

**APPLICATION FOR
FEDERAL ASSISTANCE**

1. Type of Submission Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	2. Date Submitted (mm/dd/yyyy) November 17, 2003	Applicant Identifier
	3. Date Received by State (mm/dd/yyyy)	State Applicant Identifier M-04-SG-20-0100
Preapplication <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	4. Date Received by Federal Agency (mm/dd/yyyy)	Federal Identifier 137043662

5. APPLICANT INFORMATION

Legal Name: Kansas Housing Resources Corporation	Organizational Unit: Homeownership and Rental Housing divisions
Address (give city, county, state, and zip code): 1000 SW Jackson Street, Suite 150 Topeka, Shawnee County, Kansas 66612-1372	Name and telephone number of the person to be contacted on matters involving this application (give area code) Joey G. Bahner (785) 296-0081

6. EMPLOYER IDENTIFICATION NUMBER (EIN):

7 1 - 0 9 5 0 7 2 9

8. TYPE OF APPLICATION:

New Continuation Revision

If Revision, enter appropriate letter(s) in box(es):

- A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (specify):

7. TYPE OF APPLICANT:
(enter appropriate letter in box)

A

- A. State I. State Controlled Institution of Higher Learning
B. County J. Private University
C. Municipal K. Indian Tribe
D. Township L. Individual
E. Interstate M. Profit Organization
F. Intermunicipal N. Nonprofit
G. Special District O. Public Housing Agency
H. Independent School Dist. P. Other (Specify)

9. NAME OF FEDERAL AGENCY:

U.S. Department of Housing and Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: (xx-yyy)

1 4 . 2 3 9

TITLE: **HOME Investment Partnerships Program**

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

**First Time Homebuyers
Community Housing Development Organizations
Homeowner Rehabilitation
Tenant Based Rental Assistance**

12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.):

State of Kansas

13. PROPOSED PROJECT:

14. CONGRESSIONAL DISTRICTS OF:

Start Date (mm/dd/yyyy)	Ending Date (mm/dd/yyyy)
01/01/04	12/31/04

a. Applicant	b. Project
All Kansas Districts	State of Kansas

15. ESTIMATED FUNDING:

a. Federal	\$	8,665,020
b. 2003 American Dream Downpayment Initiative (ADDI)	\$	431,294
c. 2004 American Dream Downpayment Initiative (ADDI)	\$	400,637
d. State	\$	1,938,358
e. Other	\$	14,275,500
f. Program Income	\$	
g. TOTAL	\$	25,710,809


16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

- a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:
DATE (mm/dd/yyyy) _____
- b. NO. PROGRAM IS NOT COVERED BY E.O. 12372
OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

Yes If "Yes," attach an explanation. No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Typed Name of Authorized Representative Stephen R. Weatherford	b. Title President	c. Telephone number 785-357-4445
d. Signature of Authorized Representative 		e. Date Signed (mm/dd/yyyy) October 24, 2003

Home Investment Partnerships Program*

Use of Funds

Consistent with the Consolidated Plan, the Kansas Housing Resources Corporation's HOME Investment Partnerships Program (HOME) will distribute funds primarily through a competitive selection process to state recipients and/or subrecipients. The Kansas Housing Resources Corporation (KHRC) will make all funding decisions. Table 1 shows the projected use of HOME funds and American Dream Downpayment Initiative (ADDI) funds for federal fiscal year (FFY) 2004.

Matching funds are a requirement for HOME in FFY 2004. Grant recipients will be encouraged to provide their match for the HOME funds. Any shortfall will be covered by funds that the KHRC designates from its Housing Fund to match the FFY 2004 allocation.

The KHRC will set aside 10 percent of the HOME FFY 2004 allocation for administrative reserve. Up to one half of the 10 percent set-aside will be made available to grant recipients for administration, and will be limited to reimbursement of expenses actually incurred by the recipient.

The KHRC reserves the right to reject an application for HOME or ADDI funds if the project is not cost effective or consistent with HOME or ADDI Program priorities and objectives.

All HOME and ADDI loan and grant categories require compliance with the K.S.A. 58-1402 Accessibility Standards, Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, and Fair Housing Act, as applicable.

ADDI Strategy

As planned use, the KHRC will assist 106 households with First Time Homebuyer (FTHB) assistance using the ADDI, including 44 with the 2003 allocation and 40 with the 2004 allocation.

