



City Commission Special Meeting

Monday, October 23, 2023 at 6:00 PM
Commission Chambers, 124 S Bluff, Anthony, KS 67003

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

ITEMS OF BUSINESS

1. Power Plant Gas Service Customer Type Selection
- [2.](#) Solar Tax Credits and the KCC Grid Resilience Grant
- [3.](#) SCKEDD Grant Writing Contract for CDBG Housing Grant
- [4.](#) Resolution No. 1136 KHITC and/or MIH Grant Approval
5. Sunrise Development Housing Standards
6. Seed Grant Banner Design Review
7. 2024 Strategic Planning Prep

ADJOURNMENT

Electric Department Infrastructure Grant Considerations

For Electric Distribution Department Capital Repair Needs:

KCC has announced their BIL projects and one of them is a grant that can be used for grid resilience which can include updating our infrastructure in need of repair. As you know, we are trying to catch up our outdated distribution maintenance and have alleys and poles that need replaced. This funding mechanism could be a possible opportunity to do that. For more information, feel free to review the following link:

<https://www.kcc.ks.gov/kansas-energy-office/formula-grant-for-preventing-outages-and-enhancing-the-resilience-of-the-electric-grid>

For Solar Farm Benefits to the Rate Payer:

The goal with power is to make our portfolio as diverse as necessary to secure the best possible rates to our citizens. Everyone right now is of course looking at solar due to the tax credits available. This is an update of our solar options.

Note – The City has shown interest in both contracting for solar power and or constructing a local solar farm. KMEA wrote a large grant to construct a solar farm with the intention to make contracting available to our cities. We are on the list for this. They received word 2 weeks ago that their Letter of Interest was approved to submit an actual Grant Application, which they are proceeding to do.

For local solar infrastructure – The Inflation Reduction Act of 2022 brought the opportunity for the Investment Tax Credit (ITC) which is a one-time payment after the facility is placed into service. Municipalities now have the opportunity to receive direct payment in lie of tax credit. ITC can pay back 30% of the applicable costs to construct the solar farm, with the opportunity to increase that percentage up to an additional 30% if qualifying. I have attached a handout from the recent KMEA conference regarding this program. With this, it is a guarantee of at least 30%, likely at least 40% paid for. For the remaining portion I recommend the following for consideration:

Electric Distribution repairs are needed and identified under our current plan of operations. We are funding them at approx. \$200,000 per year and saving up to afford them over a five-to-ten-year period depending on the repair. If we apply for the first grant through KCC and could get the infrastructure replaced for better resilience, at no cost to the city, that creates the opportunity to switch the funding from capital repairs to the balance needed after tax credits to pay for the solar farm. It's just an early thought to fund both projects at no additional cost to the city in a way that could result in lower electric rates in the future. Just a thought.

Solar Tax Credits

Energy Efficiency and Renewable Project Opportunities Given the New Federal Inflation Reduction Act 2022

October 19th, 2023

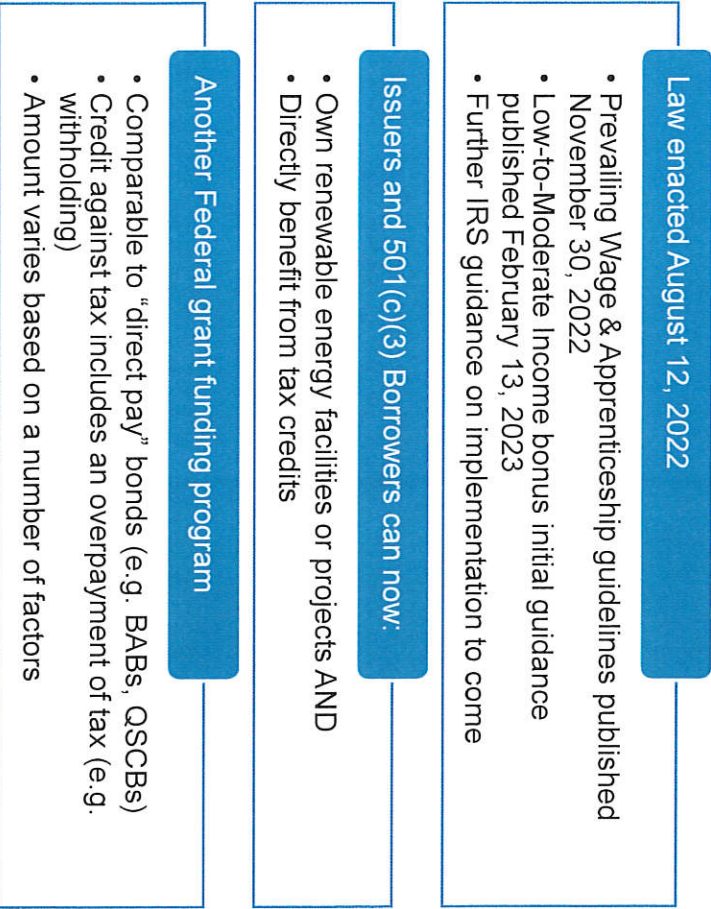
KMEA Annual Conference

Presented by:
Nate Summers – UMB Bank, n.a.

Inflation Reduction Act of 2022

WHAT CHANGED WITH THE INFLATION REDUCTION ACT

- The recently passed Inflation Reduction Act has changed the way municipalities and non-profit 501(c)(3) entities can structure and finance renewable energy projects.
- Historically, development of renewable energy projects has been driven by federal and state incentives, including federal tax credits. As a result, most projects have been structured and financed through private ownership, at least for a period of time, in order to fully capture the associated federal tax benefits.
- **Newly created provisions of the Act now permit municipalities and non-profit 501(c)(3) organizations to receive incentives through direct payments from the US Treasury in lieu of investment or production tax credits.**



Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Inflation Reduction Act of 2022

AMOUNT OF TAX CREDITS AVAILABLE

The investment tax credit (ITC) is a one-time payment after the facility is placed into service. In general, for qualifying projects, the ITC has a **base rate of 6% of the applicable costs with an increased rate of 30% for projects meeting certain prevailing wage and apprenticeship requirements.**

In addition, the ITC may be **further increased** for qualifying projects if certain requirements are met as shown in the following chart.

