

STARS ARE ALIGNING

KHRC ANNUAL REPORT 2021

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Kansas Housing Resources Corporation

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A decorative graphic on the left side of the page features a light gray path that starts at the bottom left and curves upwards and to the right, ending with a large star. Several smaller stars are scattered along the path. A vertical orange line is positioned to the right of the numbers.

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RIISING STARS

LETTER FROM THE EXECUTIVE DIRECTOR



Ryan Vincent

Ryan Vincent
Executive Director

In our age of GPS and Siri, it's easy to forget that our ancestors once relied on the stars to navigate their journeys by sea. While a map feels nearly obsolete today, we still look to the stars for inspiration, imagination, and reflection.

In KHRC's 18th year navigating housing challenges, we've kept course on our mission while tacking through treacherous and challenging territory. Sometimes the headwinds have been crises, in cases such as the Greensburg tornado, the housing market meltdown of the Great Recession, or today's pandemic. Simultaneously, we're battling the undertow of our fundamental housing problems: lack of affordable housing, aging housing stock, rising construction costs, and lack of contractors. Yet we've stayed the course, waiting for that pivotal moment when the stars would align for long-term solutions. That moment has come.

Stars are Aligning for media narratives to focus on the need for pandemic emergency housing assistance, while addressing its underlying systemic causes.

Stars are Aligning for community leaders, employers, health care providers, educators, and citizens. They understand that we need quality homes if we want to build strong communities, a vibrant workforce, a healthy population, successful students, and happy families.

Stars are Aligning for policymakers in Washington and Topeka, who increasingly recognize that investing in housing yields enormous returns. Federal stimulus and recovery dollars and state budget surpluses present a once-in-a-generation opportunity to close our housing gaps.

This is our moment. Throughout 2021, we've laid the groundwork—through our first statewide housing needs assessment in nearly 30 years—to create innovative housing developments and essential supportive housing initiatives. We began the journey of building long-term partnerships and promoting housing stability through our Kansas Emergency Rental Assistance program and collaborated with housing partners to share best practices during our Kansas Housing Conference.

This is our moment. Our team at Kansas Housing stands ready to build on our successes of the past and continue our journey through uncharted waters. The stars have aligned to guide us. The need is vast. The opportunity beckons. The time is now. Will you join us? ✨

PROGRAM OVERVIEW

Kansas Housing Resources Corporation (KHRC) is a self-supporting, nonprofit, public corporation committed to helping Kansans access the safe, affordable housing they need and the dignity they deserve. KHRC serves as the state's housing finance agency, administering essential housing and community programs to serve Kansans.

Our **core values** guide our work, ensuring that we're *thorough, collaborative, nimble, transparent, and compassionate* in all we do.

KHRC serves:

- ★ Homeowners
- ★ Renters
- ★ Developers
- ★ Property managers
- ★ Emergency housing providers
- ★ Housing advocacy groups
- ★ Community service organizations
- ★ Local communities
- ★ Kansans experiencing homelessness
- ★ You



**KANSAS
HOUSING
CONFERENCE**

The 16th annual Kansas Housing Conference was held virtually for the second time in 2021, attracting more than 300 attendees and 25 speakers. Housing and community leaders participated in sessions on compliance training, housing policy, COVID response resources, energy efficiency, and diversity, equity, and inclusion. The 2022 Kansas Housing Conference is currently planned for Aug. 30 – Sept. 1 in Wichita.

HOUSING DEVELOPMENT:

Partnering with communities and developers to expand quality, affordable housing in Kansas.

- ★ Low Income Housing Tax Credits (LIHTC)
- ★ Moderate Income Housing (MIH)
- ★ HOME Rental Development
- ★ National Housing Trust Fund (NHTF)
- ★ Private Activity Bonds

EMERGENCY RESPONSE:

Responding to urgent housing needs caused by crisis.

- ★ Kansas Emergency Rental Assistance (KERA)
- ★ Kansas Homeowner Assistance Fund (KHAF – forthcoming)

COMMUNITY SOLUTIONS:

Providing community-based services to encourage financial stability and self-sufficiency.

