

Approved: 3/18/94  
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Richard Bond at 9:12 a. m. on March 17, 1994 in Room 529-S of the Capitol.

Members present: Senators Corbin, Lee, Moran, Petty, Praeger, and Steffes.

Committee staff present: William Wolff, Legislative Research Department  
Fred Carman, Revisor of Statutes  
June Kossover, Committee Secretary

Conferees appearing before the committee: Representative Carol Sader  
Representative Patricia Pettey  
William Caton, Kansas Development Finance Authority  
Fred Bentley, Kansas Department of Commerce and Housing  
Karen Herrman, Governor's Comm. on Housing/Homelessness  
Wade Freeman, El Centro, Inc.

Others attending: See attached list

The chairman opened the hearing on HB 2917, relating to conversion privileges of accident and health insurance. Representative Carol Sader, appeared as a proponent of this legislation, stating that the intent of the bill is to clarify responsibility for notification of termination of COBRA benefits by requiring the insurance company to provide notice to the employee of cancellation of COBRA. (Attachment #1.) Representative Sader also gave a brief outline of the problem this bill was drafted to address.

Representative Patricia Pettey, appeared before the committee to request an amendment that would require HMO's to transfer to a new provider full and complete records when a request is submitted in writing. (Attachment #2.) Senator Petty observed that this would be a cost containment measure since it would eliminate duplication of requests and records.

Written testimony was submitted by Brent Schondelmeyer, Independence, Missouri. (Attachment #3.)

There being no other conferees, the hearing was closed. Senator Petty made a motion to recommend HB 2917 favorably and to place it on the Consent Calendar. The motion was seconded by Senator Praeger. The motion carried. Mr. Carman pointed out a possible conflict with SB 612, which will be addressed in Conference Committee.

Senator Corbin made a motion, seconded by Senator Moran, to approve the minutes of the meeting of March 16 as submitted. The motion carried.

Hearing was opened on HB 2726, relating to the financing of housing. William Caton, President, Kansas Development Finance Authority, explained that the original bill would create a state tax equity fund to allow the Kansas Development Finance Authority (KDFA) to create subsidiary corporations to carry out its duties, and also strikes language that prohibited KDFA from directly lending for housing. Mr. Caton requested that the bill be amended to give increased protection for KDFA's board and staff from potential liability created by this legislation. (Attachment #4.) In response to Senator Bond's question, Mr. Caton explained that, by statute, the KDFA board is exempt from personal liability and the intent of the amendment is to likewise protect the subsidiary boards.

Fred Bentley, Kansas Department of Commerce and Housing, also testified in favor of HB 2726, stating that a state tax credit equity fund would keep more federal tax credits in Kansas. Mr. Bentley explained the in some detail how the tax credit equity fund would benefit Kansas. (Attachment #5.) In response to Senator Lee, Mr. Bentley explained that this is initially a rental program. Senator Steffes observed that out of state corporations could incorporate in Kansas and the tax credits would still be used to benefit Kansas.

Karen Herrman, Governor's Commission on Housing and Homelessness, stated that Kansas needs the equity fund to invest in low-income housing tax credits and that the state must take full advantage of the funding potential of the federal initiative. (Attachment #6.)

Wade Freeman, El Centro, Inc., testified that a fund that understands the Kansas rental housing market and the needs of lower-income Kansans should make the investment process more efficient and effective, and that the equity fund should address the needs of not-for-profit lower income housing sponsors. (Attachment #7.)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
Room 529-S Statehouse, at 9:12 a.m. on March 17, 1994.

There were no further conferees; the hearing on **HB 2726** was closed. Senator Moran made a motion to amend the bill as requested by Commissioner Caton and the technical cleanup on page 10, line 5, suggested by Mr. Carman. Senator Praeger seconded the motion. The motion carried.

Senator Petty moved to recommend **HB 2726** favorably as amended. Senator Praeger seconded the motion; the motion carried.

The committee adjourned at 10:02 a.m.

The next meeting is scheduled for March 18, 1994.



**CAROL H. SADER**  
REPRESENTATIVE, TWENTY-SECOND DISTRICT  
JOHNSON COUNTY  
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TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
POLICY CHAIR OF DEMOCRATIC CAUCUS  
RANKING MINORITY MEMBER: PUBLIC HEALTH  
AND WELFARE  
ECONOMIC DEVELOPMENT  
JOINT COMMITTEE ON HEALTH CARE  
DECISIONS FOR THE 90'S

TESTIMONY ON HB2917  
FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE  
MARCH 17, 1994

Mr. Chairman and Members of the Committee:

I appear before you today in support of House Bill 2917 designed to prevent health care consumers whose employment has been terminated from losing their health insurance coverage without even knowing about its loss.

This bill is intended to clarify the responsibility for notification of termination of COBRA benefits by requiring the insurance company to provide notice to the insured terminated employee of the cancellation of COBRA coverage and a 30-day grace period.

The problem that this bill is intended to solve was brought to my attention by Mr. Brent Schondelmeyer, the former Editor-in-Chief of the Kansas City Health Care Times, an excellent weekly health care newspaper that ceased publication last July. After a well-attended forum on health care reform last December, which Mr. Schondelmeyer moderated and at which I, and Senators Bond and Praeger served as panelists, Mr. Schondelmeyer told me of his own experience and that of other former employees of the Kansas City Health Care Times in ironically losing their own health insurance coverage without notification and then having to pay a 600% increase for an individual policy with less coverage. Mr. Schondelmeyer was unable to be present today but has sent written testimony to explain just how this happened and why these matters need to be addressed and remedied in HB2917.

*Carol H. Sader*

*Senate 7141  
3/17/94*

*Attachment #1*

PAT HUGGINS PETTEY  
REPRESENTATIVE THIRTY-FIRST DISTRICT  
WYANDOTTE COUNTY  
3500 GIBBS  
KANSAS CITY, KANSAS 66106  
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TOPEKA

HOUSE OF  
REPRESENTATIVES

TESTIMONY

Senate Financial Institutions & Insurance Committee  
March 17, 1994

COMMITTEE ASSIGNMENTS  
MEMBER EDUCATION  
LOCAL GOVERNMENT  
JOINT COMMITTEE ON CHILDREN  
AND FAMILIES

STATE CAPITOL—RM. 281-W  
TOPEKA, KANSAS 66612-1504  
(913) 296-7669

Thank you for considering HB 2917.

I am sure the merits of the main body of the bill will be presented to you by others today. I wish to speak only to the amendment that I added on the House floor. This amendment deals with the ability of HMO clients to have their medical records transferred in full to a new provider when a request is made in writing.

Presently if you leave one HMO and request your records to be transferred, the provider will only send the information on procedures that they have performed.

As a client even if I have had records sent from former providers to the HMO they will not transfer the records.

Some will say this responsibility should rest with the client unfortunately clients are being faced with continuing changes in providers that they have no control over. If they have taken the time to responsibly ask for their records to be transferred when they make a provider change, they should not be doubly penalized to have to make two, three and four requests for back records to be sent just so they can have continuity in care.

This is a consumer friendly amendment that I hope you will support.

I would be glad to stand for questions.

*Senate 7141  
3/17/94  
Attachment #2*

**Senate Committee on Financial Institutions and Insurance  
March 17, 1994 Hearing on House Bill No. 2917**

Written testimony submitted by:

Brent Schondelmeyer  
501 N. Union  
Independence, Mo. 64050  
(816) 836-0910

**Summary**

State insurance legislation needs to clarify the responsibility for notification of termination of COBRA benefits.

**Notification Rights and COBRA Health Insurance Coverage**

I am among more than a dozen people who lost their health insurance and did not even know it.

We were young, healthy and had no pre-existing conditions. Moreover, we were ready and willing to pay for health insurance out of our own pockets. Even still, we got temporarily dropped – without our even knowing it – into the growing ranks of the uninsured which now number 37 million.

This is a tale told by a Missouri resident, but equally applicable to any Kansas resident whose health insurance is employer based. These are the circumstances which illustrate the larger issue.

My then employer – *The Kansas City Health Care Times* – closed last July. At that time, I several other employees decided to extend our health care coverage through COBRA coverage which permitted us to extend our health insurance if we individually paid the premium.

COBRA is the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) which Congress adopted to provide continuation of health care coverage for an employee who is terminated or who loses benefits through reduction of hours. The employee is given 60 days from a “qualifying event” to elect whether they want COBRA coverage.

