



**SEDGWICK COUNTY
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**

GRANT CLOSEOUT

Grant Number: 09-NSP-018

Status Report

Award Accepted: March 25, 2009
by Sedgwick County Commission
The commencement date: April 15, 2009
Project end date: September 30, 2013
2-year extension awarded: September 30, 2015

Grant Award:

The State of Kansas, as approved by the U.S. Department of Housing and Urban Development, allocated funds to Sedgwick County, who qualified for financial assistance through the Housing and Economic Recovery Act of 2008 (HERA) based on the level of home foreclosure filings in the County, via the Neighborhood Stabilization Program (NSP). The NSP funding provided funds to address vacant, abandoned, and foreclosed residential property.

Grant goal:

Sedgwick County utilized NSP eligible uses which included:

- 1) purchase and rehabilitation of foreclosed or abandoned homes and residential properties in order to sell, rent or redevelop such properties to financially qualified individuals/families (rehabilitated homes) as primary residences.
- 2) purchase and demolition of blighted structures, and redeveloping the resulting vacant properties in order to sell, rent or redevelop such properties to financially qualified individuals/families as primary residences (new construction on previously developed lots).
- 3) financing mechanisms for individuals/families to aid in the purchase of these homes.

These activities were undertaken in order to help revive neighborhoods and benefit the housing market in Sedgwick County and took place in Sedgwick County including inside the city limits of the City of Wichita.

Grant Administrator

**South Central Kansas Economic Development District
200 West Douglas, Suite 360
Wichita, KS 67202
(316) 262-7035
www.sckedd.org**

Grant activities:

The Neighborhood Stabilization Program (NSP) grant award was accepted by the Sedgwick County Board of County Commissioners on March 25, 2009; and entered into grant agreement 09-NSP-018 with the Kansas Department of Commerce (KDOC) on May 13, 2009

Sedgwick County received \$4,643,123 initially; and was able to commit 100% of those funds to eligible NSP projects within the designated timeframe. An additional award of \$1,000,000 of NSP program income generated by the State NSP grant activities was received on May 18, 2011. Based on the eligible uses of funds under NSP guidelines, Sedgwick County provided Financing Mechanisms, Rehabilitation of homes, and Redevelopment of demolished and/or vacant properties.

Grant award total: \$4,643,124

Date: April 15, 2009

Program Income award: \$1,000,000

Date: May 18, 2011

Total NSP Grant Award: \$5,643,124

Of these funds:

No more than 75% of funds were to benefit those at or below 120% of the area median income

At least 25% of funds were to benefit those at or below 50% of the area median income

\$1,441,667.63 (approx. 25%) to benefit those at or below 50% of the area median income

Sedgwick County executed Affiliate Agreements with four (4) area community housing & development organizations:

Community Housing Services, Inc.

Mennonite Housing Rehabilitation Services, Inc.

Power Community Development Corporation

Wichita Habitat for Humanity, Inc.

These organizations had the capacity to construct homes, or were required to have the capacity to develop homes utilizing local contractors, on a turn-key basis and sold them to eligible buyers.

Grant activity began in November, 2009, with the first Request for Payment submitted to KDOC on March 10, 2010.

- 31 properties were redeveloped and sold –
 - 15 new homes were constructed.
 - 16 existing homes were rehabilitated.

The last property was sold in October, 2013, and the last Request for Payment was submitted to KDOC on:

October 3, 2013

Individuals/Families:

As required by the NSP grant program, all buyers were low to moderate income at or below 120% of the Sedgwick County area median income at the time of purchase and consisted of two income categories:

Buyers at 50% of area median

Buyers at 51 to 120% of area median

All buyers secured a mortgage and participated in a homebuyer education course equivalent to eight hours of classroom education.

All buyers were to occupy the dwelling as their primary residence.

