

HOUSE BILL No. 2630

By Representative King

1-17

9 AN ACT concerning housing; creating the housing rehabilitation capital
10 loan guarantee program; establishing the senior housing assistance and
11 housing rehabilitation capital loan guarantee fund; making and con-
12 cerning appropriations for the Kansas housing resources corporation
13 for the fiscal years ending June 30, 2008 and June 30, 2009.
14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. As used in sections 1 through 6, and amendments thereto,
17 the following words and phrases shall have the following meanings unless
18 a different meaning clearly appears from the context:

19 (a) "Corporation" means the Kansas housing resources corporation.

20 (b) "Eligible city" means any city located, in whole or in part, within
21 the boundaries of any county designated by the United States federal
22 emergency management agency under major disaster declaration FEMA-
23 1711-DR as eligible to receive individual or public assistance from the
24 United States federal government, and which has 25 or more homes
25 which suffered damage or destruction to at least 50% of the structure
26 during such major disaster.

27 (c) "Financial institution" means any bank, trust company, savings
28 bank, credit union or savings and loan association or any other financial
29 institution regulated by the state of Kansas, any agency of the United
30 States or other state with an office in Kansas which is approved by the
31 corporation for the purposes of sections 1 through 6, and amendments
32 thereto.

33 (d) "Immediate family" means spouse, parent, stepparent, child, step-
34 child or sibling.

35 (e) "Loan transaction" means a transaction with a financial institution
36 or the Kansas development finance authority to provide capital financing
37 for the costs allowed pursuant to subsection (b) of section 3, and amend-
38 ments thereto.

39 (f) "Multi-family dwelling" means any building, structure or portion
40 thereof which is occupied as, or designated or intended for occupancy as,
41 a residence by one or more families.

42 (g) "President" means the president of the corporation.

43 (h) "Private developer" means any person, firm, corporation, partner-

1 ship or limited liability company other than a city, county, township or
2 other agency, political subdivision or instrumentality of the state which
3 has or plans to enter into a loan transaction.

4 (i) "Residential dwelling" means a detached single-family dwelling or
5 a single-family dwelling unit in a structure that contains more than one
6 separate residential dwelling unit used as a place of residence for habi-
7 tation by an individual or the individual's immediate family, or both.

8 Sec. 2. (a) The corporation is hereby authorized to enter into agree-
9 ments with eligible cities, financial institutions, the Kansas development
10 finance authority and other public or private entities, including agencies
11 of the United States government, to provide capital loan guarantees
12 against risk of default for eligible cities and private developers in accord-
13 ance with sections 1 through 6, and amendments thereto.

14 (b) The corporation shall administer the provisions of sections 1
15 through 6, and amendments thereto, and the president shall adopt rules
16 and regulations which the president deems necessary for the implemen-
17 tation or administration of sections 1 through 6, and amendments thereto.
18 The loan guarantee agreement with the corporation shall include report-
19 ing requirements and financial standards that are appropriate for the type
20 of loan for the borrower. The corporation may enter into contracts that
21 the president deems necessary for the implementation or administration
22 of sections 1 through 6, and amendments thereto. The corporation may
23 impose fees and charges as may be necessary to recover costs incurred
24 for the administration of sections 1 through 6, and amendments thereto.

25 Sec. 3. (a) Each agreement entered into by the corporation to guar-
26 antee against default on a loan transaction shall be backed by the senior
27 housing assistance and housing rehabilitation capital loan guarantee fund.

28 (b) Each loan transaction eligible for a guarantee under sections 1
29 through 6, and amendments thereto, shall be for costs incurred in the
30 repair, reconstruction or construction of infrastructure, the acquisition of
31 real property for the rehabilitation and development of residential dwell-
32 ings located in the eligible city and the rehabilitation and development
33 of such dwellings. No proceeds may be used for any costs related to the
34 rehabilitation or development of any commercial property, except when
35 such proceeds are used for the repair, reconstruction or construction of
36 infrastructure, the acquisition of real property for the rehabilitation and
37 development of multi-family dwellings and the rehabilitation and devel-
38 opment of such dwellings.

39 (c) The aggregate principal amount of outstanding loan guarantees for
40 any single borrowing city shall not exceed \$3,000,000. The aggregate out-
41 standing amount of all loan guarantees for borrowing cities under sections
42 1 through 6, and amendments thereto, shall not exceed \$12,000,000 at
43 any time.

1 (d) Eligible tax-exempt bonds or conventional loans may be guaranteed
2 up to 20%, subject to the other provisions of sections 1 through 6, and
3 amendments thereto, and the rules and regulations adopted by the pres-
4 ident of the corporation therefor. Each eligible loan transaction shall re-
5 quire an equity investment by the borrowing entity of at least 10% of the
6 total costs for which the loan was made. In the event there are two or
7 more borrowing entities then the equity investment required by this sub-
8 section shall be provided by the entities in such proportions as mutually
9 agreed by such entities, and the sum of such equity investments shall
10 equal an amount that is at least 10% of the total costs for which the loan
11 transaction was made.

