



Unlocking Home

Kansas Housing Resources Corporation



Agenda

- Kansas Housing Overview
- KHRC Programs
- KS Statewide Housing Needs Assessment 2021
- New State Resources
 - Overview of Current Programs
 - Opportunity to Provide Input
- 2022 KHRC Conference



Kansas Housing: Overview

Who we are: A self-supporting, nonprofit public corporation, Kansas Housing Resources Corporation (KHRC) administers housing and community programs across Kansas.

What we do: We help Kansans access the safe, affordable housing they need and the dignity they deserve.

Who we work with: Local government officials, mortgage lenders, business leaders, developers, builders, property managers, real estate professionals, service providers, homeless / affordable housing advocates, nonprofit organizations, government agencies.



KHRC Programs

HOMELESS SERVICES	+ Emergency Solutions Grant	
COMMUNITY SOLUTIONS	+ Community Services Block Grant + Tenant Based Rental Assistance	
HOUSING DEVELOPMENT	+ Low Income Housing Tax Credit + HOME	+ Moderate Income Housing + National Housing Trust Fund
HOMEOWNERSHIP	+ First Time Homebuyer Program + Manufactured Housing	
ENERGY EFFICIENCY	+ Weatherization Assistance	
COMPLIANCE	+ Contract Administration + Housing Compliance	
EMERGENCY RESPONSE	+ Kansas Emergency Rental Assistance + Kansas Homeowner Assistance Fund	+ Bridge to Housing Stability



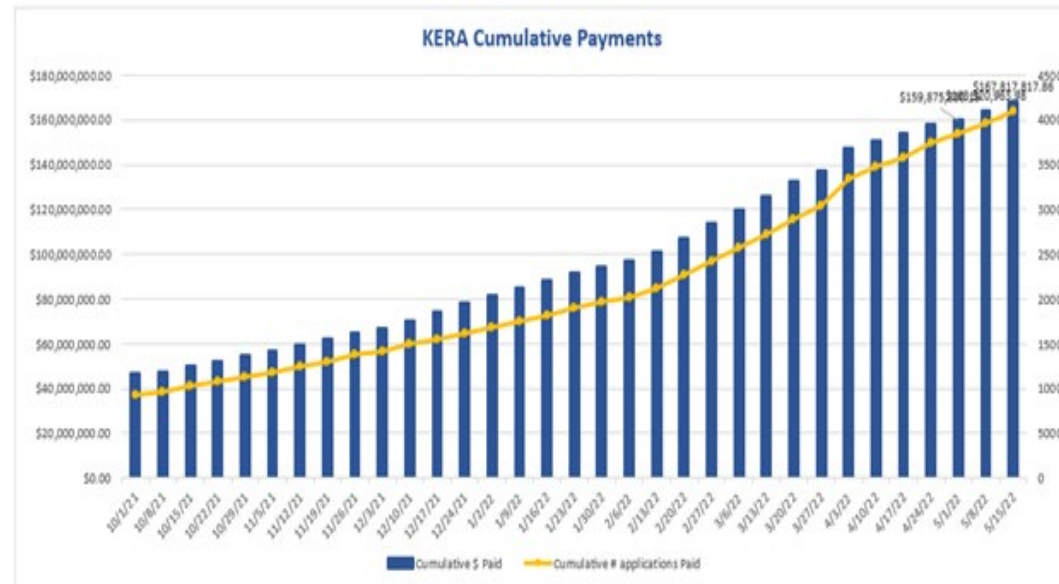
KHRC's COVID Response

- Supplemental **ESG** funding of \$14.8 million to assist people at risk of homelessness.
- Supplemental **CSBG** funding of \$8.15 million to assist people experiencing financial hardship.
- [Kansas Eviction Prevention Program \(KEPP\)](#): \$20 million to assist Kansans behind on rent due to COVID.
- [Kansas Emergency Rental Assistance](#): Assists Kansans struggling to pay rent and utilities due to COVID.
- Bridge to Housing Stability (BHS): Housing Stability funds from the KERA program help bridge the gap for Kansans in imminent danger of being (or have been) evicted.
- **NEW!** [Kansas Homeowner Assistance Fund \(KHAF\)](#): Assists Kansas homeowners struggling to pay mortgage, utilities & taxes due to COVID.



