear opening with the door open 90 degrees measured between the face of the door and the doorstep.

(c) An accessible route located on the same floor on which the accessible entrance is located shall be designed and constructed in such a manner that a 36-inch wide route is provided with a slope not to exceed a ratio of one inch rise to every 20 inch horizontal run. Such route shall have ramped or beveled changes at door thresholds. Beveled edges of such thresholds shall not exceed 1/2 inch or, in the case of a sliding door, 3/4 inch.

(d) In bathrooms located on the same floor on which the accessible entrance is located, the walls at the bathtub, shower and toilet shall be reinforced so that grab bars may be installed at a later date, if needed. Such reinforcement shall be sufficient enough to support a sheer force of 250 pounds.

(e) Light switches, electrical outlets, thermostat controls and other controls located on the same floor on which the accessible entrance is located shall be placed so that a person using a wheelchair can access the controls using either a forward or sideward approach. Such controls shall be placed no less than 15 inches nor more than 48 inches from the floor in the case of a forward approach. Such controls shall be placed no less than nine inches nor more than 54 inches from the floor in the case of a sideward approach. If multiple controls serve the same elements, only one need be accessible.

**58-1403. Same; application to new dwellings.** Except as provided by this act, the design and construction of all new dwellings shall conform to the accessibility standards specified in K.S.A. 2004 Supp. 58-1402, and amendments thereto.

**58-1404. Same; condition of release of public financial assistance.** (a) Whenever public financial assistance for dwellings is available, information concerning the requirements of this act shall be included in any notice or educational material regarding the availability of such financial assistance. Prior to releasing funds to a person receiving such financial assistance, the administrator of the program or other appropriate officer or employee shall require the person who is to receive such financial assistance to sign an affidavit of intent to comply with the requirements of this act.

(b) Except as provided by K.S.A. 2004 Supp. 58-1405, and amendments thereto, any person who accepts public financial assistance and fails to comply with the requirements of this act may be ineligible to receive public financial assistance in the future.

**58-1405. Same; waiver of requirements.** (a) Upon application therefor, the director may waive any requirement of K.S.A. 2004 Supp. 58-1402, and amendments thereto. Applications for a waiver shall be submitted to the director. If the director determines that such compliance is financially or environmentally impractical, the director may waive such requirement. The director shall render a decision regarding any application submitted pursuant to this section within 60 days of receipt thereof.

(b) Unless otherwise provided by rules and regulations adopted by the director, proceedings to consider a waiver under this section shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

(c) Appeals from the decision of the director shall be governed by the provisions of the act for judicial review and civil enforcement of agency actions.

**58-1406. Same; act not applicable to certain dwellings.** The provisions of this act shall not apply to any dwelling which is:

(a) A private residence which is owner-occupied or which is under contract for occupation by the owner;

(b) a private residence for which an individual tax credit is received;

(c) a private residence which is financed with funds from the federal housing administration, rural development programs administered by the United States department of agriculture or under a single-family mortgage guarantee assistance program;

(d) a private residence for which rental vouchers or certificates under 42 U.S.C. §1437 are accepted;

(e) financed with public funds other than state funds or federal funds administered by the state or a state agency; or

(f) a dwelling the design or construction of which commenced prior to July 1, 2002, as evidenced by (1) a payment for such design or construction, (2) a contract for such design or construction or (3) or other proof sufficient to the director as prescribed by rules and regulations.

**58-1407. Same; rules and regulations.** The director shall adopt any rules and regulations necessary to implement the provisions of this act.

**History:** L. 2002, ch. 175, § 7; L. 2003, ch. 154, § 18; July