- ★ Emergency Solutions Grant
- ★ Tenant Based Rental Assistance
- ★ Community Services Block Grant
- ★ Weatherization Assistance Program
- ★ First Time Homebuyer Program

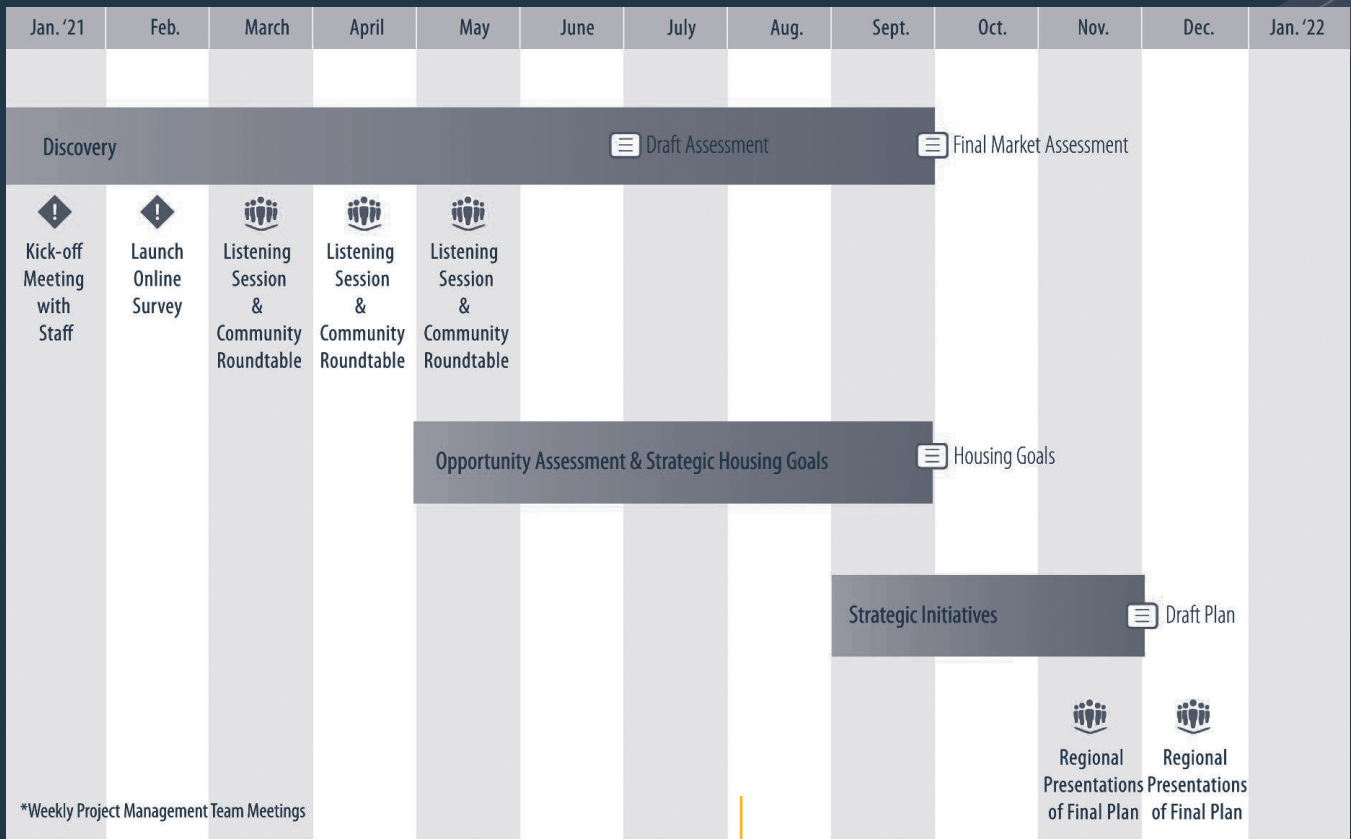
HOUSING COMPLIANCE:

Guaranteeing our state's affordable housing properties adhere to federal guidelines and meet our quality, accessibility, and administrative standards.

CONTRACT ADMINISTRATION:

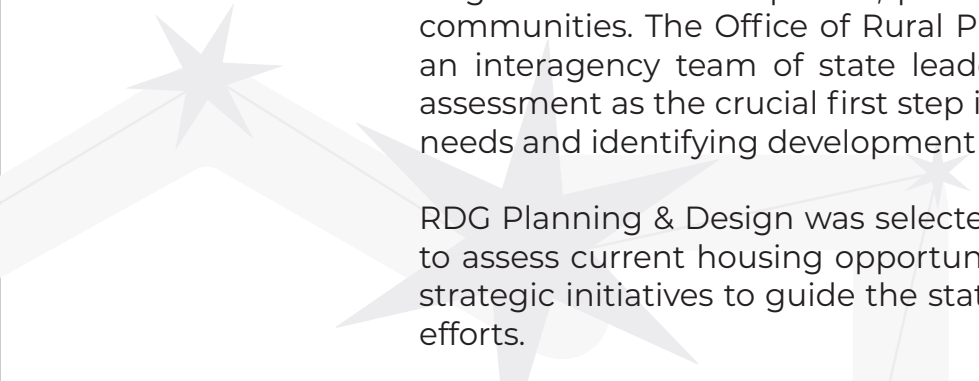
Administering the state's PBCA contract to ensure that Section 8 housing is safe, decent, and sanitary.