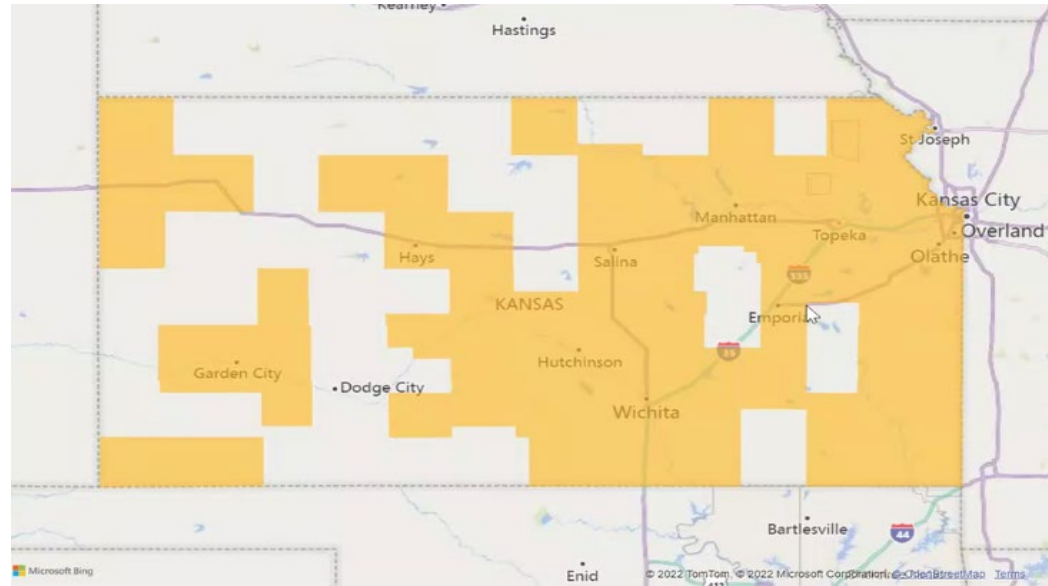
KERA Program Benchmarks

- Total Households Served: 22,642
- Total Landlords Made Whole: 8,205
- Total Payments Made: \$167.8M



KHAF Program Benchmarks

- Applications Submitted: 918
- Approved Amount: \$936k
- # Counties Represented: 66



KS Statewide Housing Needs Assessment 2021

- First comprehensive housing study in 27 years.
- Launched 2021:
 - 71 listening sessions statewide
 - 4,400+ survey respondents
- Study Released December 2021
 - [Executive Summary](#)
 - [Regional Assessment](#)
 - [Goals and Strategies](#)

STATEWIDE PERCEPTIONS

Data indicators provide a baseline understanding of the housing market. The people that experience the market every day provide an even greater understanding of the unique situations in each community. Voices from local officials, builders, real estate professionals, non-profits, chambers, seniors, and many other Kansans provide additional context to the data.

A robust tour and outreach in Kansas communities throughout 2021 supported many of the statewide indicators and provided direction on where to focus housing policy and programs going forward.

Online and Paper Perception Survey Responses

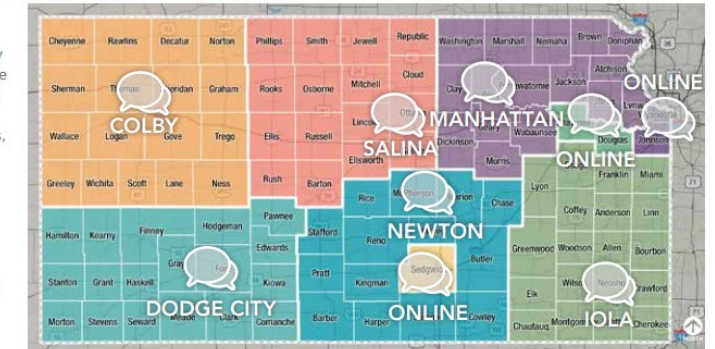
- 2,600+ Community members
- 341 Builders and developers
- 351 Housing service providers
- 515 City and county staff and elected officials
- 338 Real estate professionals

Regional Listening Sessions

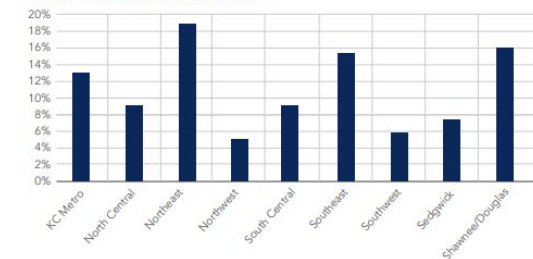
Seventy-one total online listening sessions across Kansas reached over 425 people.