Total number of buyers: 31 homes

Total number of units sold by income level:

Buyers at 50% of area median: 12

Buyers at 51% to 120%: 19
31

Total number of beneficiaries by income level:

Buyers at 50% of area median 35

Buyers at 51 to 120% of area median 44
79

Area Median Income defined yearly by KDOC -- 2013 for Sedgwick County shown below:

COUNTY NAME	MEDIAN FAMILY INCOME		INCOME LIMIT - 1 PERSON	INCOME LIMIT - 2 PERSONS	INCOME LIMIT - 3 PERSONS	INCOME LIMIT - 4 PERSONS	INCOME LIMIT - 5 PERSONS	INCOME LIMIT - 6 PERSONS
Sedgwick County	\$ 63,200.00	30% of Median	\$13,300	\$15,200	\$17,100	\$18,950	\$20,500	\$22,000
		Very Low (50%)	\$22,150	\$25,300	\$28,450	\$31,600	\$34,150	\$36,700
		Low Income (80%)	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650
		Moderate (120%)	\$53,100	\$60,650	\$68,250	\$75,850	\$81,900	\$87,950

Financing Mechanisms

Financial mechanisms to facilitate the purchases included:

Down payment assistance through zero-interest, forgivable second mortgages.

In compliance with NSP regulations, properties were sold at discounted prices with the purchase price not to exceed 95% of the property's appraised value.

Monitoring

The Kansas Department of Commerce monitors all projects at least twice throughout the duration of an NSP grant. They conducted these monitoring reviews for the Sedgwick County NSP grant as follows:

May 23, 2011

April 3, 2012

May 3, 2013

There are no outstanding concerns or issues arising from these monitoring reviews.

Economic Benefits

Economic benefits Sedgwick County derived from the NSP grant award:

- 31 properties redeveloped and sold:
 - 23 in Wichita
 - 3 in Oaklawn
 - 1 in Clearwater
 - 1 in Bel Aire
 - 3 in Bentley
- 31 affordable homes available to low to moderate income buyers.
- Total number of units sold by income level:
 - Buyers at 50% of area median: 12
 - Buyers at 51% to 120%: 19
- Increase in property tax income due to new homes being placed on the tax roll.
- Possible increase in property tax income due to property values increasing in neighborhoods where new homes are built or rehabilitated.
- Short-term employment opportunities for area construction contractors, mortgage providers and real estate sales. And, NSP grant administration employment for South Central Kansas Economic Development District (SCKEDD) administering the Sedgwick County NSP grant.
- On-going benefit for several ongoing trades such as: taxes and insurance providers, utilities, trash service providers, cable companies, phone service providers, building materials and maintenance providers, etc.

RESULTS/DESCRIPTION OF PROJECTS

The financing mechanisms totaled \$693,950.40 as a forgivable second mortgage for the purchase 31 homes.

Redevelopment of “demolished or vacant properties” providing \$1,904,352.82 for the construction of 15 new single family residences sold to low to moderate-income home buyers on previously developed vacant lots in Wichita, KS.

Provided \$1,473,479.98 to purchase and \$1,184,564.46 to rehabilitate 16 homes that were abandoned or foreclosed and then sold to low to moderate income home buyers.

Program Income generated from the sale of the 31 homes totaled \$2,812,382 and was paid back to KDOC who redistributed the program income across the State. (\$1,000,000 program income was awarded to Sedgwick County in the second award on May 18, 2011.)

	Awarded	Total Drawn	Awarded Balance
Financing Mechanisms	693,950.40	\$ 693,950.40	\$ -
Purchase	1,503,032.18	\$ 1,503,032.18	\$ -
Rehabilitate Houses	1,200,232.22	\$ 1,184,564.46	\$ 15,667.76
Redevelop demolished or Vacant Property	1,876,732.86	\$ 1,874,800.61	\$ 1,932.25
Administration	369,176.34	\$ 367,944.29	\$ 1,232.05
Total	5,643,124.00	\$ 5,624,291.94	\$ 18,832.06

25% dedicated to 50% & below goal: \$1,441,667.63

Actual amount achieved: \$1,707,530.23

Balance remaining:

Retained by Kansas Department of Commerce

Final public hearing:

**Wednesday, March 23, 2016
Sedgwick County Commission Meeting
3rd Floor, Sedgwick County Courthouse
9:00 a.m.**

Close-out:

Second quarter, 2016