On Oct. 30, the Kansas City Health Care Times, Inc. canceled its group health insurance policy with its health insurer – the company which provided our COBRA coverage. The newspaper, as practical matter, ceased being a business with employees. With no employees, it no longer needed group health coverage. The link to health care coverage, for the former employees, was the group health

insurance policy. Cancellation of the group health policy effectively terminated our COBRA coverage. That's the federal law. COBRA coverage ends on "the date on which the employer ceases to provide any group health plan to any employee." [29 U.S.C.A. § 1162 (2)(B)]

However, neither the employer nor the insurance company notified us of the cancellation and our loss of health insurance until November – two months later. During that period, we continued to faithfully send checks in to the insurance company which were returned with no explanation. Calls to the insurance company brought reassurances not to worry because we were covered, but offered no explanation for the returned money.

The official explanation – prompted by repeated phone calls – finally came on Nov. 15. That day, I received a letter dated Nov. 4 which categorically stated my health insurance had been canceled Sept. 30.

**We lost our health insurance and no one told us or provided us at least 30 days to arrange for alternative coverage.**

The health insurance disclaimed responsibility for informing us of our COBRA termination placing the responsibility on the employer. (A position which is correct, by all accounts). The employer – a start-up small business – said it was unaware of its responsibility.

Federal COBRA law is very detailed in spelling out employer obligations and responsibilities for letting terminated employees know about rights to elect COBRA coverage. However, both federal and state law is effectively silent or unclear on the question of whose responsibility it is to let employees know they have lost COBRA coverage due to the employer's cancellation of the group health insurance policy.

Consumers – even knowledgeable ones – can not act if they are not notified about circumstances that directly affect coverage.

This is wrong and needs to be addressed legislatively. H.B. 2917 does that by requiring insurance companies to provide the insured individuals notice if the group health policy is canceled by the employer. Not all employers are responsible. Many are small businesses which, once they fail, no longer take interest or responsibility in business affairs. Many entrepreneurs, moreover, lack personnel departments or experience with COBRA or other complicated employee benefit questions.

The same can not be said for insurance companies. The insurance company, in fact, has more regular contact with the individual than the former employer. The insurance company is billing the individual each month for prepayment of next month's COBRA premium. In my view, it makes sense to require the insurance

companies to provide notification whenever continued COBRA coverage is lost due to employer cancellation of the group health contract.

It is amazing to me that the insurance company is able to bill you monthly for the premium, but claims inability or no responsibility to inform the insured when COBRA coverage is canceled. As long as health insurance remains employer-linked, responsibility for providing notification of termination of COBRA coverage needs to be firmly fixed in state, if not also federal law.

If you read the COBRA law carefully, the employee has to notify the insurer if they get a divorce or legal separation, a dependent child loses eligibility, the individual becomes entitled to Medicare or death of a spouse.

Is it unreasonable for the insurance company to notify the insured when COBRA coverage – through no fault of the insured – loses coverage due to employer cancellation of the group's health insurance?

Fortunately, no one in the COBRA group had a major medical claim during the two-month period and most have secured coverage through new employment or purchased individual coverage. However, if anyone in the group had had a pre-existing condition securing coverage would have been difficult, most likely, and extremely expensive, for sure.

H.B. 2917 does something that is important – a small matter which should seem eminently reasonable and altogether fair. Notification of loss of COBRA coverage should be an affirmative obligation of insurance companies and not just a courteous and decent business practice.

Until health insurance is portable and not employer-linked, it is important to address issues which I think this example illustrates. The loss of a job is not unusual in our economy. There were 758 business failures in Kansas in 1990 and 1,216 in Missouri, according to the Dun & Bradstreet Corporation

We should be encouraging individuals to provide for and pay for health insurance, not making it difficult and onerous to do so. H.B. 2917 is a modest step, easily accomplished.

When heard before the House Committee on Financial Institutions and Insurance, the notification requirement was not opposed by either the Kansas Insurance Department or the insurance industry. I hope the Senate committee will also give this modest measure favorable consideration.

Thank for your taking the time to consider these issues. I'm sorry that I was unable to attend the committee hearing in person.



# KANSAS

KANSAS DEVELOPMENT FINANCE AUTHORITY

Joan Finney  
Governor

Wm. F. Caton  
President

HOUSE BILL 2726  
SENATE TESTIMONY  
MARCH 17, 1994  
Wm. F. Caton

Thank you for the opportunity to testify before you today on House Bill 2726. I am also requesting an amendment to K.S.A. 74-8910 that would cover increased liability to the Kansas Development Finance Authority ("KDFA"), Board of Directors, Officers and Employees created by any subsidiary corporations proposed by this bill. The exclusion of this language from the original bill was an oversight. Attached is a balloon amendment, identified as "Attachment A", prepared by Arthur Griggs, Chief Legal Counsel, Department of Administration. Adding this proposed language to KDFA's enabling legislation protects KDFA's Board and staff from potential liability created by this legislation.

The original bill proposed to the House Financial Institutions and Insurance Committee included amendments to K.S.A. 9-1101 which provided Kansas State Chartered Banks to invest the State Tax Credit Equity Fund. The amendments to K.S.A. 9-1101 were deleted by the House FI&I Committee and amended into Senate Bill 508, which provides regulatory limitations to the amounts banks may invest in these types of investments. Attached is a copy of the balloon adopted by the House, identified as "Attachment B", which added the State Tax Credit Equity Fund to the definition of "Community Development Projects". The original definition was specific to a project in a particular location. This balloon allows investment into "pooled" Community Development Projects created by the State Tax Credit Equity Fund. Also attached is a Kansas Bankers Association Regulatory Bulletin, identified as "Attachment C", which describes the additional investment capabilities recently given to National Banks by the Office of the Comptroller of the Currency.

The proposed amendments to K.S.A. 74-8904 give KDFA legislative authority to form subsidiary corporations to carry out special purposes for the State of Kansas through KDFA. One significance of this is to provide the State of Kansas the ability to establish vehicles to assist in the development of low and middle income housing, through Federal tax credit equity funds and by participation in programs established pursuant to the Internal Revenue Code and HUD programs. These amendments would also allow KDFA and its subsidiaries to participate in making loans to finance housing developments. Such participation is essential to the realization of goals establishing State housing policies.

Senate 7101  
3/17/94  
Attachment # 4

Attached is a flow chart, identified as "Attachment D", which displays the present federal tax credit program and includes additional activity created by this proposed bill which is displayed outside out the outlined area. The purpose for this additional activity is to facilitate the pooling of tax credits on projects that are unable to stand alone or are difficult to market due to the size or location. The KDFFA sponsored State Tax Credit Equity Fund, and KDFFA could participate in the marketing of the tax credits and lending on projects that would have difficulty finding conventional financing for various reasons.

It is unfortunate that Kansas is one of only two states in this nation which does not have "housing finance agency" powers to finance housing. Arizona, the other state, has limited powers through its Department of Housing. Kansas has no such vehicle. The identification of this need comes from the Governor's Commission on Housing and Homelessness, which has expended considerable effort in identifying housing program shortfalls, as well as the ongoing needs of Kansans in their endeavor to secure decent, safe, affordable and accessible housing.

In 1992, Governor Finney, through executive reorganization, created the Division of Housing as a section of the Kansas Department of Commerce and renamed it the Kansas Department of Commerce and Housing ("KDOC&H"). The contents of H.B. 2726 continues to provide housing policies to be established by the Secretary of the KDOC&H. This bill does not duplicate any current efforts of KDOC&H; it only enhances their ability to implement programs by providing some of the financing tools needed to carry out those policies.

Our neighboring states have had tremendous financial success in housing and have the ability to provide millions of dollars in grants and aid to homeless people and to shelters, and they continue to do so. While our neighbors have enjoyed financial success, Kansas has not even had even the opportunity to duplicate what these states have accomplished.

There is a very basic concept that we must understand: a local project or program is an individual, stand-alone project or program. The financing of the project is driven by the bond underwriters, bond attorneys, local lenders and individual developers. When financed by a State housing finance agency, individual projects and programs become part of the overall portfolio of the agency. That portfolio is actively managed to provide maximum benefits for Statewide policy issues. Most of the housing funds of our neighboring states were generated by interactive management of policy and program driven financing, not by individual financings done by a variety of different local issuers without common goals or objectives. Those financings stand alone, and little or no financial management or analysis are provided for them, except by profit-oriented bond underwriters who track those issues for possible refundings. And if local housing bond issues are refunded for economic motives, local issuers do not usually reinvest the generated revenues back into housing; they are used for general operations. Is that bad? Maybe not for the local issuer, but it is not beneficial and, in fact, is probably detrimental to the housing needs of Kansas. Kansas has suffered economically by not having a state housing finance agency.