Bonus Amounts:
increases to base credit amount

<p>DOMESTIC CONTENT +10% qualifying projects incorporating sufficient domestic materials</p>	<p>LOW-INCOME COMMUNITIES +10% qualifying wind and solar projects located in certain low-income communities</p>
<p>ENERGY COMMUNITY +10% qualifying projects located in an "energy community"</p>	<p>OR</p> <p>LOW-INCOME COMMUNITIES +20% qualified low-income economic benefit projects</p>

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Inflation Reduction Act of 2022

APPLICABLE DEFINITIONS

Prevailing Wage & Apprenticeship Requirements

- Applies to construction, alteration and repair of project
- Prevailing Wage – union wages in locality of project determined by Secretary of Labor
- Apprenticeship – Applies to taxpayer, contractor or subcontractor employing 4 or more individuals – must employ one or more qualified apprentices to do work

Solar & Wind Projects in Low-Income Communities

- Need allocation of “Environmental Justice Solar & Wind Capacity”
- Max output of 5 MW
- Located in low-income community or on Indian land (10% increase); or
Part of qualified low-income residential building or economic benefit project (20% increase)

Energy Community

- Brownfield site as defined by CERCLA
- Closed fossil fuel employer with certain unemployment requirement
- Closed coal mine or coal-fired electric generating unit

Domestic Content

- Steel, iron or manufactured product which is a component of project is produced in US

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Inflation Reduction Act of 2022

ELIGIBLE PROJECTS

The Act provides investment tax credits for the types of renewable energy projects listed in the following chart. In addition, the costs of interconnection property for qualifying projects may also be included as long as the maximum net output does not exceed 5 MW.

SOLAR	WASTE ENERGY RECOVERY	MICROGRID CONTROLLERS
SMALL WIND ENERGY	BIOGAS	GEO THERMAL
ENERGY STORAGE (BATTERIES)	FUEL CELLS	HEAT PUMP
FIBER-OPTIC SOLAR	COMBINED HEAT AND POWER	

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Inflation Reduction Act of 2022

FINANCING WITH TAX-EXEMPT DEBT

Since private ownership of renewable energy projects is no longer necessary to capture the full value of the federal tax credits, **local governments and 501(c)(3) organizations can now finance these projects with tax-exempt debt and still be eligible for the direct payment in lieu of tax credits.**

If a project is financed with tax-exempt debt, the direct pay amount will be reduced by 15%, or if less, the percentage of the facility financed with tax-exempt proceeds. Compared to a privately-owned renewable energy project financed with taxable debt, the ability to finance these projects with tax-exempt debt can significantly reduce the financing costs of the project even with up to a 15% reduction in the direct pay credit amount.

Is there a way to avoid the 15% reduction in the direct pay amount? Yes – Cinderella Bonds!

The compliance period for Investment Tax Credits is 5 years. During this time period tax credits are subject to “recapture”. However, following the 5-year tax credit period the project is no longer subject to tax credit restrictions, including the 15% reduction.

Cinderella Bonds - bonds that bear a taxable rate of interest for a period of time (e.g. the first five years) and then convert to a tax-exempt rate for the remainder of the term of the bonds.

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Inflation Reduction Act of 2022

POTENTIAL FINANCING STRUCTURES

Financing Structures

The renewable energy project may be financed utilizing a variety of financing structures depending upon the type of project and the options available to the municipality or 501(c)(3) entity under state law:

- Certificates of Participation
- Energy Conservation Lease Purchase
- Revenue Bond
- General Obligation Bonds
- Certificates of Obligation

Tax-Exempt Debt - Redemption Considerations

Generally, direct pay tax credits can be deposited in the issuer's general fund and used for any legally permissible purpose. The tax credits can also be used to redeem a portion of the tax-exempt debt that has been issued for the project, in which case the debt will need to have a final maturity or an optional redemption date consistent with the expected date in which the subsidies will be received. A pledge of the direct pay tax credit to pay or optionally redeem tax-exempt debt may have arbitrage rebate consequences that should be discussed with your financing team.

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Inflation Reduction Act of 2022

PROCESS FOR APPLYING FOR DIRECT PAYMENT SUBSIDY

IRS Form to Claim Credit

- Not yet publicly released – can only speculate

Similar Forms:

- Tax-Advantaged Bonds Interest Subsidy – Form 8038-CP

What to Expect

- Guidance is needed from Treasury to determine timing requirements for making election and filing return
- Certify to:
 - qualifying nature of renewable energy project
 - eligible basis of project costs
 - satisfaction of applicable “bonus credit” requirements and amounts
 - applicable tax-exempt financing and corresponding tax credit reduction
- Calculate and certify to applicable direct pay credit amount
- Increase net claimed direct pay credit amount for sequestration
- Provide certain supporting documentation
 - Example – Environmental Justice Allocation letter from IRS for Qualifying Solar and Wind Projects
- Sign form under penalties of perjury

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Opportunities For Municipalities

WHAT THIS MEANS FOR MUNICIPALITIES

Investment Tax Credit Calculation Example

- Solar project constructed by a municipality:
 - Qualifying project costs: \$2 million
 - Eligible for 30% direct pay tax credit
 - \$2 million, or 100% of project costs, financed with tax-exempt debt
- Calculation of Amount of Direct Pay Credit:
 - $\$2,000,000 * 30\% = \$600,000$
- Reduction of Direct Pay Credit due to Tax-Exempt Financing:
 - $\$600,000 * 15\% = \$90,000$
- Net Direct Pay Amount with Tax-Exempt Financing:
 - $\$600,000 - \$90,000 = \$510,000$

