

STATE OF KANSAS
Department of Commerce

Fiscal Year 2027

**ANNUAL ACTION PLAN
SUBSTANTIAL AMENDMENT**

For Activities Funded by the Following Federal Program:
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

David Toland, Secretary

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

Substantial Amendment to the 2025 Annual Action Plan

Kansas State Consolidated Plan

The Kansas Department of Commerce proposes a substantial amendment to the 2025 Annual Action Plan. This amendment outlines one key update to the use of Community Development Block Grant (CDBG) funds, emphasizing efficient management of the annual allocation and support for critical community development needs.

1. Multi-unit Housing Pilot

Authorize the use of up to \$1,000,000 in uncommitted and available prior-year CDBG funds to establish a special housing rehabilitation pilot project for an eight-unit apartment property in Iola, Kansas, that was significantly damaged by fire. The project will support the rehabilitation and preservation of the existing multi-unit residential property and its return to safe, decent, and suitable housing. CDBG funds will be used for eligible rehabilitation activities, subject to applicable CDBG requirements, including national objective, environmental review, affordability, underwriting, procurement, and other federal and State requirements. The project will serve as a pilot for evaluating the feasibility of using State CDBG funds for multi-unit housing rehabilitation and will provide Commerce with experience in developing appropriate policies, procedures, and compliance requirements for potential future housing rehabilitation projects.

2. Economic Development – Business Finance Activities

Effective upon approval of the Substantial Amendment, expand the Kansas CDBG Economic Development Program to allow eligible business finance activities. Business finance activities will be subject to all applicable federal and state CDBG requirements, including national objective, underwriting, public benefit, job creation or retention, financial feasibility, and other applicable program requirements. This change will provide communities with additional flexibility to use CDBG resources to support business development, expansion, retention, and job creation. This program is funded by the state Revolving Loan Fund.

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The following table displays the anticipated resources to be allocated to non-entitlement areas of Kansas broken down by program type. The 2025 HUD allocations are reflected in the “Annual Allocation” column below. The “Expected Amount Available Remainder of Con Plan” column is a projection of funds to be available for program years 2025-2028. As with previous Consolidated Plans for the State of Kansas, the “Expected Amount Available Remainder of Con Plan” column is generated by multiplying the annual allocation by four, representing years 2-5 of the Consolidated Plan cycle. The relevant years will be adjusted as allocations are made and more precise assumptions can be made on program income.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$14,901,309.00	\$14,750,000.00	0	\$28,901,309	70,709,894.00	Kansas requires all CDBG funds to be matched by receiving communities. While not federally required, leveraging CDBG dollars maximizes the benefit to LMI persons.

Table 1 - Expected Resources – Priority Table

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Water and Sewer Improvements	2024	2028	Water and sewer improvements		Water & Sewer Improvements	CDBG: \$3,500,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted
2	Increase the quality of affordable housing	2024	2028	Affordable Housing		Affordable Housing	CDBG: \$1,000,000	Homeowner Housing Rehabilitated: 30 Household Housing Unit
3	Community Facilities	2024	2028	Non-Housing Community Development		Community Facility Improvements	CDBG: \$20,500,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 30000 Persons Assisted
4	Public Services	2024	2028	Non-Housing Community Development		Public Service	CDBG: \$500,000	Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted
5	Commercial Rehabilitation	2024	2028			Downtown Commercial Rehabilitation	CDBG: \$1,500,000	Facade treatment/business building rehabilitation: 5 Business

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Urgent Need	2024	2028	Affordable Housing Non-Housing Community Development		Affordable Housing	CDBG: \$200,000	Other: 1 Other
7	State Administration and Technical Assistance	2024	2028	Administration		Affordable Housing	CDBG: \$547,000 HOME: \$587,150	Other: 1 Other
8	Economic Development	2024	2028	Non-Housing Community Development		Economic Development	CDBG: \$750,000	Jobs created/retained: 55 Jobs Businesses assisted: 3 Businesses Assisted
9	Multi-Unit Housing Rehabilitation	2024	2028	Affordable Housing		Affordable Housing	CDBG: \$1,000,000	Rental units rehabilitated: 8 Household Housing Unit

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Water and Sewer Improvements
	Goal Description	
2	Goal Name	Increase the quality of affordable housing
	Goal Description	

3	Goal Name	Community Facilities
	Goal Description	
4	Goal Name	Public Services
	Goal Description	
5	Goal Name	Commercial Rehabilitation
	Goal Description	
6	Goal Name	Urgent Need
	Goal Description	
7	Goal Name	State Administration and Technical Assistance
	Goal Description	
8	Goal Name	First Time Homebuyers
	Goal Description	
9	Goal Name	HOME Rental Development
	Goal Description	
10	Goal Name	Tenant Based Rental Assistance
	Goal Description	
11	Goal Name	Emergency Solutions Grant (ESG) Program
	Goal Description	
12	Goal Name	Housing Opportunities for Persons with AIDS -HOPWA
	Goal Description	

13	Goal Name	Housing Trust Fund (HTF)
	Goal Description	
14	Goal Name	Economic Development
	Goal Description	
15	Goal Name	Multi-unit Housing
	Goal Description	

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

The below matrix discusses in detail how activities funded through the CDBG, HOME, HTF, ESG, and HOPWA will be distributed.

Distribution Methods

Table 3 - Distribution Methods by State Program

1	State Program Name:	Multi-Unit Housing Rehabilitation Pilot – Iola
	Funding Sources:	CDBG

Describe the state program addressed by the Method of Distribution.	The purpose of the Multi-Unit Housing Rehabilitation Pilot is to address the shortage of safe, affordable, and available housing by supporting the substantial rehabilitation of existing multi-unit residential properties. The State of Kansas will use up to \$1,000,000 in CDBG funds for a pilot project in Iola, Kansas, to rehabilitate an existing multi-unit property and expand the community's supply of affordable housing. The project will be structured to meet all applicable CDBG eligibility requirements and will be required to demonstrate compliance with the applicable national objective, eligible activity requirements, affordability requirements, and all other federal and state requirements.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	N/A. This is not a competitive application process. The Annual Action Plan will allocate up to \$1,000,000 in CDBG funds directly to the identified Iola multi-unit housing rehabilitation project. The project will be required to comply with all applicable CDBG eligibility requirements, including the applicable national objective, eligible activity requirements, environmental review, labor standards, procurement, relocation requirements, affordability requirements, and other applicable federal and state requirements.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A. This is a designated project allocation and is not being offered through a competitive application process.

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	The maximum CDBG allocation for the Iola multi-unit housing rehabilitation project is \$1,000,000. Because this is a designated project allocation rather than a competitive funding round, there is no application threshold or competitive scoring process. The project must, however, meet all applicable CDBG requirements and receive all required state and federal approvals prior to the expenditure of funds.

Describe threshold factors and grant size limits.	The maximum CDBG allocation for the Iola multi-unit housing rehabilitation project is \$1,000,000. Because this is a designated project allocation rather than a competitive funding round, there is no application threshold or competitive scoring process. The project must, however, meet all applicable CDBG requirements and receive all required state and federal approvals prior to the expenditure of funds.
What are the outcome measures expected as a result of the method of distribution?	The expected outcome is the substantial rehabilitation of an existing multi-unit residential property in Iola, resulting in the preservation and/or creation of multiple safe, decent, and affordable housing units. The project will also serve as a pilot for evaluating the use of CDBG funds for multi-unit housing rehabilitation as a potential strategy for addressing housing shortages in other Kansas communities.