As targeted outreach, the KHRC will provide expanded FTHB training to the Kansas Lenders Consortium, by including ADDI. As a new outreach effort, the KHRC will coordinate with the Kansas Chapter of the National Association of Housing and Redevelopment Officials to publicize ADDI opportunities for public housing residents. Also, as new outreach, the KHRC will coordinate with the Kansas Manufactured Housing Association to publicize ADDI opportunities for mobile home residents. Further, as proactive networking, the KHRC will publicize ADDI opportunities through its existing housing programs, especially the Community Services Block Grant and Emergency Shelter Grant.

To ensure suitability of families, the KHRC will screen ADDI applicants for homebuyer assistance under its established HOME criteria for the FTHB program. This includes HOME pre-purchase counseling, recapture and resale guidelines.

*Amended April 19, 2004, to include provisions of the American Dream Downpayment Initiative (ADDI).

Table 1

STATE OF KANSAS HOME DISTRIBUTION FY 2004						
Distribution of Funds	HOME Dollars	HOME Percent	Estimated Matching Dollars	Estimated Dollars per Unit HOME	Estimated Dollars per Unit Private	Approximate Number of Units
CHDO's	\$ 1,733,004	19	\$ 433,251	\$ 25,000	\$ 556,500 ((\$5,300 *105 units)	105
Tenant Based Rental Assistance	1,299,753	14	324,938	5,400 (\$225/mo x 24 mos)	-	300
Homeowner Rehabilitation	2,123,126	23	530,782	25,000	-	106
Homeowner 1st Time Homebuyers	2,166,255	24	541,564	12,000	-	225
American Dream Downpayment Initiative 2003	431,294	5	107,824	12,000	-	44
Lenders Consortium					13,719,000 (\$51,000 *269 units)	
TOTAL HOME ASSISTANCE	7,753,432	85				780
TOTAL ESTIMATED MATCH			1,938,358			
TOTAL LEVERAGING DOLLARS					14,275,500	
Participating Jurisdiction Admin Reserve	909,631	10				
CHDO Operating Expense Set-aside	433,251	5				
Total HOME Allocation	9,096,314	100				
ADDI Funds						
ADDI 2004	400,637			10,000		40
Total 2004 HOME Allocation & ADDI 2003 Funds	9,096,314					
Total ADDI 2004 Funds	400,637					
Total Estimated Match	1,938,358					
Total Leveraging Dollars	14,275,500					
GRAND TOTAL	\$ 25,710,809					

First Time Homebuyers

Resources Expected. Approximately \$3.1 million, including the 2003 and 2004 ADDI.

Proposed Activities. The First Time Homebuyers program, including the ADDI, will be administered in partnership with lending institutions. The State will enter into agreements with lenders to provide leveraging of the funds allotted to the program.

Specific Objectives. The State has established a lender's consortium to leverage funds for First Time Homebuyers downpayment assistance, including under the ADDI. Private lenders are expected to leverage the funds by providing first mortgage loans.

Priority Needs. A qualified First Time Homebuyer, who needs accessibility modifications made to a property to enable her/him to use the home as her/his principal residence, may apply for funds in addition to the downpayment assistance. Up to \$5,000 can be made available for permanent modifications to the homes. For 2004 ADDI, other rehabilitation funds are available, also.

Geographic Areas. Program funds are made available for first-time homebuyer activities on a first come, first-served basis to applicants outside the entitlement jurisdictions of Kansas City, Johnson County, Lawrence, Shawnee, Topeka, and Wichita.

Distribution of Funds. Funds are distributed to applicants on a first come, first-served basis.

Criteria for Selection. Families assisted must be low-income, 80 percent or below of area median income. They must be first-time homebuyers, utilizing the homes purchased as their principal residences for the required affordability period.

Threshold Factors. The families must not pay more than 30 percent of their incomes toward their housing debt ratio. They must invest \$500 or two percent of the sale price, whichever is greater. A buyer can only invest more than two percent to cover closing costs.

Grant Size Limits. For HOME and 2003 ADDI, up to 30 percent of the purchase price of a unit, or \$25,000, will be made available to qualified buyers to assist with downpayments, closing costs, and legal fees. For 2004 ADDI, up to \$10,000 or six percent of the purchase price, whichever is greater, will be available for qualified buyers.

Recapture. The soft second mortgage will be forgiven proportionately over a period of 60 months, if less than \$15,000; or, over a period of 120 months, if \$15,000 to \$25,000. The interest-free mortgage portion of the subsidy will be repaid in full upon transfer of title any time within the initial 10-year period.