I view the successes of our neighboring states in housing financing with envy and regret. Recent changes in the Internal Revenue Code have severely limited future cash accumulations State housing agencies could once generate; consequently we cannot hope to duplicate their achievements. But opportunities still exist to help provide decent, safe, affordable and accessible housing to Kansans who are in need of help. To take advantage of those opportunities, we need the ability to finance housing on a Statewide basis. Without that ability, the future for Kansas will hold the same as the past - no mechanism to take advantage of opportunities when they arise.

An issue which is fundamental and which must be addressed to ascertain whether we need this legislation is this: Is housing a local issue, or is it a State issue? Because of recent revisions of many policies of the Federal Housing and Urban Development agency ("HUD"), a multitude of HUD's programs require implementation at the State level. As one example, local issuers have not been able to participate in any savings sharing on subsidized, multifamily, Section 8 refinancings. Since KDFFA is a statewide issuer with very limited housing powers, HUD permitted Kansas to participate in this shared savings program. Believe me, it was a very difficult task to convince HUD to permit Kansas to participate in any savings generated. It finally took the assistance of Senator Bob Dole. Through KDFFA, participating with KDOC&H, Kansas is able to provide \$3.8 million to the Housing Trust Fund over the next 10 years by refinancing 10 Section 8 housing projects throughout the State. A local housing agency can not participate in this savings program.

Unfortunately, without the ability to generate considerable dollars through housing programs as our neighboring states have, Kansas must look to HUD for the bulk of the funds for its housing programs. As you can understand from the Section 8 refinancing example given, it is extremely important we have the ability to take maximum advantage of HUD's programs. HUD's budget remains the same, whether Kansas utilizes its programs or not; the money is allocated to other states if Kansas does not participate or take full advantage of HUD's programs. The Governor's 1992 creation of a State housing division, and the legislature's affirmation of that division indicates that there is a need for Statewide housing policy; and the future success of these policies can only be enhanced by this legislation. Please act favorably on this bill with the amendments discussed earlier.

Thank you for your attention. I will be glad to answer any questions or provide any additional information you might request.

HOUSE BILL No. 2726

By Committee on Economic Development

1-25

Handwritten notes: 3/17/94, 4-4

9 AN ACT concerning housing; relating to the financing thereof;  
10 amending K.S.A. 74-8901 and K.S.A. 1993 Supp. 9-1101 and and 74-8910  
11 repealing the existing sections section.

12  
13 *Be it enacted by the Legislature of the State of Kansas:*  
14 Section 1. K.S.A. 1993 Supp. 9-1101 is hereby amended to  
15 read as follows: 9-1101. Any bank hereby is authorized to ex-  
16 ercise by its board of directors or duly authorized officers or  
17 agents, subject to law, all such powers, including incidental  
18 powers, as shall be necessary to carry on the business of bank-  
19 ing, and:  
20 (1) To receive deposits and to pay interest thereon at rates  
21 which need not be uniform. The state bank commissioner, with  
22 approval of the state banking board, may by regulations of  
23 general application fix maximum rates of interest to be paid  
24 on deposit accounts other than accounts for public moneys;  
25 (2) to buy and sell exchange, gold, silver, foreign coin, bul-  
26 lion, commercial paper, bills of exchange, notes and bonds;  
27 (3) to buy and sell bonds, securities, or other evidences of  
28 indebtedness of the United States of America or those fully  
29 guaranteed, directly or indirectly, by it, and general obligation  
30 bonds of the state of Kansas or any municipality or quasi-mu-  
31 nicipality thereof, and of other states, and of municipalities or  
32 quasi-municipalities in other states of the United States of  
33 America. No bank shall invest an amount in excess of 15% of  
34 its capital stock paid in and unimpaired and the unimpaired  
35 surplus fund of such bank in bonds, securities or other evi-  
36 dences of indebtedness of any municipality or quasi-munici-  
37 pality of any other state or states of the United States of Amer-  
38 ica: (a) If and when the direct and overlapping indebtedness  
39 of such municipality or quasi-municipality is in excess of 10%  
40 of its assessed valuation, excluding therefrom all valuations on  
41 intangibles and homestead exemption valuation; (b) or if any  
42 bond, security, or evidence of indebtedness of any such mu-  
43 nicipality or quasi-municipality has been in default in the pay-

sections

1 specifically approved by the state banking board if no liability  
2 exists under the deferred compensation plans;

3 (v) the cash surrender value of any life insurance policy  
4 purchased for the sole purpose of providing deferred compen-  
5 sation and benefit plans, underwritten by any one life insurance  
6 company, cannot exceed at any time, 15% of the bank's capital  
7 stock, surplus, undivided profits, loan loss reserve, capital notes  
8 and debentures and reserve for contingency;

9 (vi) the cash surrender value of life insurance policies pur-  
10 chased for the sole purpose of providing deferred compensation  
11 and benefit plans, in the aggregate from all companies, cannot  
12 at any time exceed 25% of the bank's capital stock, surplus,  
13 undivided profits, loan loss reserve, capital notes and deben-  
14 tures and reserve for contingency, unless the bank has obtained  
15 the prior approval of the state bank commissioner; and

16 (vii) the present value of the projected cash flow from the  
17 policy must not substantially exceed the present value of the  
18 projected cost of the deferred compensation or benefit program  
19 liabilities; and

20 (26) to make loans to the bank's stockholders or the stock-  
21 holders of the bank's controlling bank holding company on the  
22 security of the shares of the bank or shares of the bank's con-  
23 trolling bank holding company; with the limitation that this  
24 may occur only if the bank would have extended credit to such  
25 stockholder on exactly the same terms without the shares  
26 pledged as collateral, and provided the shares pledged are not  
27 a director's qualifying shares per K.S.A. 9-1117, and amend-  
28 ments thereto; and

29 *(27) to invest in any state tax credit equity fund established*  
30 *pursuant to K.S.A. 74-8904, and amendments thereto.*

31 See. 2. Section 1. K.S.A. 74-8904 is hereby amended to read  
32 as follows: 74-8904. Except as otherwise limited by this act, the  
33 authority shall have the following powers to:

34 (a) Sue and be sued;  
35 (b) have a seal and alter the same at its pleasure *such seal*;  
36 (c) make and alter bylaws for its organization and internal man-  
37 agement;

38 (d) ~~make and issue~~ *adopt* such rules and regulations as may be  
39 necessary to carry out the purposes of this act;

40 (e) acquire, hold and dispose of real and personal property for  
41 its corporate purposes;

42 (f) appoint officers, agents and employees, prescribe their duties  
43 and qualifications and fix their compensation;

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1 (g) borrow money and to issue notes, bonds and other obligations  
2 pursuant to K.S.A. 74-8905, *and amendments thereto*, whether or  
3 not the interest on which is subject to federal income taxation, and  
4 to provide for the rights of the lenders or holders thereof;

5 (h) purchase notes or participations in notes evidencing loans  
6 which are secured by mortgages or security interests and to enter  
7 into contracts in that regard;

8 (i) make secured or unsecured loans for any of the purposes for  
9 which bonds of the authority may be issued under this act; ~~except~~  
10 ~~that nothing in this act shall be construed to authorize the~~  
11 ~~authority to make loans directly to individuals to finance hous-~~  
12 ~~ing developments;~~

13 (j) sell mortgages and security interests at public or private sale,  
14 to negotiate modifications or alterations in mortgage and security  
15 interests, to foreclose on any mortgage or security interest in default  
16 or commence any action to protect or enforce any right conferred  
17 upon it by any law, mortgage, security agreement, contract or other  
18 agreement, and to bid for and purchase property which was the  
19 subject of such mortgage or security interest at any foreclosure or  
20 at any other sale, to acquire or take possession of any such property,  
21 and to exercise any and all rights as provided by law for the benefit  
22 or protection of the authority or mortgage holders;

23 (k) collect fees and charges in connection with its loans, bond  
24 guarantees, commitments and servicing, including, but not limited  
25 to, reimbursement of costs of financing as the authority shall de-  
26 termine to be reasonable and as shall be approved by the authority;

27 (l) make and execute contracts for the servicing of mortgages  
28 acquired by the authority pursuant to this act, and to pay the rea-  
29 sonable value of services rendered to the authority pursuant to those  
30 contracts;