Opportunities For Municipalities

WHAT THIS MEANS FOR MUNICIPALITIES

- 1. Municipal Ownership and Control of Renewal Energy Projects**
 - Private ownership of renewable energy projects no longer required to take advantage of the tax credits
- 2. Subsidized Project Costs**
 - A portion of the cost of the project can be subsidized through the receipt of the ITC direct payment subsidies
- 3. Tax-Exempt Financing**
 - Financing of the project can be accomplished through the issuance of tax-exempt bonds
 - Potentially lower cost financing than Power Purchase Agreement option
- 4. Gross Up Provision to Offset Impact of Sequestration**
 - Claimed direct pay credit amount increased by 6.0445% to offset expected impact of mandatory sequestration

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Opportunities For Municipalities

PROJECT EXAMPLE:

Municipal Solar Projects

Benefits to Municipality of solar project behind the meter

- No congestion and/or transmission issues
- Provides an opportunity to stabilize 10%-20% of power supply needs
- Fixed price for a portion of power portfolio in a volatile energy price environment
- Ownership may provide a lower operating cost vs PPA model which has a higher cost of capital

Renewable Attributes

- Progressive community
- Renewable energy credits

Opportunities For Municipalities

PROJECT EXAMPLES

Municipality needs to install new substation

- The Act allows the necessary cost of adding a substation for a solar project as a qualifying expense if the project does not exceed 5MW

Distribution extension

- The cost of upgraded distribution and new lines can be added as a qualifying expense to the project cost

Energy storage

- The cost of battery installation can be cut by up to 50% as a qualifying expense

Source: The Inflation Reduction Act of 2022, U.S. Treasury, Internal Revenue Service

Case Study – City of Fredonia



Project

Construction of a 2.0 MW capacity photovoltaic facility expected to produce 4,800 MWh the first year, which is approximately 16% of the City's energy requirements.

Financing Structure

\$4,825,000 Tax-exempt Energy Conservation Lease Certificates of Participation

- 20-year term; Fixed interest rate
- Callable at any time with the proceeds of the direct payment subsidy

Tax Credits

30% anticipated tax credit (satisfy prevailing wage & apprenticeship requirements)
+ 20% potential low-income qualified benefit program (if project not placed in service prior to receipt of Environmental Justice Allocation)
= **Potential ITC direct payment subsidy of 50% of eligible project costs**

Tax Credit Reduction

15% expected based upon 100% tax-exempt project financing

Case Study – City of Fredonia



Savings to the City

Through an energy audit conducted by a third-party engineer, the solar project is anticipated to **reduce the City's overall energy costs** by providing the City with a firm source of energy and corresponding **reduction in the City's exposure to the daily energy market.**

The energy consultant also certified that the energy savings associated with the project will offset the costs of financing the project over the life of the project with **savings** of approximately **\$3.4MM** on a P50 basis, and over **\$2.6MM** on a P99 basis.

Comparison with PPA model:

With City ownership and tax-exempt financing, the **City saved almost \$2MM** over the life of the project compared to an alternative PPA option.

P50 = predicted generation from a solar farm in an "average" weather year
P99 = predicted generation in the "least-sunny" year in a century

Presenter

UMB Bank, n.a. Capital Markets Division

Nate Summers – Senior Vice President | Public Finance



Nate Summers joined UMB Bank, n.a. Capital Markets Division in 2022 as senior vice president. Nathan's primary focus will be on UMB Bank's continued growth in the state of Iowa and Nebraska.

Nate has over ten years of public finance experience. Prior to joining UMB Bank, Nate served clients as a Public Finance Banker at D.A. Davidson & Co. where he developed custom financing solutions to municipal debt issuers. As well as determining the feasibility of refinancing outstanding debt by providing financial modeling, monitoring and analysis. During this time, Nate was involved in a \$53 million transition with Des Moines Independent Community School District.

7155 Lake Drive, Ste. 120
West Des Moines, IA 50266
(515) 368-6073
nathan.summers@umb.com

Nate earned a Bachelor of Arts degree in business administration and finance, with a minor in economics from Northwestern College in Orange City, Iowa. He holds the FINRA series 7 and 63 licenses.

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Nate Summers
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(515) 368-6073

CDBG Housing Grant Summary Review

Grant Amount: \$300,000

Purpose of Grant: Help homeowners afford to do repairs on their homes or pay for demolition of properties that are no longer viable/blighted.

Match Required: The city is required to pay the Environmental Fee of \$2,000 as the match requirement, otherwise there is not match on rehab unless it is a landlord unit and the landlord is not LMI, then the landlord must match 25%. Landlords match 15% if they are LMI. If the funds are used for rentals, the Landlord cannot raise rent for a period of time (I will need to look that up).

The city can apply for an additional \$200,000 to be used for infrastructure in the same target area (like sidewalks, curbs, etc..) but the additional \$200,000 grant funds require 50% match. I am not focused on this right now, only the rehabs and demos. Let me know if you want me redirected.

This Grant is an opportunity for the city to provide larger scale funding assistance to meet priority objective #2 in our housing assessment, which was addressing **housing rehab and demolition**. The Housing Grant will provide an opportunity to help people with low and moderate incomes fix up their homes by providing up to \$25,000 per home funding assistance. Demolition assistance can also be provided with this grant.

This could mean the potential to aid up to 11 homes, give or take depending on the number of eligible rehabs and or demos in the neighborhood selected. Note: would need at least 3 rehabs in order to include demo properties since this grant focuses on rehab primarily.

You do have to identify a target or “neighborhood” area, I will explain this more at the meeting.

