

HOUSING STRATEGIES FOR THE SMITH CENTER AREA

Smith Center's Economic Development Department (SCED) is addressing the housing situation outlined in the 2020 Housing Study with several tools and strategies. Those include funding a small residential Clean Up and Revitalization grant program, operating a city Land Bank, renewing the county Neighborhood Revitalization Plan, and applying to the state's Moderate Income Housing Program for several new build and rehabilitation housing projects, leveraging local investment and the new Kansas Housing Investor Tax Credit.

Renewal of the Neighborhood Revitalization Plan

SCED is working with the Smith County board of commissioners to renew this tax rebate program for property tax year 2023. The plan would allow county residents and entities to apply for a property tax rebate for improvements to their property. The rebate would apply to the increase in property taxes due to improvements at a decreasing rate of 100%, 80%, 60%, 40%, and 20% over 5 years following the improvement of properties.

Down Payment Assistance through the KHRC Moderate Income Housing Program

The State of Kansas recently infused [\\$62 Million](#) into state housing programs through the Kansas Housing Resources Corporation. The first round of funding through the Moderate Income Housing program is due September 30, 2022. Award funding notification is expected in November or December with projects to started as soon as January 2023 and finished in 18 months.

SCED will be applying for MIH funds to create a program to provide down payment assistance for construction loans to build new houses and rehabilitate existing, vacant houses in the county. The down payment assistance would come in the form of a grant up to \$2,500 in closing costs and up to \$25,000 in the form of a one year, no interest, no payment loan to homeowners or housing developers. These short term down payment loans leverage traditional construction lending from our area banks and down payment cash from the housing developer or homeowner. Additionally, several of these projects would seek to leverage the Kansas Housing Investor Tax Credits to help bridge the gap between construction costs and the property valuation upon completion.

Upon completion, a homeowner construction loan would be paid by a traditional home mortgage and the down payment portion returned to the SCED. A construction loan to a housing developer would be paid once the home is sold to a moderate-income household and the down payment portion returned to SCED. The repayment of the first phase of down payment loans would then allow for reinvestment of MIH funds in the next round of building and rehabilitation across Smith County.

Kansas Housing Investor Tax Credit

As stated in HB 2237, the Housing Investor Credit was created for the purpose of facilitating investment in suitable housing that will support the growth of communities that lack adequate housing by attracting new employees, residents, and families, and supporting the development and expansion of businesses that are job and wealth creating enterprises. KHRC intends to allocate these credits by doing multiple application rounds throughout the year, beginning with a Kansas Housing Investor Credit RFP expected to be released September 9, 2022 and due October 28, 2022.

For more information about Smith Center area housing efforts, please contact Dana Peterson at sced@smithcenterks.com or (785) 282-6517.