31 (m) *enter into agreements with and* accept gifts, grants, loans  
32 and other aid from the federal government, the state, any state  
33 agency, any political subdivision of the state, or any person or cor-  
34 poration, foundation or legal entity, and to agree to and comply with  
35 any conditions attached to federal and state financial assistance not  
36 inconsistent with the provisions of this act;

37 (n) invest moneys of the authority not required for immediate  
38 use, including proceeds from the sale of any bonds, in such manner  
39 as the board shall determine, subject to any agreement with bond-  
40 holders stated in the authorizing resolution providing for the issuance  
41 of bonds;

42 (o) procure insurance against any loss in connection with its pro-  
43 grams, property and other assets;

3 (p) provide technical assistance and advice to the state or political  
4 subdivisions of the state and to enter into contracts with the state  
5 or political subdivisions of the state to provide such services. The  
6 state or political subdivisions of the state are hereby authorized to  
7 enter into contracts with the authority for such services and to pay  
8 for such services as may be provided them;

9 (q) establish accounts in one or more depositories;

10 (r) lease, acquire, construct, sell and otherwise deal in and con-  
11 tract concerning any facilities;

12 (s) have and exercise all of the powers granted to the public  
13 housing authorities by the state, except that the authority shall not  
14 have the power of eminent domain;

15 (t) do any and all things necessary or convenient to carry out its  
16 purposes of *the authority* and exercise the powers given and granted  
17 in this act;

18 (u) assist minority businesses in obtaining loans or other means  
19 of financial assistance. The terms and conditions of such loans or  
20 financial assistance, including the charges for interest and other serv-  
21 ices, will be consistent with the provisions of this act. In order to  
22 comply with this requirement, efforts must be made to solicit for  
23 review and analysis proposed minority business ventures. Basic loan  
24 underwriting standards will not be waived to inconsistently favor  
25 minority persons or businesses from the intent of the authority's  
26 lending practices; and

27 (v) *form one or more subsidiary corporations under K.S.A. 17-*  
28 *6001 et seq., and amendments thereto, in accordance with the pro-*  
29 *cedures therein contained. Each subsidiary corporation shall be sub-*  
30 *ject to the same restrictions and limitations as to the powers and*  
31 *purposes to which the authority is subject. The authority may del-*  
32 *egate any of its powers, obligations and duties to any subsidiary*  
33 *corporation by inclusion of such powers, obligations and duties in*  
34 *the articles of incorporation of the subsidiary corporation. Subsidiary*  
35 *corporations so formed shall constitute legal entities separate and*  
36 *distinct from each other, the authority and the state. The authority*  
37 *shall not be liable for the debts or obligations or for any actions or*  
38 *inactions of its subsidiary corporations unless the authority expressly*  
39 *agrees otherwise in writing. The authority may make loans or grants*  
40 *to a subsidiary corporation ~~form~~ from time to time to enable the*  
41 *subsidiary corporation to carry out its purposes. The members of*  
42 *the authority shall constitute all of the directors of each subsidiary*  
*corporation.*

*The state, any municipality or any state commission, public au-*  
*thority, agency, officer, department, board or division authorized*

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1 and empowered to enter into agreements with, to grant, convey,  
2 lease or otherwise transfer any property to, or to otherwise transact  
3 business with the ~~corporation~~ authority, shall have the same au-  
4 thorization and power to engage in these activities with each sub-  
5 sidiary corporation of the corporation.

6 One or more such subsidiary corporation may be formed for pur-  
7 poses of establishing state tax credit equity funds to assist in the  
8 development of low-income and middle-income housing and obtain  
9 financing through participation in the program established in section  
10 46 42 of the federal internal revenue code.

11 Actions of the authority or any subsidiary corporation relating to  
12 housing pursuant to this subsection (v) shall be carried out in ac-  
13 cordance with any terms, conditions and limitations relating to policy  
14 issues regarding housing, as established by the secretary of commerce  
15 and housing.

16 Sec. 3 ~~§~~ K.S.A. 74-8904 and K.S.A. 1993 Supp. 9-1101 are  
17 ~~is~~ hereby repealed.

18 Sec. ~~4~~ 3. This act shall take effect and be in force from and after  
19 its publication in the statute book.

Sec. 2 K.S.A. 74-8910 is hereby amended  
to read as follows: No director, employee  
or officer of the authority shall be liable  
personally for any reason arising from the  
issuance of bonds hereunder service of such  
person as a director, employee or officer  
of the authority or any subsidiary  
corporations created pursuant to this act  
unless such person acted with ~~willfull~~ willful,  
wanton or fradulent misconduct or intentionally  
tortuous conduct.

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HIT

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and 74-8910

are

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1 financial institutions and other investors or members, and operating  
2 the primary purpose of housing development, economic growth  
3 and revitalization, small and minority business creation, and other  
4 community development initiatives.

5 (v) "Community development project" (CD project) means a spe-  
6 cific project in a particular location, such as a neighborhood, city,  
7 county or state, the primary purpose of which is the economic im-  
8 provement of that area or the provision of housing for low-income  
9 and moderate-income persons in that area.

10 Sec. ~~2~~ 3. K.S.A. 1993 Supp. 9-701 and 9-1101 is are hereby  
11 repealed.

12 Sec. ~~3~~ 4. This act shall take effect and be in force from and  
13 after its publication in the statute book.

, and any state tax credit equity fund  
established pursuant to K.S.A. 74-8904  
and amendments thereto.



Kansas Bankers Assoc.  
1500 Merchants National Bldg.  
Eighth and Jackson  
Topeka, KS 66612-1265  
(913) 232-3444

## Regulatory Bulletin

Volume 2<sup>9</sup>

January 31, 1994

### Office of the Comptroller of the Currency

#### Changes Adopted on CDC Investment Rules

The OCC has adopted extensive amendments to rules governing national bank investments in Community Development Corporations (CDCs) and Community Development Projects (CD projects). These types of investments are authorized under 12 USC 24(Eleventh). They are designed to encourage national banks to make efforts to address needs in low- and moderate-income areas, underserved rural areas and governmental-designated redevelopment areas.

CDC and CD project investments are equity investments, nonbankable loans or lines of credit that supplement a bank's other lending and investing programs to help meet credit or other community needs. These types of investments are authorized only as are consistent with safe and sound banking practices, depending on the bank's capabilities and condition.

The new rule adopts a streamlined method of "self-certification" where no prior written approval from the OCC is required. This option is available for those banks which qualify. Qualifying banks must have a CAMEL rating of 1 or 2, they must be at least adequately capitalized, and must not be covered by an enforcement action.

Those qualifying banks with total assets of \$250 million or less may generally self-certify these types of investments up to 5% of unimpaired capital and surplus. Banks with total assets over \$250 million are limited to self-certification up to 2% of unimpaired capital and surplus. In either case, a bank may never exceed the maximum dollar limit of \$10 million per project.

There is also an aggregate limitation for all investments under this rule - so that a national bank may not exceed 5% of its unimpaired capital and surplus, unless the OCC, on a case-by-case basis, determines that a higher amount will pose no significant risk to the insurance fund and the bank is adequately capitalized. But in no event may a bank's aggregate investments exceed 10% of unimpaired capital and surplus.

Any bank not meeting the self-certification requirements must obtain prior approval from the OCC.

Copies of this rule are available from the KBA office, Please ask for Diane or Kathy.

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Federal Reserve Board

Reg DD: APY Calculation Comment Period Extended

The Fed has extended the comment period on a proposal to amend the calculation of the Annual Percentage Yields (APY) under Regulation DD. The new deadline is **February 14, 1994**. Comment is sought on all aspects of the proposal.

Comments should be sent to: Mr. William Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street & Constitution Avenue, NW, Washington, DC 20551.

Miscellaneous

IRS Issues NEW Temporary Rules: Discharge of Indebtedness

The IRS has issued temporary rules and has requested comments on the subject of reporting discharges of indebtedness. According to the regulation, financial institutions and other must provide "information returns", an IRS Form 1099-C, on any partial or total "discharge of indebtedness" of \$600 or more. These forms must be provided to the debtor by January 31, and to the IRS by February 28, of the year following the year of discharge.

"Discharge" is defined as being an identifiable event indicating that the debtor will never have to pay the debt. This terms includes: 1) a Chapter 11 discharge; 2) a creditor/debtor agreement discharging all or part of a debt/ or 3) the cancellation of debt by operation of law (example - statute of limitations on collection of debt). Please note that an internal bookkeeping entry, even if regulatorily required, does not by itself constitute reportable discharge.