What can the homeowner use the money for: Rehab is not Remodeling. Rehab is electrical, plumbing, windows, paint, siding, items that relate to health and quality rather than cosmetic.

Who is going to write the grant? SCKEDD will do it. They will write the grant and do the inspection work for a fee of \$3,000. They will also aid the property with additional weatherization funds if needed and the property qualifies.

Problem: Grant deadline is December 1st. This is the grant that only two entities have applied for in the state of Kansas in 2023 and we are being STRONGLY encouraged to apply because it is not a strong view from a statewide perspective on the longevity of the program if they cannot get people to use it. I don't know if we can make this deadline work. As of the time of typing this information I have a call in to see if all the required timelines can be met. If they cannot, we package the grant and submit it January 1 for the next grant cycle year.

Here is a link if you want to check out more information on your own:

<https://www.kansascommerce.gov/cdbg/housing-rehabilitation-demolition-or-neighborhood-development/>

The kickoff of this project is to host informational meetings with the public, one meeting in Harper on October 30th and one in Anthony November 1st to spread the word and get folks to fill out the preapplications which is all that is required from the property owner to submit the grant app (more detailed income guidelines would be required later if we get the grant). We will discuss this and more at the meeting.

Other info:

Asbestos testing only required if demo.

Lead testing required on any pre-1978. Does not come out of their \$25,000 but does come out of the \$300,00. This is why we said only around 11 homes instead of 12 to allow for the additional funding from the \$300,000. Also note, if lead is found to be present that could direct the priority focus of where the rehab dollars may need to be spent first.

If we get the grant, we will need to obtain more specific info from each property owner:

Most recent tax return

Copy of the deed showing they own the property

Most recent utility bill

Proof they are current on their taxes

Proof that they have current house insurance

This is a good program for Landlords also to help better quality rental units in town. If a rental is vacant, the landlord can apply but they would have to have a tenant that is income qualified in the property within 3 months or would have to pay back.

This is a good program to help certain candidates improve their home when they may not otherwise be able to afford to do so. It is not a golden ticket with only \$25,000 per rehab. That doesn't go as far as it once did.

Discussion:

1. Was going to host Community Info meeting however, with the 15-day deadline prior to Dec 1 to apply and the 7-day publishing requirement prior to that, and Repub's Friday before once per week submission, that means we would hold the meeting on the 1st and need to know the target area and have the apps done by the 3rd. NOT possible. Therefore, Linda H recommends we just select our target area for this round.

Things to decide for CDBG:

1. Do you want to apply?
2. Do you want to pay SCKEDD to write the grant?
3. Do you approve to dedicate \$5,000 from Demo/Housing funds to pay for grant writing and environmental review?
4. How will we determine the target area? Who is going to help?
5. If yes to above, need sample motion:

Approve the Contract for Grant Writing Services with SCKEDD to apply for a CDBG Housing Grant and approve to submit an RFP for Grant Administration and Inspection Services to be solicited by mail to qualified Firms. Costs for the Contract to be paid from Housing/Demolition Fund.

CONTRACT FOR GRANT WRITING SERVICES
2023 CDBG HOUSING REHABILITATION, CITY OF ANTHONY, KANSAS

THIS CONTRACT is entered into on _____ by and between the City of ANTHONY, Kansas, Party of the First Part, hereinafter referred to as “City” and the South Central Kansas Economic Development District, Inc. (SCKEDD) a non-profit Kansas corporation under the laws of the State of Kansas, Party of the Second Part, hereinafter called “SCKEDD”.

SCKEDD hereby agrees to provide grant writing services to the City in the writing of the CDBG Housing Rehabilitation Project, which may be awarded by the KDOC to The City of ANTHONY.

The services to be provided by SCKEDD are outlined in the attached Exhibit “A” and hereby incorporated into this contract and made a part hereof. SCKEDD’s official agent for this contract is Executive Director.

Mark the box below to indicate the grant/s being selected for grant writing services.

- Kansas Department of Commerce Water/Sewer Grant
- Kansas Department of Commerce Community Facilities Grant
- Kansas Department of Commerce Housing Rehabilitation Grant**
- Kansas Department of Commerce Commercial Rehabilitation Grant
- Kansas Department of Commerce Urgent Need Grant
- Kansas Department of Commerce Economic Development Grant
- Kansas Department of Commerce Regional Water Grant
- U.S. Department of Agriculture Housing Preservation Grant
- Federal Home Loan Bank Affordable Housing Program
- Kansas Housing Resource Corporation Moderate Income Housing Grant
- Economic Development Administration (EDA) Grant

The specific grant writing fees are listed in the attached Exhibit “B”.

SCKEDD will invoice the City for payment on the above selected grant writing services. An invoice will be generated upon the signing of this agreement by all parties and payment will be due within 30 days, as indicated on the invoice.

Payment received by SCKEDD from the City is not a deposit. Parties to this agreement agree that any payment received is non-refundable.

If payment is not received within 30 days, SCKEDD is allowed to cancel the contract and bill the City for services rendered in good faith after the execution of this contract at a rate of \$75.00 per hour.

This contract is in effect until grant submittal has been completed. Any grant proposals that are submitted and not awarded may be submitted again in the future at no cost to the City. All

CONTRACT FOR GRANT WRITING SERVICES
2023 CDBG HOUSING REHABILITATION, CITY OF ANTHONY, KANSAS

resubmissions of grant must not require any major changes to the original proposal for the resubmission to be at no cost.

SCKEDD and the City have agreed to the terms of this contract executed on _____, as evidenced by the following affixed signatures.

CITY OF ANTHONY
HARPER COUNTY, KANSAS

SOUTH CENTRAL KANSAS ECONOMIC
DEVELOPMENT DISTRICT, INC.

