



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.

In addition, KHRC administers the State Housing Trust Fund (SHTF), a statutorily created fund with the stated purpose of supporting housing programs and services. 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 FY2018 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 contact for the MIH program is:

Fred Bentley, Director of Rental Development
E-mail: fbentley@kshousingcorp.org
Phone: 785-217-2029

RFP Overview

Under the MIH RFP, KHRC expects to release up to \$2 million. **Under the legislation, KHRC shall only use the funds for loans or grants to cities or counties for infrastructure or 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 the Bill. 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.

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) infrastructure necessary to support housing; or (2) actual housing development, including acquisition of real property, new construction, modular or manufactured housing and/or rehabilitation of existing vacant housing.

This RFP has been structured to allow maximum 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 proposals under this RFP is **5:00 PM on Friday, September 7, 2018**. If not submitted electronically, applications should be sent to:

Kansas Housing Resources Corporation
Moderate Income Housing RFP
611 S. Kansas Ave., Suite 300
Topeka, Kansas 66603

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 details);
 - 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 done by or on behalf of the community if applicable.*
- 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

- b. *Meet the minimum standards of the 2012 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

To maximize the impact of this RFP, KHRC is giving priority to applications that leverage other sources of available funding, both private and public. 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.

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 ten years of its construction or rehabilitation.

RFP Award Process

Applications will be collected and evaluated by a review team of experienced KHRC program staff.

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 around December 1, 2018.

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.

Compliance Monitoring

KHRC will monitor an awardee's compliance with applicable requirements of this RFP and any agreement entered into 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.

Attachment A: RFP Income Target



Moderate Income Housing Income Range HUD's FY 2018 Income Limits

		1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Maximum	150%	\$ 78,781	\$ 87,750	\$ 98,719	\$ 109,688	\$ 118,406	\$ 127,219	\$ 135,938	\$ 144,750
Minimum	60%	\$ 30,713	\$ 35,100	\$ 39,488	\$ 43,875	\$ 47,363	\$ 50,888	\$ 54,375	\$ 57,900

Based upon HUD's FY 2018 State Income Limits

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. Leveraged Funds

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

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

7. 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

8. 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