"Indebtedness" is generally any amount owed, including principle, interest, penalties, and administrative costs and fines. The reporting is required, whether or not the discharged amount will be includable in the debtor's gross income.

The IRS notice must include: a) the debtor's name, address and TIN; b) the date of discharge; c) the amount discharged, including the segregation by interest, penalties, administrative costs and fines; d) the description of the debt's origin; e) a statement of bankruptcy (if known); and f) other information required on the Form.

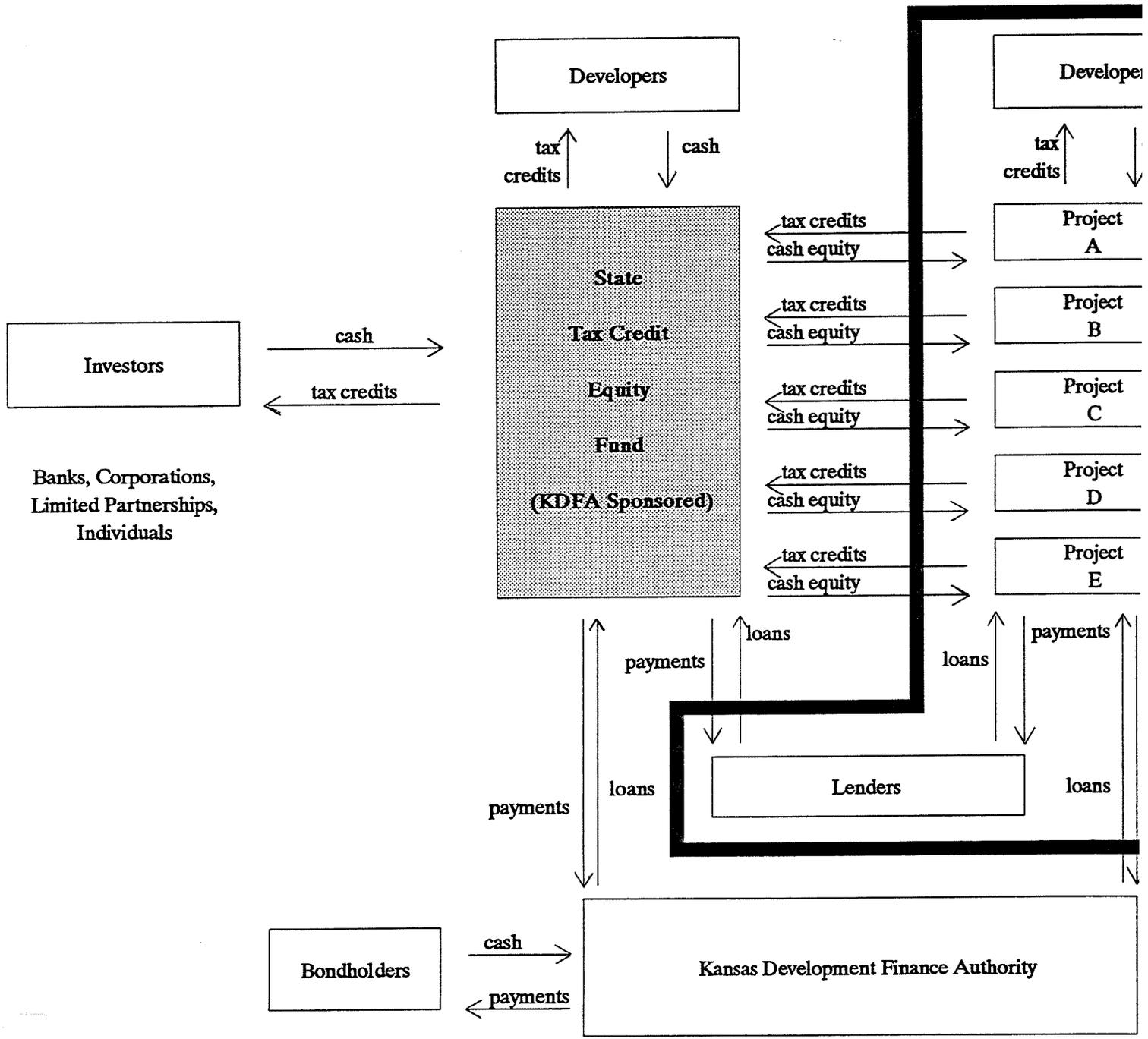
The rule also addresses some specific situations, including what to do with multiple debtors, joint liability, electronic filing, and TIN solicitations.

Comment is sought on all aspects of the rule. Two specific requests for comment concern how to handle a discharge of a disputed debt, and how to coordinate the 1099-C with the 1099-A (Acquisition or Abandonment of Secured Property) since both must be filed if a discharge occurs in connection with a foreclosure or an abandonment.

This temporary rule applies to all discharges after 12-31-93. Comments are due **February 25, 1994**, and should be sent to: CC:COM:CORP:T:R (IA-63-93), Room 5228, IRS, PO Box 7604, Ben Franklin Stn., Washington, DC 20044.

The KBA has copies of the rule, please ask for Diane or Kathy to receive a copy.

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Testimony by Fred Bentley  
Kansas Department of Commerce & Housing  
H 2726 State Tax Credit Equity Fund  
March 17, 1994

Thank you for the opportunity to offer comments in support of H 2726 establishing a state tax credit equity fund. I am Fred Bentley, Administrator of the Low Income Housing Tax Credit Program (LIHTC) which is located in the Division of Housing at the Department of Commerce & Housing.

The LIHTC is a major source of equity in the development of affordable rental housing for tenants whose income is less than 60% of the local gross median income. Up to 35% of the cost of developing this housing can be obtained from the LIHTC. However, the credit must be sold to investors before it represents actual dollars in the hands of the developer.

Since 1987 Kansas has allocated over \$211 million of ten year, federal income tax credits. This has generated the private, equity investment of approximately \$105 million and leveraged more than \$200 million of long term financing for the development of over 8,500 units of low income rental housing. Most of this investment has come from outside Kansas. Therefore, most of the credits have not been used in Kansas.

A state tax credit equity fund would keep more of these credits in

Senate 7141  
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Attachment #5

Kansas by raising investment dollars from state corporations for the purpose of purchasing federal tax credit projects in Kansas.

As equally important, this bill would assist in the development of difficult but much needed housing projects and allow the state to target specific needs for investment from the equity fund. These needs include projects in rural towns, inner cities and special needs. Frequently, these projects fail because financing cannot be obtained. A tax credit equity fund would provide an alternative avenue for the equity financing portion of many greatly needed rental housing projects.

H 2726 would also give the Kansas Development Finance Authority and the Division of Housing an additional tool and greater influence in the development of specific housing to address the needs identified by state housing staff.

The Division of Housing is responsible for monitoring the compliance of the tax credit projects which helps assure the equity fund that tax credits once allocated will not be recaptured by IRS.

The administration of the LIHTC program is funded completely from a fee fund paid by the developers who receive the tax credits.

H 2726 will not require any additional expenditure of state revenue. However, H 2726 will improve the ability of the LIHTC to address rental housing needs in Kansas.

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## BACKGROUND ON LOW INCOME HOUSING TAX CREDITS

The low income housing tax credit (LIHTC) is a feature of the 1986 Tax Reform Act. The credit is designed to stimulate private investment into the development of affordable rental housing for lower income people. It replaced virtually all of the real estate related deductions and credits that existed in the tax code prior to 1986.

The program is administrated by the Division of Housing in the Kansas Department of Commerce & Housing with oversight from the U.S. Treasury Department and IRS. The LIHTC was given a permanent extension in the 1993 Omnibus Budget Reconciliation Act.

An annual State Allocation Plan provides details and selection criteria on how the credit will be used. The Internal Revenue Code requires states to:

1. Provide selection criteria that are appropriate to local conditions;
2. Give the highest priority to projects with the lowest cost of "intermediaries" unless it would impede the development of projects in difficult development areas;
3. Give preference to projects that serve the lowest income tenants;
4. Give preference to projects serving qualified tenants for the longest period of time;
5. Provide procedures for monitoring projects and notifying IRS of any noncompliance.

The credit is a major source of equity that can provide up to 35% of a project's development costs. Equity is raised by attaching the credit to the real estate involved in the development and selling the package to investors. Credits are allocated on an annual basis but are good for ten years.