Gregory L. Cleveland
City of ANTHONY Mayor

Bill Lampe
Executive Director, SCKEDD

CONTRACT FOR GRANT WRITING SERVICES
2023 CDBG HOUSING REHABILITATION, CITY OF ANTHONY, KANSAS

EXHIBIT A.

GRANT WRITING SERVICES

SCKEDD agrees, as related to this contract, to assume the following duties and obligations. The City of ANTHONY agrees, as related to this contract, to provide SCKEDD any and all items that are necessary to complete the grant proposal by required deadlines. Both parties understand that the below items are not an all-inclusive list. SCKEDD assures that items required for grant proposals by the various agencies will comply with all requirements.

1. Work with the City of ANTHONY to provide information to development project outline.
2. Prepare all required publications such as newspaper advertisements that are needed to inform the public about projects. The City of ANTHONY will be responsible for any cost related to publications and advertisements.
3. Provide expertise and guidance to the City of ANTHONY to create a grant proposal.
4. Complete all the necessary grant/project research.
5. Attend all required meetings necessary for project development.
6. Prepare all required documents for signature forms.
7. Prepare and track progression of budgets.
8. Prepare all required Resolutions.
9. Prepare any/all required maps and pictures.
10. Ensure grant proposals are submitted timely to meet any/all grant deadlines submission dates.

CONTRACT FOR GRANT WRITING SERVICES
2023 CDBG HOUSING REHABILITATION, CITY OF ANTHONY, KANSAS

EXHIBIT B.

Grant Writing Fee:

Kansas Department of Commerce Water/Sewer Grant
SCKEDD member counties \$2,500/Non-member counties \$3,500

Kansas Department of Commerce Community Facilities Grant
SCKEDD member counties \$2,500/Non-member counties \$3,500

Kansas Department of Commerce Housing Rehabilitation Grant
SCKEDD member counties \$3,000/Non-member counties \$4,000

Kansas Department of Commerce Commercial Rehabilitation Grant
SCKEDD member counties \$2,500/Non-member counties \$3,500

Kansas Department of Commerce Urgent Need Grant
SCKEDD member counties \$2,500/Non-member counties \$3,500

Kansas Department of Commerce Economic Development Grant
SCKEDD member counties \$2,500/Nonmember counties \$3,500

Kansas Department of Commerce Regional Water Grant
SCKEDD member counties \$2,500/Non-member counties \$3,500

U.S. Department of Agriculture Housing Preservation Grant
SCKEDD member counties \$2,500/Non-member counties \$3,500

Federal Home Loan Bank Affordable Housing Program Grant
SCKEDD member counties \$1,000/Nonmember counties \$1,500

Kansas Housing Resource Corporation Moderate Income Housing Grant
SCKEDD member counties \$1,000/Nonmember counties \$1,500

Economic Development Administration (EDA) Grant
SCKEDD member counties \$3,000/Non-member counties \$4,000



Invoice # 23-155

Date: 10/20/2023

Bill To

Cyndra Kastens | City of Anthony
130 E. Main St., Anthony, Kansas 67003
620-842-5434

For

2023 CDBG Housing Rehab
Grant Writing Fee

Item Description	Amount
2023 CDBG Housing Rehab Grant Writing Fee	\$3,000.00

Subtotal	\$3,000.00
Tax Rate	
Other Costs	
Total Cost	\$3,000.00

Make all checks payable to South Central KS Economic District

If you have any questions concerning this invoice, use the following contact information:

Megan Unruh, 316-440-7334, munruh@sckedd.org

Thank you for your business!



HOUSING REHABILITATION, DEMOLITION OR NEIGHBORHOOD DEVELOPMENT

<p>HOUSING REHABILITATION AND/OR DEMOLITION</p> <p>Up to \$300,000</p>	<p>NEIGHBORHOOD DEVELOPMENT</p> <p>Up to \$500,000</p>	<p>APPLICATION DEADLINE</p> <p>Accepted Year-Round</p>	<p>QUALIFY</p> <ul style="list-style-type: none"> ✓ Have an acceptable use project ✓ Benefit low-to-moderate income households ✓ Cover environmental review costs
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Applications for Housing can be submitted from January 2, 2023, through December 1, 2023. Applications will be accepted until all funding is expended. A city must have properly completed a Housing Assessment Tool (HAT) and the application must be supported by the results of the HAT. The project must be reasonable, be an eligible activity, and meet a national objective. The application must define in detail the city’s intended project activities.

NATIONAL OBJECTIVE

The CDBG housing project will meet a national objective of benefitting low- and moderate-income (LMI) households and slum and blight. After a project is funded, each applicant will submit tax returns to prove the household is a low-and moderate-income (LMI) household. If a city wants to submit a Neighborhood Development (ND) application, CDBG staff will assist the city to select a target area to conduct an LMI survey. After the survey is tabulated, it must prove the area to be over 51% LMI. Demolition activities meet a national objective using the spot slum and blight category.

ELIGIBLE APPLICANTS

All incorporated cities in Kansas that do not receive an annual CDBG entitlement allocation from HUD are eligible to apply to the Kansas CDBG program. (The following communities are considered entitlement communities and are ineligible to participate in the state program: Kansas City, Lawrence, Leavenworth, Manhattan, Overland Park, Topeka, Wichita, and all of Johnson County.)

ELIGIBLE USE OF FUNDS

The CDBG Housing program is divided into housing rehabilitation/demolition or neighborhood development. CDBG housing activities are limited to rehabilitation (Owner occupied and rental); relocation of households from dilapidated residences; demolition of dilapidated housing units; removal of architectural barriers in residential properties; activities of other organizations relating to housing; and energy use strategy activities relating to housing. Costs for rehabilitation application processing and other personnel-related expenses are considered administrative, except for housing inspection and relocation management, which are considered housing activities. The filing fees will be shown in administration but will not be charged against the maximum limits.