Therefore, restrictions are as follows:

<u>Subsidy Amount</u>	<u>½ Soft Second</u>	and	<u>½ Interest Free Mortgage</u>
Up to \$14,999	5 years		10 years
\$15,000-\$25,000	10 years		10 years

Homeowner Rehabilitation

Resources Expected. Approximately \$1.5 million to \$2.0 million.

Proposed Activities. HOME program funding will be allocated under written agreement to local jurisdictions that apply as third-party program administrators, referred to as State recipients, on a competitive basis, after meeting organizational capacity and threshold requirements for rehabilitating existing owner-occupied housing in their own communities.

Priority Needs. After thresholds have been met, rating criteria will favor local areas with the greatest amount of housing in need of rehabilitation, compared to other applicants. Priority will also be given to applicants that propose to undertake rehabilitation of property owned by elderly homeowners and those with the lowest incomes. Other priority needs will be persons with disabilities.

Specific Objectives. Through partnership with local governments, funding will support the objective of the HOME program to provide affordable housing to lower income households by expanding and maintaining the supply of decent, safe, sanitary, and affordable housing through rehabilitation of existing housing stock. One hundred percent of the funds are to be used to assist households with incomes less than 80 percent of area median income.

Geographic Areas. Program funds are made available for homeowner rehabilitation activities to local units of government, outside the entitlement jurisdictions of Kansas City, Johnson County, Lawrence, Topeka, and Wichita.

Distribution of Funds. Funds will be distributed, on a competitive basis, after thresholds have been met and applicants have demonstrated organizational capacity to deliver a federally funded housing program with a construction/rehabilitation component in a cost effective manner.

Criteria for Selection. Applicants are selected based on an organization's ability to carry out all required federal and state regulations and policies; demonstration of knowledge and experience with construction methods, practices of building, housing codes inspection, specifications writing, and construction project management.

Threshold Factors. An applicant's organizational capacity to perform a program with a construction/rehabilitation component will be reviewed. An applicant must provide evidence of having qualified building and housing code inspectors, who have the ability to prepare detailed sets of construction/rehabilitation work specifications for bid; also, an applicant must have qualified lead-based paint hazard reduction contractors. The performance of applicants with

awards from previous years will be reviewed. Due to the need for planning and organizing to deliver a program with a construction management component and new lead-based paint requirements, all new applicants will be required to first attend pre-application conferences.

Grant Size Limits. \$400,000.

Recapture. Because federal spending deadlines are mandated, organizations must be ready to deliver the program, having the required capacity and necessary skills in housing construction or rehabilitation already in place. Twelve months after commencement, funding will be recaptured and made available to other entities, if a recipient has not yet committed any funds. After twenty-four months, funds left uncommitted to specific projects will be recaptured and reallocated.

Community Housing Development Organizations

Housing Development

Regarding identified needs in the Consolidated Plan, eligible activities will be acquisition and rehabilitation of existing rental housing, rehabilitation of existing rental housing, new construction of rental housing, and new construction of single family homes for homeownership. Homebuyers must earn no more than 80 percent of the area median gross income. Renters who earn no more than 60 percent of the area median gross income must initially occupy 90 percent of the rental units, and the rent on those units cannot exceed the HOME maximum rents.

The Kansas Housing Resources Corporation (KHRC) will approve applications that achieve an equitable geographic distribution of funds and that are consistent with the Consolidated Plan, within the limitations of the funds available and the applications received.

To satisfy the Community Housing Development Organizations (CHDO) set-aside requirements of the HOME program, the KHRC shall reserve an amount equal to 15 percent of the total HOME allocation for CHDOs acting as owner, developer, or sponsor of a housing development. Any amount of funds in excess of the 15 percent set-aside requirement may be allocated to CHDOs or non-profit organizations working to become a CHDO.

The KHRC will also allocate up to 5 percent of the total HOME allocation for CHDO operating expenses. The amount awarded is entirely at the discretion of the KHRC, and funds not utilized for CHDO operating may be allocated as HOME housing development funds.

Distribution of Funds

The application process for HOME housing development funds is competitive. A formal system will be used to evaluate, select, and fund applications for loans. The selection criteria are designed to facilitate an objective assessment of the housing needs of the area and the applicant's ability to provide an effective and timely response.