HOUSING NEEDS ASSESSMENT



HNA Timeline: Jan. 2021 – Jan. 2022

Image provided by RDG Planning & Design



In 2021, KHRC and the Office of Rural Prosperity launched the state's first comprehensive housing needs assessment in 27 years, aiming to address a decades-long shortage of data on existing housing resources and current and projected needs. A lack of quality, affordable housing is widely recognized as one of the state's biggest barriers to growth and development, particularly in rural and underserved communities. The Office of Rural Prosperity's Housing Work Group, an interagency team of state leaders, identified a comprehensive assessment as the crucial first step in addressing the state's housing needs and identifying development priorities.

RDG Planning & Design was selected via a competitive RFP process to assess current housing opportunities, identify goals, and develop strategic initiatives to guide the state's future housing development efforts.

Consultants partnered with KHRC staff and a statewide committee of housing stakeholders to manage the project over the course of the year. The team hosted a series of **71** virtual and in-person listening sessions with nearly **1,000** community participants across the state, as well as meetings with housing stakeholder groups. Consultants conducted a statewide survey of more than **4,400** respondents and analyzed census data to develop a comprehensive picture of the state's housing needs, current resources, and growth opportunities.

In December, the team hosted a series of statewide community meetings to discuss regional data and explore preliminary findings. The study revealed several key goals to address future housing needs:

- ★ Prioritize middle-income housing
- ★ Diversify housing stock
- ★ Extend housing security
- ★ Reinvest in older housing stock, including vacant units
- ★ Address the building trades labor shortage
- ★ Extend existing human capital resources

KHRC will collaborate with housing stakeholders to implement the study's recommendations as we look ahead to 2022.

COVID RESPONSE: KANSAS EMERGENCY RENTAL ASSISTANCE

ADDED INITIATIVE:

KERA's **Bridge to Housing Stability (BHS)** initiative has partnered with community organizations across the state, providing more than \$7.3 million to support Kansans who have become homeless while awaiting KERA funding. Bridge partners use KERA funds to provide hotel vouchers, case management, and rapid rehousing solutions for unhoused families and individuals.

LEGAL OUTREACH:

Through partnerships with the legal community, KERA has provided free representation to applicants engaged in eviction proceedings, as well as program resources and training to attorneys and judges. These efforts have helped tenants avoid eviction and helped landlords avoid legal action.

STATS:

- ★ 636 active evictions halted
- ★ 1,470 holds placed on utility disconnections
- ★ 322 utility services restored

As the pandemic stretched into 2021, Congress recognized the widespread urgency to provide additional rental assistance for those financially impacted by COVID. The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 was passed to meet the crisis head-on, and nearly \$200 million of these funds were appropriated to the state of Kansas.

Governor Kelly chose KHRC to administer its largest disbursement to date to launch the Kansas Emergency Rental Assistance (KERA) program. Since March 15, KERA has provided rental assistance to eligible landlords and tenants who have had difficulty paying or collecting rent due to a COVID hardship. Kansas tenants can apply online jointly with their landlords at kshousingcorp.org to receive up to 15 months past-due or future rental assistance. Additionally, households can apply for utility and internet assistance even if they don't have rental arrears. Households that have signed a new lease can apply for three months of prospective assistance at a time.

In just nine months, KERA has kept **30,972** Kansans stably housed through the end of the 2021 holiday season by providing **more than \$70 million** in rent, utility, and internet payments to **nearly 12,000** households across the state.

In September, the U.S. Treasury loosened federal guidelines, allowing applicants to self-attest to their 2020 household income, COVID hardship, and housing instability if documentation isn't readily available. This change has increased efficiency in application processing, allowing households to receive assistance in a more timely manner.

KERA METRICS AS OF DEC. 14, 2021

Current metrics can be found at <https://kshousingcorp.org/emergency-rental-assistance/>



28,547

TOTAL APPLICATIONS
SUBMITTED



6,413

APPLICATIONS
IN PROCESS



11,954

HOUSEHOLDS
SERVED



\$70M+

FUNDING
PROVIDED

SUPPLEMENTAL COVID FUNDING



EMERGENCY SOLUTIONS GRANT:

The Emergency Solutions Grant (ESG) program received a significant boost of \$14,852,352 through CARES Act funding in 2021. The funds supplemented current ESG providers in Kansas and expanded ESG services in new counties. These dollars helped providers expand their services for those experiencing or at risk of homelessness by:

- ✦ Making required renovations to their shelters
- ✦ Providing more emergency shelter beds
- ✦ Providing hotel/motel vouchers for those experiencing homelessness
- ✦ Serving more constituents with short- and medium-term rental assistance
- ✦ Increasing street outreach to connect those living outdoors with housing resources

COMMUNITY SOLUTIONS BLOCK GRANT:

CARES Act funding expanded the reach of the Community Solutions Block Grant (CSBG) program, allowing Community Action Agencies (CAAs) to provide basic needs to more individuals.