Kansas has an annual allotment of approximately \$3.15 million which amounts to \$31.5 million over the ten year tax credit period. Over \$211 million of ten year tax credits have been allocated by the state since 1987. This has raised about \$105 million of equity and has leveraged more than \$200 million of long term financing for the development of 164 projects and more than 8,500 units of housing.

Nationally, the LIHTC produces approximately 120,00 units of affordable housing annually. The National Council of State Housing Agencies estimates that the LIHTC accounts for \$2.5 billion in wages and \$1.2 billion of tax revenue each year.

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## BASIC FEATURES OF THE TAX CREDIT

The credit can be used for new construction, rehabilitation or acquisition and rehabilitation. The allowable annual credit is based on 9% of qualified basis for new construction and rehabilitation not using any federal subsidies; 4% of qualified basis for new construction and rehabilitation using federal subsidies; and 4% for acquisition costs when rehabilitation costs are also incurred.

Rehabilitation costs must be the greater of an average of \$3,000 of qualified basis per unit or 10% of unadjusted basis. Units purchased from the government must only satisfy the \$3,000/unit test. If the property is a federally assisted, distressed property only \$2,000/unit must be expended on rehabilitation.

If a project is located in a qualified census tract (where at least 50% of the people have incomes below 60% of the area medium gross income) 30% can be added to the qualified basis if it is needed to make the project financially feasible.

Projects must deduct federal grants from basis. Below market rate loans will reduce basis to the 4% credit with the exception of loans from CDBG, HOME and Federal Home Loan Bank funds. Projects using HOME loans and the 9% credit must reserve 40% of its units for tenants with incomes below 50% of the area median gross income. and are not allowed to claim additional credits if they are located in a qualified census tract.

All projects must provide at least 20% of its units for tenants with an income of less than 50% of the area gross median income or 40% of its units for tenants with an income of less than 60% of the area gross median income. However, to claim 100% of the tax credits 100% of the units in a project must be reserved for low income tenants. Virtually all LIHTC projects in Kansas are 100% reserved for low income tenants.

Gross rent paid by households occupying low income units must include an allowance for all utilities, except telephone, and may not exceed 30% of the applicable maximum qualifying income for a household of its size. Rent is based on number of bedrooms and not family size. HUD establishes the income and rent guidelines which are revised annually.

Projects must meet income and rent guidelines for an initial period of 15 years. Kansas requires an additional 15 year restricted use period. However, owners are given the right of a regulated sale of the project in the 14th year of the initial compliance period. If the owners cannot find a buyer willing to continue the restricted use of the project, the state is given one year to locate a buyer who will do so. If the state cannot find a buyer, the owners are released from the last 15 year restricted use period. Tenants in the project are protected by the rent limitations, however, for an additional three years.

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## FINANCIAL ANALYSIS

### **Example of a New Construction Project:**

74 units with 1, 2 and 3 bedroom apartments

All units are set aside for tenants below 60% area median income

Rents will range from 325 for 1 bedroom to 535 for 3 bedrooms

Total annual income is approximately 366,000 increased by 3% annually

Total annual management expenses are approximately 123,000 increased annually by 2.5%

Operating Ratio is 34%

Total Cost of the project is about \$4 million

Total Cost per unit is \$54,000; per sq. ft. \$60.00

Qualified Basis is about \$3.8 million (deduct land cost, permanent financing fees, syndication costs and operating reserve).

Loan Amount of approximately \$2.3 million for a term of 15 years at 9% interest amortized over 30 years

Annual Debt Service is \$227,000

Debt Coverage Ratio is 1.04 the 1st year; 1.62 the 15th year

Maximum Annual 1 year Credit Allowable is 9% X \$3.8 mil. = \$342,000

Equity Gap Test is used to determine credit offered:

Total Cost of Project:	\$4,000,000.	
Permanent Financing	<u>2,300,000.</u>	
Equity Gap	1,700,000	
Price of Credit	.45	
Ten Year Credit Need	3,777,777	
One Year Credit	377,777	
Maximum One Year Credit	342,000	
Credit Offered	342,000	
Equity from Credit	1,539,000	(3,420,000 X \$.45)
Additional Funds Needed	161,000	

After tax return on investment will average about 23% per year over the ten years of the credit.

Developer fees are limited to 10% for projects with 50 or more units and 15% for projects with less than 50 units.

Total project costs should range from \$30,000 - \$60,000 per unit and \$30.00 - \$60.00 per square foot.

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## APPLICATION AND EVALUATION PROCESSES

Kansas has approximately \$3.15 million of tax credits each year.

Application deadlines are March 31, June 30 and September 30.

Application fee: \$10 per unit up to a maximum of \$500 (nonprofit organizations are exempt).

Upon receipt applications are evaluated, ranked and rated as a group. Applicants will be notified of decisions within six weeks.

### Threshold Requirements and Selection Criteria

Need must be justified by local CHAS, strategic community plan, local housing plan or a market study.

Must provide evidence of site control; proper zoning; availability of utilities at site; documentation of utility costs; construction financing commitment; developer's agreement; site plan and specifications; owner's/general partner's financial statement; articles of incorporation or limited partnership papers for the owner; 15 year pro forma; and extended use commitment.

The selection criteria rates each application on project location; housing need; project characteristics; applicant characteristics; tenant characteristics; and relationship between applicant and local PHA.

### Reservation and Allocation Procedures

A project offered credits must pay a reservation fee of 5% of the annual credit offered. Nonprofit organizations are assessed a fee of 2.5%.

The project must be completed or have at least a 10% basis in the project costs by the end of the year in which the credits are offered.

If the project has at least a 10% basis but is not completed, a carryover allocation agreement will be executed and the project has two additional years to be completed.

A carryover fee of 2% of the annual credit allocated is charged. Nonprofit organizations are assessed a fee of 1%.

Tax credits are issued with an IRS form 8609 on a building basis only after the project is completed and placed in service. Final costs and permanent financing must be certified by an accountant's and attorney's opinion; permanent financing and syndication documents must be provided; certificates of occupancy must be issued by the local jurisdiction (if that is the local practice); and a restricted use covenant is filed with the local register of deeds.

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ANNUAL COMPLIANCE MONITORING

The Division of Housing monitors the tax credit projects and reports noncompliance to the Internal Revenue Service.

Projects must provide an annual certification of compliance and information on record keeping systems, rent structures and tenant income certifications and verifications.

Owners of projects will be notified of any noncompliance and be given 60 days to correct it.

The state is required to notify IRS of the noncompliance no later than 45 days after the end of the time allowed for correction, whether or not the noncompliance is corrected.

The state will conduct annual site visits at random to inspect buildings and record keeping systems.

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## FINANCIAL ANALYSIS

### Example of a Rehabilitation Project

16 units with 2, 3 and 4 bedroom apartments

All units are set aside for tenants below 60% area median income

Rents will range from 160 for 2 bedrooms to 493 for 4 bedrooms

Total annual income is about \$72,000 increased 1.5% annually

Total annual management expenses are about 25,000 increased 3% annually

Operating ratio is 35%

Total cost of project is about \$800,000

Total cost per unit is about \$49,000; per sq.ft. about \$46.00

Qualified basis is about \$725,000 (deduct land cost, permanent financing fees, syndication costs and operating reserves).

Loan amount of \$500,000 for a term of 15 years at 9.5% interest amortized over 30 years

Debt Coverage Ratio is 1.2

Maximum allowable 1 year credit is  $9\% \times \$725,000 = \$65,250$

Equity Gap Test is used to determine the credit offered:

Total Cost of Project	\$800,000
Permanent Financing	<u>500,000</u>
Equity Gap	300,000
Price of Credit	.45
Ten Year Credit Need	666,667
One Year Credit	66,667
Maximum One Year Credit	65,250
Credit Offered	65,250
Equity from Credit	293,625 ( $652,500 \times \$ .45$ )

After tax return on investment will average about 18% over the ten year credit period

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REFERENCES

**A Developers Guide To The Low Income Housing Tax Credit**, by Herbert Stevens and Thomas Tracy. National Council of State Housing Agencies, 444 North Capitol St., NW, Suite 438, Washington, DC 20001. (202) 624-7710 \$44.95 plus shipping.

**Tax Credits For Low Income Housing**, by Joseph Guggenheim. Simon Publications, Box 229, Glen Echo, Maryland 20812. (301) 320-5771 \$53.95 plus shipping.