12 (e) The maximum term for an eligible loan transaction under this act
13 for repair, reconstruction or remodeling costs shall be 10 years. The max-
14 imum term for an eligible loan transaction under this act for new con-
15 struction or land acquisition shall be 25 years.

16 Sec. 4. (a) There is hereby established the senior housing assistance
17 and housing rehabilitation capital loan guarantee fund in the state treasury
18 for the purposes of implementing the senior housing assistance program
19 administered by the corporation and facilitating the financing for housing
20 rehabilitation and development projects in eligible cities. The senior
21 housing assistance and housing rehabilitation capital loan guarantee fund
22 shall be administered by the corporation. All moneys in the senior housing
23 assistance and housing rehabilitation capital loan guarantee fund shall be
24 used for the purposes of the senior housing assistance program and to
25 provide guarantees against capital loan risks in accordance with sections
26 1 through 6, and amendments thereto, as may be certified by the cor-
27 poration. All expenditures from the senior housing assistance and housing
28 rehabilitation capital loan guarantee fund shall be made in accordance
29 with appropriations acts upon warrants of the director of accounts and
30 reports issued pursuant to vouchers approved by the president or the
31 president's designee.

32 (b) All fees and charges imposed by the corporation and other moneys
33 received by the corporation for the purposes of sections 1 through 6, and
34 amendments thereto, shall be remitted to the state treasurer in accord-
35 ance with the provisions of K.S.A. 75-4215, and amendments thereto.
36 Upon receipt of each such remittance, the state treasurer shall deposit
37 the entire amount in the state treasury to the credit of the senior housing
38 assistance and housing rehabilitation capital loan guarantee fund.

39 (c) On or before the 10th of each month, the director of accounts and
40 reports shall transfer from the state general fund to the senior housing
41 assistance and housing rehabilitation capital loan guarantee fund interest
42 earnings based on:

43 (1) The average daily balance of moneys in the senior housing assistance

1 and housing rehabilitation capital loan guarantee fund for the preceding
2 month; and

3 (2) the net earnings rate of the pooled money investment portfolio for
4 the preceding month.

5 Sec. 5. The corporation shall prepare an annual report of the loan
6 guarantee activity under sections 1 through 6, and amendments thereto,
7 including new loans, loan repayment status and other relevant informa-
8 tion regarding activities under sections 1 through 6, and amendments
9 thereto, and shall submit the report of its activities to the legislature at
10 the beginning of each regular session by submitting the annual report to
11 the committee on ways and means of the senate, or to the appropriate
12 subcommittee thereof, or to its successor committee, and to the com-
13 mittee on appropriations of the house of representatives, or to the ap-
14 propriate budget committee, or its successor committee.

15 Sec. 6. The corporation shall not enter into any new agreements with
16 eligible cities, financial institutions, the Kansas development finance au-
17 thority or any other public or private entities, including agencies of the
18 United States government, pursuant to sections 1 through 6, and amend-
19 ments thereto, on and after July 1, 2011. All loan transactions which have
20 been guaranteed by the senior housing assistance and housing rehabili-
21 tation capital loan guarantee fund in accordance with sections 1 through
22 6, and amendments thereto, prior to July 1, 2011 shall be guaranteed for
23 the term of the loan transaction.

24 Sec. 7 (a) On the effective date of this act, the director of accounts and
25 reports shall transfer \$3,500,000 from the state general fund to the senior
26 housing assistance and housing rehabilitation loan guarantee fund of the
27 Kansas housing resources corporation.

28 (b) Of the \$3,500,000 transferred from the state general fund to the
29 senior housing assistance and housing rehabilitation loan guarantee fund
30 of the Kansas housing resources corporation during the fiscal year ending
31 June 30, 2008, pursuant to this subsection, not more than \$1,000,000, in
32 the aggregate, shall be used for senior housing assistance under the senior
33 housing assistance program administered by the Kansas housing re-
34 sources corporation during fiscal years 2008 and 2009.

35 Sec. 8

36 KANSAS HOUSING RESOURCES CORPORATION

37 (a) There is appropriated for the above agency from the following spe-
38 cial revenue fund or funds for the fiscal year or years specified, all moneys
39 now or hereafter lawfully credited to and available in such fund or funds,
40 except that expenditures other than refunds authorized by law shall not
41 exceed the following:

1 Senior housing assistance and housing rehabilitation capital loan guar-
2 antee fund

3 For the fiscal year ending June 30, 2008..... \$3,500,000

4 For the fiscal year ending June 30, 2009..... No limit

5 *Provided*, That the aggregate amount of expenditures from the senior
6 housing assistance and housing rehabilitation capital loan guarantee fund
7 during fiscal years 2008 and 2009 for senior housing assistance shall not
8 exceed \$1,000,000.

9 Sec. 9. This act shall not be subject to the provisions of subsection (a)
10 of K.S.A. 75-6702, and amendments thereto.

11 Sec. 10. This act shall take effect and be in force from and after its
12 publication in the Kansas register.