CAAs also received supplemental CARES funding, which expanded eligibility to cover more Kansans. These funds adjusted the income qualification level from 125% of the Federal Poverty Limit to 200% of the Federal Poverty Limit. The increase in income limits served more families in the income gap—those with earnings too high to qualify for most social services assistance who still struggled to get by. Often these families had never experienced such financial challenges prior to the pandemic.

Supplemental COVID funding provided additional resources to Kansans in need, including:

- ✦ Food
- ✦ Utility assistance
- ✦ Security deposits
- ✦ Medical bill support
- ✦ Support required to obtain or start a job

PROGRAM HIGHLIGHTS



Funds from a previous Moderate Income Housing (MIH) award were used to complete the 2021 construction of an environmentally efficient home in Stafford County, Kansas. The Stafford County economic development office partnered with Kansas State University College of Architecture, Planning and Design to plan and build the home. The unit will provide housing for AmeriCorps volunteers, allowing the county to recruit more workers.

HOUSING DEVELOPMENT:

- ★ **\$64.7 million** leveraged for rental housing development via low-income housing tax credits, HOME, and NHTF funds
- ★ **\$32.4 million** leveraged for rental housing development via external programs and partnerships
- ★ **12** housing developments funded
- ★ **544** quality, affordable homes funded across the state
- ★ **\$2 million** invested in **8** rural communities via the MIH program
- ★ **11%** increase in MIH apps since 2020, **15%** increase in funding requests
- ★ More than **\$7** leveraged for each **\$1** spent by the state on MIH

HOUSING COMPLIANCE:

- ★ Conducted **168** physical inspections
- ★ Completed **147** HOME and HTF rent reviews
- ★ Reviewed **557** annual reports
- ★ Completed **153** tenant file audits
- ★ Handled **61** tenant concerns

CONTRACT ADMINISTRATION:

In honor of Fair Housing Month, KHRC presented a free webinar to more than 450 housing professionals in April. Tim Herrman, Senior Compliance Officer, provided a 90-minute training on Fair Housing awareness and compliance.

In June 2021, the CA Finance team launched a yearlong training mini-series on topics such as Utility Allowances, Special Claims, Rent Adjustments, and Contract Renewals. Each session has been well attended, attracting approximately 150 Owner/Agents and several HUD staff.

- ★ **\$62.1 Million** paid in housing assistance on behalf of HUD tenants
- ★ **145** tenant concerns addressed, **3** of which were life-threatening
- ★ **\$226,000** paid to Section 8 owners through the first **3** rounds of COVID-19 supplemental payments to cover expenses associated with COVID risk mitigation
- ★ **184** Management Occupancy Reports completed
- ★ **17** Contract Renewals
- ★ **227** Rent Adjustments

PROGRAM HIGHLIGHTS



TESTIMONIAL: *Gabrielle and her children had fallen in love with the rental home they found through Interfaith Housing and Community services (see above). With the goal of homeownership in mind, Gabrielle began working on developing a system to track her spending and build her credit. She was excited to enter the Individual Development Account (IDA) Program, which offered a 2:1 match of her savings toward the purchase of the home. Gabrielle saved steadily to reach the program's maximum allowed savings of \$3,000 in 15 months. The program doubled her savings, adding another \$6,000 to her account. She continued to work diligently on her credit score, and with \$9,000 in savings, she was mortgage ready. Gabrielle worked with a lender who had experience with KHRC's First Time Homebuyer program, who helped her qualify for another \$12,750.00. These programs worked in tandem to make it possible for Gabrielle and her family to purchase their rental home with a monthly mortgage payment that fit into Gabrielle's target range.*

TESTIMONIAL: *The Mackey and Smith family of five were in danger of having their utilities disconnected. On top of this hardship, the father and sole earner of the family had recently been laid off due to the economic impacts of the pandemic. The stay-at-home mother of three, pregnant with her fourth child, contracted COVID herself. Her baby was born with the COVID virus. The family's rent for their Section 8 Project Based Housing was quickly adjusted based on zero family income; however, they still needed to pay utilities. Thankfully, the Economic Opportunity Foundation (EOF) stepped in with CSBG funds to pay the entirety of their outstanding utility bills, and enrolled the father in the Employment Assistance Program. By the end of September 2021, he was on his way to securing sustainable employment to support his family.*