Housing Rehabilitation

- Rehabilitation of single-family/owner-occupied or rental rehabilitation
- Upper-story housing
- Renovation of building to create housing

Demolition

- Demolition of housing units and out outbuilding on the same property.

Neighborhood Development

- The above activities plus, public facilities improvements (street, drainage, curbs, public sidewalks)
- Preliminary Engineer Report is required for ND applications.

Emergencies

- Up to 20 percent of the rehabilitation funds may be used in emergencies
- The property owner must be LMI.
- Emergency funding is only eligible to owner-occupied households not in the target area.
- Emergencies are defined as water heaters and heating units. A leaky roof is not defined,as an emergency.

Ineligible Activities

- Demolition of commercial or jurisdiction-owned properties
- Demolition-only application

For the FY 2023 annual competition, the applicant has two options in making an application: 1) apply for housing rehabilitation-only or rehabilitation and demolition funds, or 2) apply for a Neighborhood Development (ND) that includes housing rehabilitation and/or demolition, plus infrastructure. All applications must be in a target area and if an ND project there will need to be a target area LMI survey.

AVAILABLE FUNDING	MAXIMUMS
Housing Rehabilitation and/or Demolition	\$300,000
Administration Housing Neighborhood Development \$300,000 for housing and \$200,000 for infrastructure (City must match infrastructure 50/50)	\$500,000

ACTIVITIES INCLUDED	MAXIMUMS
Housing and Radon Inspection (includes all site inspections, work writeups, cost estimates, and radon testing)	\$1,000
Risk Assessments	\$1,000
Lead Base Paint (LBP) Clearance	\$300
LBP safe work practice & Cleaning for Clearance	10% of CDBG Rehabilitation per house
Temporary Relocation due to LBP	\$5,000
Demolition Inspections	\$500
Demolition	Must be Reasonable
Administration	Up to \$30,000
Matching funds	Environmental Review

Note: All activity fees are included in the maximum grant funding.

APPLICATION CRITERIA:

The Matrix below describes each selection criteria as a numerical score within the Housing Applications. The maximum number of points for housing is 125 points and 150 points for ND.

HOUSING POINT SYSTEM	MAXIMUM
Housing Assessment Tool/Community Needs	30
Development of Project	30
Solution of Need	10
Target Area/Pre-applications received vs proposed activity/Complete Housing log	30
SUB - TOTAL	100
SITE VISIT	25
TOTAL	125

NEIGHBORHOOD DEVELOPMENT POINT SYSTEM	MAXIMUM
Housing Assessment Tool/Community Needs	25
Development of Project	15
Solution of Need	25
Target Area/Pre-applications received vs proposed activity/Complete Housing log	35
Need and solution for infrastructure	25
SUB - TOTAL	125
SITE VISIT	25
TOTAL	150

PUBLIC HEARING REQUIREMENTS

1. The public hearing notice must be published at least five full days before (starting one day after the publication date and not counting the date of the hearing, i.e., a total of seven days) but not more than 20 before the public hearing. The public hearing must occur a minimum of 15 days but not more than 120 days before the application is submitted.
2. The total project funding and CDBG amount requested must match what appears in the public hearing notice.
3. The number of rehabilitation properties and demolition units must match as well.

THRESHOLD REQUIREMENTS OR INCOMPLETE APPLICATIONS

If an application does not meet all threshold requirements or is incomplete upon submittal for funding consideration, the application will be returned and must be resubmitted. An application is considered incomplete when a required signature is missing, required form(s) are left out of the application or the forms are incomplete.

HOUSING NARRATIVES

1. Housing Assessment Tool/Community Needs (25 points for HAT and narrative)

- Explain how the HAT was completed. Points will be awarded on the comprehensiveness and accuracy of the assessment tool.
- How would grant awards serve the needs of the city identified in the HAT?

2. Development of Project (15 points for narrative)

- How was the scope of work developed?
- What is eligible and ineligible?
- How many rehabilitations are being proposed and why?
- How many demolitions are being proposed, and why or why not?
- Does the City have codes? Are they being enforced?
- Are there any environmental concerns?
- Anything else the city did in the project development they would like to share?

3. Solution of Need (25 points for narrative)

- Can the rehabilitation/demolition be completed in the 24-month time frame?
- Does the applicant have contractors? Who are the contractors? Are these contractors also working on other CDBG projects? Does the contractor have required LBP and other licensing?
- Does the applicant have all the necessary professionals to complete the project (administrator, inspector, risk assessor, radon testing abilities, asbestos inspectors)?
- Who locally will be involved in collection applications?
- Will the applicant council/commission locally run the program, or will a housing board be appointed?
- How does the scope of work solve the city's needs?

4. Target Area, housing log, and public interest will be used to assess pre-applications vs proposal (35 points for narrative, maps, and housing log)

Provide two or three legible and accurate maps:

- One will illustrate the target area in relationship to the entire community
- The second map will identify houses proposed within the target area.
- If an ND, there must be a map of the target area supporting the LMI Survey

Narrative:

- How was the target area determined?
- Is the target area small enough to show impact?
- How was the target area designed?
- Is the public interested? Are homeowners interested and willing to participate?
- Is there enough interest to complete the scope of work? Explain the number of properties to be completed (rehabilitation and demolition) and the level of assistance.

5. The following additional points will be added to the Neighborhood Development category of applications:

Need & Solution for Infrastructure (25 points for narrative)

Points will be awarded based on the “need” of the public facilities activities, the intensity and urgency of the need, the frequency at which the need occurs, economic considerations due to the need, and the concentration of persons within the area affected by the need. Other factors to be considered are property damage, health, and safety, environmental damage, inadequate facilities/services commonly provided for existing residents, cultural, recreational, aesthetic, and inadequate facilities for potential growth. The total will include the degree to which all significant public facility needs in the target area are being addressed by the project.