Before an application is scored and ranked, it must meet the threshold requirements:

- The applicant must either:
 - Be certified as a CHDO with the KHRC, or
 - Must have its certification application submitted to the KHRC prior to the application deadline and be able to satisfy the CHDO requirements prior to funding, or
 - Must be a non-profit organization working toward becoming a CHDO.
- The application must be received by the KHRC prior to the deadline, be complete and signed by the Chief Executive Officer of the organization.
- The application must be for the acquisition and rehabilitation, rehabilitation, or new construction of rental housing; or new construction of single family homes for homeownership.
- The application may not request more than \$300,000 in project funds for a particular development.

Tenant Based Rental Assistance

Resources Expected

Federal: \$1,283,550

Proposed Activities

Priority Needs. Eligibility for the program is based on income. Not less than 90 percent of the families assisted must be at 60 percent or below the area median income and 10 percent may be at 80 percent or below the area median income. Subgrantees may establish Tenant Based Rental Assistance (TBRA) preferences such as those for persons with disabilities, the elderly, and homeless Kansans. Housing Authorities, nonprofit agencies, and others may apply for funding.

Specific Objectives. TBRA funds are used to make housing affordable for income-eligible families, the elderly, and persons with disabilities. Eligible activities include rental subsidy, security deposit, and/or utility deposit programs. Rental assistance and security deposit programs may be freestanding programs. U.S. Department of Housing and Urban Development (HUD) fair market rent and income guidelines are utilized for income and rent calculations.

Geographic Areas. All counties in Kansas are eligible to receive TBRA Program funding.

Distribution of Funds

Methodology. Funding is distributed monthly through Integrated Disbursement and Information System (IDIS) drawdowns involving the HUD federal program, the Kansas State Treasury, and direct deposit to subgrantee agencies. Rental assistance is paid, month by month by the

subgrantee, in the form of a rental assistance payment directly to the landlord and/or the local utility (electric, gas, water) provider.

Criteria for Selection. There are three application ratings criteria for the program: Project Need (100 Points); Project Impact (100 Points); and Match (50 Points).

Project Need relates to special populations addressed in the application, such as the homeless, involuntarily displaced, etc. Points are awarded for those paying more than 30 percent of income for rent, more than 50 percent of income for rent, the number of homeless persons identified in the application, the number of identified single parent households, poverty levels to be targeted, length of the agency's waiting list, special population needs, and overall community need. Project Impact relates to the capacity of the applicant to operate and maintain a rental subsidy program and the degree of community impact on identified needs. An additional 50 points is awarded for Matching Funds. (See the TBRA Program Application.)

Threshold Factors. Threshold factors include assurances, certifications, housing needs narrative, impact narrative, completion of a budget worksheet, inclusion of a funding summary, and inclusion of the agency's administrative plan. Previously non-participating jurisdictions are given priority application status.

Grant Size Limits. Grant applications may not exceed \$300,000. A five percent administrative fee is added to the total awarded the subgrantee.

Recapture. Grantees have two years, from commencement of the grant, to commit all funds and a third year to expend all funds. Funding remaining at the end of the three-year funding cycle is recaptured.

Other Forms of Investment

The State of Kansas does not plan to make other forms of investment with HOME funds.

Grant Announcement and Award Schedule

First Time Homebuyers

- | | | | |
|----|-----------|-------------------------------------|----------------------------------|
| a. | Round One | Lenders Training
Funds Available | August 2004
September 1, 2004 |
| b. | Round Two | Lenders Training
Funds Available | February 2005
March 1, 2005 |

Homeowner Rehabilitation

- | | | | |
|----|----------------------------------|--|-------------------|
| a. | Application Deadline | | September 7, 2004 |
| b. | Award Announcement (on or about) | | November 2, 2004 |
| c. | Grantee Workshop | | To be announced |

Community Housing Development Organizations (CHDOs)

- | | | | |
|----|--|--|------------------|
| a. | Application Deadline for Rental Units | | February 6, 2004 |
| b. | Award Announcement (on or about) | | May 7, 2004 |
| c. | Grantee Workshop | | To be announced |
| d. | Application Deadline for Homeowner Units | | To be announced |

Tenant Based Rental Assistance (TBRA)

- | | | | |
|----|----------------------------------|--|-------------------|
| a. | Application Deadline | | September 7, 2004 |
| b. | Award Announcement (on or about) | | November 2, 2004 |
| c. | Grantee Workshop | | To be announced. |