**Low Income Housing Tax Credit Handbook**, by Michael J. Novogradic and Eric J. Fortenbach. Clark Boardman Company, Ltd., 375 Hudson St., New York, N.Y. 10014 (800) 221-9428 \$95.00 plus shipping.

**Section 42 of the Internal Revenue Code.**

For more information contact:

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LIHTC Program Administrator  
Kansas Department of Commerce & Housing  
Division of Housing  
700 S.W. Harrison, Suite 1300  
Topeka, Kansas 66603-3712  
(913) 296-2686 FAX (913) 296-6988

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Revised 04-15-93

State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

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MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
KANSAS CITY	43,200	9,072	10,368	11,664	12,960	13,997	15,034	16,070	17,107	20/30	227	243	292	337	376	415
		12,096	13,824	15,552	17,280	18,662	20,045	21,427	22,810	20/40	302	324	389	449	501	553
		15,120	17,280	19,440	21,600	23,328	25,056	26,784	28,512	20/50	378	405	486	562	626	691
		18,144	20,736	23,328	25,920	27,994	30,067	32,141	34,214	40/60	454	486	583	674	752	829
LAWRENCE	40,800	8,568	9,792	11,016	12,240	13,219	14,198	15,178	16,157	20/30	214	230	275	318	355	392
		11,424	13,056	14,688	16,320	17,626	18,931	20,237	21,542	20/40	286	306	367	424	473	522
		14,280	16,320	18,360	20,400	22,032	23,664	25,296	26,928	20/50	357	383	459	530	592	653
		17,136	19,584	22,032	24,480	26,438	28,397	30,355	32,314	40/60	428	459	551	636	710	783
TOPEKA	41,200	8,652	9,888	11,124	12,360	13,349	14,338	15,326	16,315	20/30	216	232	278	321	358	396
		11,536	13,184	14,832	16,480	17,798	19,117	20,435	21,754	20/40	288	309	371	428	478	527
		14,420	16,480	18,540	20,600	22,248	23,896	25,544	27,192	20/50	361	386	464	536	597	659
		17,304	19,776	22,248	24,720	26,698	28,675	30,653	32,630	40/60	433	464	556	643	717	791
WICHITA	41,200	8,652	9,888	11,124	12,360	13,349	14,338	15,326	16,315	20/30	216	232	278	321	358	396
		11,536	13,184	14,832	16,480	17,798	19,117	20,435	21,754	20/40	288	309	371	428	478	527
		14,420	16,480	18,540	20,600	22,248	23,896	25,544	27,192	20/50	361	386	464	536	597	659
		17,304	19,776	22,248	24,720	26,698	28,675	30,653	32,630	40/60	433	464	556	643	717	791
ALLEN	29,100	6,111	6,984	7,857	8,730	9,428	10,127	10,825	11,524	20/30	153	164	196	227	253	279
		8,148	9,312	10,476	11,640	12,571	13,502	14,434	15,365	20/40	204	218	262	303	338	372
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
ANDERSON	29,700	6,237	7,128	8,019	8,910	9,623	10,336	11,048	11,761	20/30	156	167	200	232	258	285
		8,316	9,504	10,692	11,880	12,830	13,781	14,731	15,682	20/40	208	223	267	309	345	380
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
ATCHISON	30,700	6,447	7,368	8,289	9,210	9,947	10,684	11,420	12,157	20/30	161	173	207	239	267	295
		8,596	9,824	11,052	12,280	13,262	14,245	15,227	16,210	20/40	215	230	276	319	356	393
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
BARBER	30,500	6,405	7,320	8,235	9,150	9,882	10,614	11,346	12,078	20/30	160	172	206	238	265	293
		8,540	9,760	10,980	12,200	13,176	14,152	15,128	16,104	20/40	214	229	275	317	354	390
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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Revised 04-15-93

State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
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 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY								EFF	MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		1	2	3	4	5	
BARTON	33,200	6,972	7,968	8,964	9,960	10,757	11,554	12,350	13,147	20/30	174	187	224	259	289	319
		9,296	10,624	11,952	13,280	14,342	15,405	16,467	17,530	20/40	232	249	299	345	385	425
		11,620	13,280	14,940	16,600	17,928	19,256	20,584	21,912	20/50	291	311	374	432	481	531
		13,944	15,936	17,928	19,920	21,514	23,107	24,701	26,294	40/60	349	374	448	518	578	637
BOURBON	29,200	6,132	7,008	7,884	8,760	9,461	10,162	10,862	11,563	20/30	153	164	197	228	254	280
		8,176	9,344	10,512	11,680	12,614	13,549	14,483	15,418	20/40	204	219	263	304	339	374
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
BROWN	28,300	5,943	6,792	7,641	8,490	9,169	9,848	10,528	11,207	20/30	149	159	191	221	246	272
		7,924	9,056	10,188	11,320	12,226	13,131	14,037	14,942	20/40	198	212	255	294	328	362
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CHASE	25,700	5,397	6,168	6,939	7,710	8,327	8,944	9,560	10,177	20/30	135	145	173	200	224	247
		7,196	8,224	9,252	10,280	11,102	11,925	12,747	13,570	20/40	180	193	231	267	298	329
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CHAUTAUQUA	24,600	5,166	5,904	6,642	7,380	7,970	8,561	9,151	9,742	20/30	129	138	166	192	214	236
		6,888	7,872	8,856	9,840	10,627	11,414	12,202	12,989	20/40	172	185	221	256	285	315
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CHEROKEE	26,000	5,460	6,240	7,020	7,800	8,424	9,048	9,672	10,296	20/30	137	146	176	203	226	250
		7,280	8,320	9,360	10,400	11,232	12,064	12,896	13,728	20/40	182	195	234	270	302	333
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CHEYENNE	29,800	6,258	7,152	8,046	8,940	9,655	10,370	11,086	11,801	20/30	156	168	201	232	259	286
		8,344	9,536	10,728	11,920	12,874	13,827	14,781	15,734	20/40	209	224	268	310	346	381
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CLARK	30,500	6,405	7,320	8,235	9,150	9,882	10,614	11,346	12,078	20/30	160	172	206	238	265	293
		8,540	9,760	10,980	12,200	13,176	14,152	15,128	16,104	20/40	214	229	275	317	354	390
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