COMMUNITY SOLUTIONS:

COMMUNITY SERVICES BLOCK GRANT:

- ★ **13,032** Kansans received community services

EMERGENCY SOLUTIONS GRANT:

- ★ **3,463** Kansans received emergency services
- ★ **288** Kansans prevented from becoming homeless
- ★ Provided rapid rehousing for **698** Kansans
- ★ Provided **2,295** Kansans with emergency shelter assistance
- ★ Provided street outreach to **126** Kansans

WEATHERIZATION:

COVID brought significant challenges in safely entering clients' homes to provide weatherization services and upgrades. However, the importance of our work brought on new meaning as so many individuals and families worked, lived, and sheltered in place during 2021. Despite the challenges, the weatherization program was still able to deliver services to 857 households this past year.

- ★ **857** homes weatherized
- ★ **530** heating sources installed
- ★ **62%** of homes received a new primary heating source
- ★ **28.77%** air infiltration reduction in weatherized homes
- ★ **810,658** square feet of insulation installed
- ★ **8,797** LEDs installed
- ★ **137** Energy Star refrigerators installed
- ★ **102** new air conditioners installed
- ★ **233** ventilation fans installed to improve indoor air quality

FIRST TIME HOMEBUYER:

- ★ **35** Kansas households realized the dream of homeownership

TENANT BASED RENTAL ASSISTANCE:

- ★ **752** Kansas households received rental assistance

RISING STARS

ON THE HORIZON IN 2022

“I’m a small business owner that serves local restaurants, and I never needed to ask for any kind of financial assistance before. But because restaurants have struggled through the pandemic, my business suffered too. Finally, when the money from my SBA loan ran out in 2020, my family had to choose between paying rent or utilities, and luckily my landlord knew about the KERA program.

It took me less than 10 minutes to fill out the KERA application, and when I had questions, the customer service team was incredibly helpful and efficient. After my landlord was paid for past-due rent, I was able to apply for future rental assistance.

The KERA program allowed me to keep my small business running and be there for my clients. It also took away any worries about losing our home. I’ve never seen a government program this simple. I’ve told several people to apply now, and they’ve been funded and are doing well again.”

– Nick Baumgartner, *Tenant*

“As a landlord, I got to the point of depending on rental income as a sole means of support in 2021. So, it was critical for both me and the tenants to apply for KERA. I told my tenants who were behind on rent, ‘I’m not going to evict you, as long as you apply for assistance.’ Many of them have children, and this pandemic is something nobody planned on. I’m doing what’s best for all of us.

I would tell any other landlords to talk to your tenants who are behind on rent about the KERA program. Share the website with them and apply jointly.

As long as your tenants are eligible, you’re going to get paid. I’ve already gotten paid for two of my tenant households, and I’m awaiting payment on a third.”

– Zach Storm, *Landlord*

KANSAS EMERGENCY RENTAL ASSISTANCE:

KHRC will receive an additional \$100 million in KERA funding allocated through the American Rescue Plan Act (ARPA). KHRC anticipates the total KERA funding will sufficiently serve all eligible Kansas tenant households through 2025.

KANSAS HOMEOWNER ASSISTANCE FUND:

The Kansas Homeowner Assistance Fund (KHAF) will launch in 2022 with \$56,648,216 in American Rescue Plan Act (ARPA) funds. KHAF will help eligible Kansas households financially impacted by the pandemic to get current on their mortgages and avoid foreclosure. KHAF will take a holistic approach by allocating up to 5% of its funding to HUD housing counseling agencies, which will offer homeowners additional resources. KHAF funds will assist homeowners with paying:

- ★ Mortgages
- ★ Property taxes
- ★ Homeowners' insurance

HOUSING DEVELOPMENT:

KHRC's Housing Development division looks forward to receiving \$22.9 million in American Rescue Plan HOME-ARP funds in 2022. The division will draft a plan in the coming months that serves the following qualifying populations:

- ★ Those at risk of homelessness
- ★ Those experiencing homelessness
- ★ Those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking
- ★ Veterans and families that include a veteran family member
- ★ Other families

Qualifying populations will be eligible for:

- ★ Non-Congregate Shelter (NCS)
- ★ Acquisition, construction, and rehabilitation of rental housing
- ★ Supportive services
- ★ Tenant Based Rental Assistance Funding: rental assistance, security deposits, utility deposits and utility payments



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