More Questions?
CONTACT THE CDBG TEAM


LINDA HUNSICKER

Project Specialist

 Linda.Hunsicker@ks.gov

 kansascommerce.gov/cdbg

 785-296-3481

 1000 SE Jackson St,
Suite 100
Topeka, Kansas 66612



City of Anthony CDBG Housing Rehabilitation Application Homeowner Pre-Application – Initial Commitment

In January 2024 the State of Kansas will be awarding Community Development Block Grants to cities in Kansas that are in need of housing rehabilitation. The City of Anthony has determined that if awarded the grant, they are planning to allocate funds to low-to-moderate income families.

This pre-application is asking for a commitment from the homeowner that he or she is interested in participating in the program. This pre-application is not a binding contract. Actual applications will be solicited when a grant is awarded. This is only to judge commitment and willingness to participate.

Homeowner’s Name _____

Address _____ Telephone _____
Street, City, State/Zip

Info about you and your household:

Full name: _____
Last First M.I

Address: _____
Street Address Apt #, Unit, Suite

City State Zip

Home Phone: _____ Alternate Phone: _____

Email: _____

How many people live in your household? _____

What is your total household income? _____

Information about your home:

Do you have a mortgage on your home? Yes No

If so, are you current on your mortgage payments? Yes No

When was your house built? _____

How many bedrooms does your house have? _____

What major repairs do you feel your home needs? _____

The City of Anthony Community Development Block Grant application aims to provide financial assistance to qualifying Low to Moderate income households for home rehabilitation. Income limits are based on household size and are limited to the following:

2023 LMI Income Guidelines for Harper County							
1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$43,200	\$49,350	\$55,500	\$61,650	\$66,600	\$71,550	\$76,450	\$81,400

Note: a qualifying household income level is the combined adjusted gross income, from all sources, for all individuals within the household, excluding full time students.

For the CDBG program the only acceptable form of proof of income is the most recent years filed income tax return (I.E. IRS form 1040, 1040A or 1040EZ). If a grant is awarded to the City of Anthony and you are selected to participate in the program, you will be required to furnish copies of your household’s previous year’s filed tax returns.

What to expect:

The following is a list of what you should and should not expect during the course of this project.

- Completing this pre-application does not guarantee that I will receive housing rehabilitation assistance.
- Even if I am income eligible, I may still be denied assistance after the housing inspection. I understand that the CDBG program is unable to serve some homes needing extensive repairs because of program regulations about cost-effectiveness.
- Any housing repair assistance I receive will be determined by the project inspector. I do not get to decide which items are repaired and/or how they are repaired.
- The work on my home will be bid out to eligible contractors. I will not get to choose who does the work on my home.
- Rehabilitation work is inconvenient. There will be workers around my house. I understand that my life as well as the lives of my family and pets may be disrupted by the construction work.
- This is not a remodeling program. The goal of the program is not to make my house look better, but to make it safer. I will have only a limited selection when it comes to paint color or other choices if these repairs are even eligible.
- I may have to relocate from the home while work is underway on my home. If relocation is necessary, the City’s CDBG program will provide me with lodging of the program’s choice.
- I understand a lien will be filed against my home if rehabilitation work is done. I understand that, if I sell or move out of the home within three years of the completion date of the rehabilitation, I will have to repay a pro-rated amount of the cost of rehabilitation.
- I understand that the property taxes and homeowners’ insurance must be current on my house for me to be eligible for assistance.

_____ Date

_____ Homeowner Signature

**City of Anthony CDBG Housing Rehabilitation Application
Landlord Pre-Application – Initial Commitment**

In January 2024 the State of Kansas will be awarding Community Development Block Grants to cities in Kansas that need housing rehabilitation. The City of Anthony has determined that if awarded the grant, they are planning to allocate funds to Landlords who rent low-to-moderate income families. Of this award money, each home may be able to receive up to a maximum of \$25,000 per rehabilitation. In addition to this the Landlord must commit 25% of the final cost of rehabilitation. [Example: if a home is in need of \$30,000 worth of repairs, the landlord would be required to commit 25% of that final price (\$7,500) and the grant would assume 75% of the rehabilitation costs (\$22,500).

This pre-application is asking for a commitment from the landlord that he or she would be willing to commit several houses in need of rehabilitation and can and will commit 25% of the repair cost. This pre-application is not a binding contract. Actual applications will be solicited from interested landlords when a grant is awarded. This is only to judge commitment and willingness to participate.

Landlord/Owner’s Name _____

Address _____ Telephone _____
Street, City, State/Zip

HOMES FOR REHABILITATION (List the address of the households in need of rehabilitation.)

No.	Address	Repairs Needed
1.		
2.		
3.		
4.		

This grant is to be awarded to landlords who rent to low-to-moderate (LMI) income families and must continue to be rented at current or Fair Market Rates (whichever is less) for a period of 3 years to qualifying low-to-moderate households. Additionally, a soft mortgage will be applied for that same 3 year period which will amortize off 1/36 per month. In the event the unit is sold, either the new owner will need to agree to these same terms, or any un-amortized portion will be owed.

2023 LMI Income Guidelines	
1-person household	\$43,200
2-person household	\$49,350
3-person household	\$55,500
4-person household	\$61,650
5-person household	\$66,600
6-person household	\$71,550
7-person household	\$76,450
8-person household	\$81,400

2024 Fair Market Rates (by unit bedrooms)	
Efficiency	\$633
One-bedroom	\$671
Two-bedrooms	\$882
Three-bedrooms	\$1,130
Four-bedrooms	\$1,244

This grant will allow the City of Anthony to rehabilitate a minimum of 10 homes. Besides 1st come/first served, individual rehabilitations will be prioritized by need. Other criteria could include elderly, handicapped, school age children in the home, level of income, approved local match from landlord, etc.