An open in-person and virtual public forum in each of the nine regions offered further understanding and inventory of local communities.

Public Forum Road Tour - April and May 2021



Where Survey Respondents Live



KS Statewide Housing Needs Assessment 2021

EXECUTIVE SUMMARY

HOUSING GOALS

The community engagement and market analysis presented in the previous sections brought to light several key challenges and opportunities that face the state as it considers its capacity to meet housing needs during the next 10 to 15 years. This chapter provides the goals and potential strategies for addressing the state's housing priorities.



Add or free up more middle-income housing

Over the past two decades much of the new construction market has focused on units that are affordable to households making less than 80% of the area median income (AMI) or over 120% of AMI.

The need for these units continues, but the gap for the middle income ranges has only grown. Capital or incentives for these projects is often harder to find and returns on investments are seen as lower.

To address this, a mix of incentives should both improve existing housing units and generate new construction.

Diversify the state's housing stock to match local demographic and employee needs

Households have different housing needs. For many years the housing market focused on single-family detached homes with rental construction happening primarily in urban areas. The lack of varying housing types results in individuals staying in homes they do not prefer (or need), or entering homes that do not fit their stage of life or lifestyle. **A greater variety of housing products should provide options for households' needs at every stage of life.**

Extend housing security

Many communities across Kansas have existing affordable units. Some of these units are affordable because of their age. Others were specifically built to meet the needs of lower income households. **Preserving these existing units and reinvestment in the older units should ensure that the existing affordable units do not decrease.**

Increase reinvestment in older housing stock, including vacant units

Approximately 30% of Kansas' housing stock was built before 1960. Consequently, the condition of housing in many areas, especially rural, is below average. This housing is often referred to as naturally occurring affordable housing. **Continual reinvestment in this stock of housing will be important to meet existing and future housing needs. Reoccupying many of the suitable vacant units within this supply of housing is also essential to add affordable units without new construction.**

Address the building trades labor shortage

The construction of new housing and the rehabilitation of existing housing will be difficult to achieve without the workforce necessary to complete this work. Existing contractors are busier than ever and cannot keep up with the demand. **The recruitment and retention of this workforce will be necessary in all parts of the state.** Subsequently, this could also mean **investments in technological advancements and innovations** that experiment with new construction methods, faster construction processes, or other ways that help existing tradespeople be more efficient.

Extend existing human capital resources

Many communities and community leaders have identified strategies around housing development. This knowledge should be collected and shared with others around Kansas. Some of this is already done with KHRC and the Department of Commerce but **local innovations are opportunities for knowledge sharing at a broader level, even considering out-of-the box initiatives from other states.**

Overview of State Bills

- Funding
- Policy Pieces
 - Tax Bills
 - New Programs



Overview of State Bills

- Funding (House Sub. For Sub. For SB No. 267) *Status: Governor signed April 20, 2022*
 - \$20M for the MIH Program for FY 2022 from SGF
 - \$20M for SHTF for FY 2023 from SGF
 - Called “Rural Housing Revolving Loan Program”
 - From Governor’s Budget Amendment
 - *“Expenditures may be made from the rural housing revolving loan program account to provide loans or grants to rural communities for moderate-and-low-income housing development, including infrastructure necessary to support that development.”*



Overview of State Bills

- Funding (House Sub. For Sub. For SB No. 267) – Cont'd
 - \$20M for MIH for FY 2023 from ARPA funds
 - *“for the purpose of funding grants or loans that may be awarded to cities and counties to develop multi-family rental units and single-family for-purchase homes in communities with populations fewer than 60,000.”*



Overview of State Bills

- Program/Tax (House Bill No. 2237) – *Status: Governor signed May 5, 2022*
 - Tax Credits
 - Housing Investor Credit (SB 375)
 - KHRC would award tax credit for qualified investors who facilitate qualified housing investment
 - \$13M annually
 - Population Targeting
 - At least \$2.5M for counties under 8,000 population
 - At least \$2.5M for counties from 8,000-25,000 population
 - Up to \$8M for counties from 25,000-75,000
 - Kansas Affordable Housing Tax Credit Act (SB 369) [State LIHTC]



Overview of State Bills

- Kansas Rural Home Loan Guarantee Act (HB 2268)
 - Loan guarantee to cover gaps between costs and appraised value, 80%-125% LTV
 - Renovation or construction of a single-family home
 - Participating financial institutions must be approved by KHRC and enter into agreements
 - KHRC will be in second position with their loan
 - Max loan guarantee per home at \$100k
 - Counties under 10,000 eligible
 - Total amount of loan guarantees not to exceed \$2 million
 - Annual report to legislature required



MIH Basics

- Created in 2012
- Until this year, only current state funded housing program
- \$2 Million Annually
- Grants and loans to cities and counties with populations less than 60,000
- Eligible Activities:
 - Homeownership and rental housing development
 - Infrastructure combined with housing development
 - Down payment assistance



MIH – Selection Criteria

- Identify Housing **Need** and Urgency
- **Capacity** of Applicant
- **Use of Funds** and Impact
- **Community Support**
- Type and Value of **Leveraged Funds**
- **Loans over Grants**
- Thoroughness of **Application**
- **Applicant History**



MIH – Notable Projects

Marion

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



Atchison

- Awarded in 2018 to convert the downtown YMCA to 17 apartments
- Studios to 2 bedrooms
- Leveraged Historic Tax Credits



Program Plans – Considerations

- Three Different Pots of Funds
 - Loans, Funding Restrictions, Timelines, and Reporting Requirements
- New Tax Credit
 - Construction of housing units to facilitate investment in suitable housing that will support the growth of communities that lack adequate housing
 - Depending on Community Size – \$30,000 – 35,000 in credit/unit not to exceed \$2M for a development
 - Department of Revenue requirements



Program Plans

- Three Cycles Per Year
 - First Allocation – Prioritize Previous Unapproved Applicants; Award Approximately \$5M; Possibly Allow Larger Grants
 - Second Allocation – Award Approximately \$5M; Make Investor Tax Credits Available
 - Third Allocation – Award Approximately \$5M; Revolving Loan Funds
 - Subsequent Allocations – Fine tune, combine resources, and award MIH packages



Program Timeline – Proposed

Month	Tasks/Benchmarks		Tasks/Benchmarks
July	First Round RFP and Application Open	All Year	<ul style="list-style-type: none">• Disbursements• Site Reviews• Technical Assistance• Project Adjustments• Compliance and Project Close-Outs
September	First Round Applications Due		
November	First Round Award Announcements Second Round RFP and Application Open		
January	Second Round Applications Due		
March	Second Round Award Announcements Third Round RFP and Application Open		
May	Third Round Application Due		
July	Third Round Award Announcements Next RFP and Application Open		

MIH – What we are hearing...

- Multiple funding rounds/year is good
- Figuring out the new maximum request is important
- Appraisal issues in single family and multi family development
- Combining RHIDs and MIH
- Ensuring that communities can apply to meet their specific needs – continued flexibility in MIH is important



Low Income Housing Tax Credit/Development Basics

- Housing Tax Credits
 - Created in 1986
 - Promotes construction and rehabilitation of rental housing for working families by helping developers raise capital through Credit awards
 - Each state receives an annual inflation adjusted per person allocation
 - For 2023, Kansas will have \$7.7+ Million in Federal LIHTC
- [Qualified Allocation Plan](#)
 - Details Selection Criteria, Underwriting Standards, and Development Priorities
- Rents must be affordable to households earning 60% or less of the local area median income
- 30-Year Compliance Period
- Developments often utilize HOME and NHTF



State LIHTC Program Plans

- Updated Qualified Allocation Plan
 - Accounting for Additional Resources
 - 4% LIHTC / TE Projects
 - Rent Targeting
 - Underwriting Standards
- Department of Revenue



Low Income Housing Tax Credit/Development Timeline

Month	Benchmarks
June	Draft QAP
July	Draft QAP Published for Public Comment
September	Final QAP Released
October	LIHTC Application Released
November	4% TE Applications Open
January	Preliminary 9% LIHTC and Other Financing Applications Due
February	KHRC Invites 9% LIHTC Applications
May	9% LIHTC and Other Financing Full Applications Due
July	KHRC Announces 9% LIHTC and Other Financing Allocation Awards



2022 Kansas Housing Conference

The Dates: August 30 – September 1

The Location: Hyatt Regency Wichita

[Conference Website](#)



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