_____ Date

_____ Signature of Landlord

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2023 Income Limits Summary

FY 2023 Income Limit Area	Median Family Income Click for More Detail	FY 2023 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Harper County, KS	\$68,500	Very Low (50%) Income Limits (\$) Click for More Detail	27,000	30,850	34,700	38,550	41,650	44,750	47,850	50,900
		Extremely Low Income Limits (\$)* Click for More Detail	16,250	19,720	24,860	30,000	35,140	40,280	45,420	50,560
		Low (80%) Income Limits (\$) Click for More Detail	43,200	49,350	55,500	61,650	66,600	71,550	76,450	81,400

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2023 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2023 [Fair Market Rent documentation system](#).

RESOLUTION NUMBER 1136

A RESOLUTION AUTHORIZING THE PREPARATION AND SUBMITTAL OF AN APPLICATION TO THE KANSAS HOUSING RESOURCES CORPORATION (KHRC) FOR THE KANSAS HOUSING INVESTOR TAX CREDIT (HITC) PROGRAM.

WHEREAS, the Housing Investor Tax Credit (HITC) Program authorizes Builders or Developers with Projects located in Counties with a population of less than 75,000 to apply; and

WHEREAS, the County has a population of less than 75,000 and, therefore, constitutes an eligible County as said term is defined by the HITC program; and

WHEREAS, the City of Anthony (the “Developer”) Developer of the Sunrise Development Project desires to apply for HITC; and

WHEREAS, the Developer will apply for HITC credits in association with the Project; and

BE IT RESOLVED by the Governing Body of the City of Anthony, Kansas:

SECTION 1. The governing body hereby finds and determines that there is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.

SECTION 2. The governing body hereby finds and determines that the shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.

SECTION 3. The governing body hereby finds and determines that the shortage of quality housing is a substantial deterrent to future economic growth and development in the City.

SECTION 4. The Governing Body hereby offers support of application for the HITC to the Kansas Housing Resources Corporation for the Sunrise Development Project developed by the City of Anthony.

SECTION 5. That this resolution will be in full force and effect from and after its adoption and remain in place until October 23, 2024.

Adopted by the Board of Commissioners and signed by the Mayor this 23rd day of October, 2023.

Gregory Cleveland, Mayor

(SEAL)
ATTEST:

Cyndra Kastens, City Clerk

RESOLUTION NUMBER 1136

A RESOLUTION AUTHORIZING THE PREPARATION AND SUBMISSION OF AN APPLICATION TO THE KANSAS HOUSING RESOURCES CORPORATION (KHRC) FOR THE KANSAS HOUSING INVESTOR TAX CREDIT (HITC) AND MODERATE-INCOME HOUSING (MIH) GRANT.

WHEREAS, the Housing Investor Tax Credit (HITC) Program authorizes Builders or Developers with Projects located in Counties with a population of less than 75,000 to apply; and

WHEREAS, the Kansas Moderate Income Housing (MIH) Program authorizes any city incorporated in accordance with the laws of the State of Kansas (the "State") with a population of less than 60,000 to apply for loans or grants to cities for infrastructure or housing development in areas that do not qualify for federal housing assistance; and

WHEREAS, the County has a population of less than 75,000 and, therefore, constitutes an eligible County as said term is defined by the HITC and MIH program; and

WHEREAS, the City of Anthony, Kansas, a municipal corporation, (the "Developer") Developer of the Sunrise Development Project desires to apply for HITC and MIH GRANT; and

WHEREAS, the Developer will apply for HITC credits in association with the Project; and

BE IT RESOLVED by the Governing Body of the City of Anthony, Kansas (Governing Body):

SECTION 1. The Governing Body hereby finds and determines that there is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.

SECTION 2. The Governing Body hereby finds and determines that the shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.

SECTION 3. The Governing Body hereby finds and determines that the shortage of quality housing is a substantial deterrent to future economic growth and development in the City.

SECTION 4. The Governing Body hereby offers support of application for the HITC and MIH Grant to the Kansas Housing Resources Corporation for the Sunrise

Development Project developed by the City of Anthony, Kansas, a municipal corporation for HITC's.

SECTION 5. That this resolution shall be in full force and effect from and after its adoption and remain in place until October 23, 2024.

ADOPTED BY THE GOVERNING BODY and signed, as authorized by the City Commission, the Mayor, this 23rd day of October, 2023.

Gregory Cleveland, Mayor

ATTEST:

Cyndra Kastens, City Clerk

(SEAL)

KANSAS HOUSING

2023 Round 3 MIH & KHITC

NOTICE OF APPLICATION

Requested by Wednesday, October 25, 2023.

Email to MIH@kshousingcorp.org.

KHRC requests this form be submitted by Wednesday, October 25, 2023, to ensure applicants will have access to the application submission portal, Procorem. If Notices of Application are received after October 25, 2023, applicants may not receive access to Procorem in time for the November 15, 2023, application deadline. Applicants should submit one form per project.

Please check all programs for which you are applying for your project:

- Moderate Income Housing (MIH)
- Kansas Housing Investor Tax Credit (KHITC)

City or County (If applying for MIH) City Anthony

Builder/Developer (If applying for KHITC) City of Anthony

Project Name: Sunrise Development

Project Location: Anthony, Harper (City and County)

Persons needing Procorem access:

Name: Cyndra Karstens Email: ckastens@anthonykansas.org

Name: Ross Vogel Email: ross@rossvogel.com

Name: _____ Email: _____

Name: _____ Email: _____

Name: _____ Email: _____

Closer to the deadline, KHRC will release a "How to Apply" recording that will explain how to set up a Procorem account and how to upload your application.