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 5-12

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
CLAY	29,700	6,237	7,128	8,019	8,910	9,623	10,336	11,048	11,761	20/30	156	167	200	232	258	285
		8,316	9,504	10,692	11,880	12,830	13,781	14,731	15,682	20/40	208	223	267	309	345	380
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CLOUD	29,400	6,174	7,056	7,938	8,820	9,526	10,231	10,937	11,642	20/30	154	165	198	229	256	282
		8,232	9,408	10,584	11,760	12,701	13,642	14,582	15,523	20/40	206	221	265	306	341	376
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
COFFEY	31,900	6,699	7,656	8,613	9,570	10,336	11,101	11,867	12,632	20/30	167	179	215	249	278	306
		8,932	10,208	11,484	12,760	13,781	14,802	15,822	16,843	20/40	223	239	287	332	370	408
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
COWLEY	35,600	7,476	8,544	9,612	10,680	11,534	12,389	13,243	14,098	20/30	187	200	240	278	310	342
		9,968	11,392	12,816	14,240	15,379	16,518	17,658	18,797	20/40	249	267	320	370	413	456
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
COMMANCHE	27,600	5,796	6,624	7,452	8,280	8,942	9,605	10,267	10,930	20/30	145	155	186	215	240	265
		7,728	8,832	9,936	11,040	11,923	12,806	13,690	14,573	20/40	193	207	248	287	320	353
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
CRAWFORD	30,400	6,384	7,296	8,208	9,120	9,850	10,579	11,309	12,038	20/30	160	171	205	237	264	292
		8,512	9,728	10,944	12,160	13,133	14,106	15,078	16,051	20/40	213	228	274	316	353	389
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
DECATUR	30,100	6,321	7,224	8,127	9,030	9,752	10,475	11,197	11,920	20/30	158	169	203	235	262	289
		8,428	9,632	10,836	12,040	13,003	13,966	14,930	15,893	20/40	211	226	271	313	349	385
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
DICKINSON	32,100	6,741	7,704	8,667	9,630	10,400	11,171	11,941	12,712	20/30	169	181	217	250	279	308
		8,988	10,272	11,556	12,840	13,867	14,894	15,922	16,949	20/40	225	241	289	334	372	411
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
DONIPHAN	30,200	6,342	7,248	8,154	9,060	9,785	10,510	11,234	11,959	20/30	159	170	204	236	263	290
		8,456	9,664	10,872	12,080	13,046	14,013	14,979	15,946	20/40	211	227	272	314	350	387
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
EDWARDS	29,500	6,195	7,080	7,965	8,850	9,558	10,266	10,974	11,682	20/30	155	166	199	230	257	283
		8,260	9,440	10,620	11,800	12,744	13,688	14,632	15,576	20/40	207	221	266	307	342	378
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
ELK	28,800	6,048	6,912	7,776	8,640	9,331	10,022	10,714	11,405	20/30	151	162	194	225	251	276
		8,064	9,216	10,368	11,520	12,442	13,363	14,285	15,206	20/40	202	216	259	300	334	369
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
ELLIS	35,700	7,497	8,568	9,639	10,710	11,567	12,424	13,280	14,137	20/30	187	201	241	278	311	343
		9,996	11,424	12,852	14,280	15,422	16,565	17,707	18,850	20/40	250	268	321	371	414	457
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
ELLSWORTH	30,200	6,342	7,248	8,154	9,060	9,785	10,510	11,234	11,959	20/30	159	170	204	236	263	290
		8,456	9,664	10,872	12,080	13,046	14,013	14,979	15,946	20/40	211	227	272	314	350	387
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
FINNEY	36,000	7,560	8,640	9,720	10,800	11,664	12,528	13,392	14,256	20/30	189	203	243	281	313	346
		10,080	11,520	12,960	14,400	15,552	16,704	17,856	19,008	20/40	252	270	324	374	418	461
		12,600	14,400	16,200	18,000	19,440	20,880	22,320	23,760	20/50	315	338	405	468	522	576
		15,120	17,280	19,440	21,600	23,328	25,056	26,784	28,512	40/60	378	405	486	562	626	691
FORD	35,100	7,371	8,424	9,477	10,530	11,372	12,215	13,057	13,900	20/30	184	197	237	274	305	337
		9,828	11,232	12,636	14,040	15,163	16,286	17,410	18,533	20/40	246	263	316	365	407	449
		12,285	14,040	15,795	17,550	18,954	20,358	21,762	23,166	20/50	307	329	395	456	509	562
		14,742	16,848	18,954	21,060	22,745	24,430	26,114	27,799	40/60	369	395	474	548	611	674
FRANKLIN	34,600	7,266	8,304	9,342	10,380	11,210	12,041	12,871	13,702	20/30	182	195	234	270	301	332
		9,688	11,072	12,456	13,840	14,947	16,054	17,162	18,269	20/40	242	260	311	360	401	443
		11,795	13,480	15,165	16,850	18,198	19,546	20,894	22,242	20/50	295	316	379	438	489	539
		14,154	16,176	18,198	20,220	21,838	23,455	25,073	26,690	40/60	354	379	455	526	586	647

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
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 All rents include utility bills

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MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
GEARY	27,800	5,838	6,672	7,506	8,340	9,007	9,674	10,342	11,009	20/30	146	156	188	217	242	267
		7,784	8,896	10,008	11,120	12,010	12,899	13,789	14,678	20/40	195	209	250	289	322	356
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
GOVE	32,400	6,804	7,776	8,748	9,720	10,498	11,275	12,053	12,830	20/30	170	182	219	253	282	311
		9,072	10,368	11,664	12,960	13,997	15,034	16,070	17,107	20/40	227	243	292	337	376	415
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
GRAHAM	31,800	6,678	7,632	8,586	9,540	10,303	11,066	11,830	12,593	20/30	167	179	215	248	277	305
		8,904	10,176	11,448	12,720	13,738	14,755	15,773	16,790	20/40	223	239	286	331	369	407
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
GRANT	36,900	7,749	8,856	9,963	11,070	11,956	12,841	13,727	14,612	20/30	194	208	249	288	321	354
		10,332	11,808	13,284	14,760	15,941	17,122	18,302	19,483	20/40	258	277	332	384	428	472
		12,775	14,600	16,425	18,250	19,710	21,170	22,630	24,090	20/50	319	342	411	475	529	584
		15,330	17,520	19,710	21,900	23,652	25,404	27,156	28,908	40/60	383	411	493	569	635	701
GRAY	33,100	6,951	7,944	8,937	9,930	10,724	11,519	12,313	13,108	20/30	174	186	223	258	288	318
		9,268	10,592	11,916	13,240	14,299	15,358	16,418	17,477	20/40	232	248	298	344	384	424
		11,585	13,240	14,895	16,550	17,874	19,198	20,522	21,846	20/50	290	310	372	430	480	530
		13,902	15,888	17,874	19,860	21,449	23,038	24,626	26,215	40/60	348	372	447	516	576	636
GREELEY	36,700	7,707	8,808	9,909	11,010	11,891	12,772	13,652	14,533	20/30	193	206	248	286	319	352
		10,276	11,744	13,212	14,680	15,854	17,029	18,203	19,378	20/40	257	275	330	382	426	470
		12,775	14,600	16,425	18,250	19,710	21,170	22,630	24,090	20/50	319	342	411	475	529	584
		15,330	17,520	19,710	21,900	23,652	25,404	27,156	28,908	40/60	383	411	493	569	635	701
GREENWOOD	28,300	5,943	6,792	7,641	8,490	9,169	9,848	10,528	11,207	20/30	149	159	191	221	246	272
		7,924	9,056	10,188	11,320	12,226	13,131	14,037	14,942	20/40	198	212	255	294	328	362
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
HAMILTON	33,800	7,098	8,112	9,126	10,140	10,951	11,762	12,574	13,385	20/30	177	190	228	264	294	324
		9,464	10,816	12,168	13,520	14,602	15,683	16,765	17,846	20/40	237	254	304	352	392	433
		11,830	13,520	15,210	16,900	18,252	19,604	20,956	22,308	20/50	296	317	380	439	490	541
		14,196	16,224	18,252	20,280	21,902	23,525	25,147	26,770	40/60	355	380	456	527	588	649

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
HARPER	30,200	6,342	7,248	8,154	9,060	9,785	10,510	11,234	11,959	20/30	159	170	204	236	263	290
		8,456	9,664	10,872	12,080	13,046	14,013	14,979	15,946	20/40	211	227	272	314	350	387
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
HASKELL	35,100	7,371	8,424	9,477	10,530	11,372	12,215	13,057	13,900	20/30	184	197	237	274	305	337
		9,828	11,232	12,636	14,040	15,163	16,286	17,410	18,533	20/40	246	263	316	365	407	449
		12,285	14,040	15,795	17,550	18,954	20,358	21,762	23,166	20/50	307	329	395	456	509	562
		14,742	16,848	18,954	21,060	22,745	24,430	26,114	27,799	40/60	369	395	474	548	611	674
HODGEMAN	30,100	6,321	7,224	8,127	9,030	9,752	10,475	11,197	11,920	20/30	158	169	203	235	262	289
		8,428	9,632	10,836	12,040	13,003	13,966	14,930	15,893	20/40	211	226	271	313	349	385
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
JACKSON	35,000	7,350	8,400	9,450	10,500	11,340	12,180	13,020	13,860	20/30	184	197	236	273	305	336
		9,800	11,200	12,600	14,000	15,120	16,240	17,360	18,480	20/40	245	263	315	364	406	448
		12,250	14,000	15,750	17,500	18,900	20,300	21,700	23,100	20/50	306	328	394	455	508	560
		14,700	16,800	18,900	21,000	22,680	24,360	26,040	27,720	40/60	368	394	473	546	609	672
JEFFERSON	38,300	8,043	9,192	10,341	11,490	12,409	13,328	14,248	15,167	20/30	201	215	259	299	333	368
		10,724	12,256	13,788	15,320	16,546	17,771	18,997	20,222	20/40	268	287	345	398	444	490
		11,830	13,520	15,210	16,900	18,252	19,604	20,956	22,308	20/50	296	317	380	439	490	541
		14,196	16,224	18,252	20,280	21,902	23,525	25,147	26,770	40/60	355	380	456	527	588	649
JEWELL	25,100	5,271	6,024	6,777	7,530	8,132	8,735	9,337	9,940	20/30	132	141	169	196	218	241
		7,028	8,032	9,036	10,040	10,843	11,646	12,450	13,253	20/40	176	188	226	261	291	321
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
KEARNEY	36,800	7,728	8,832	9,936	11,040	11,923	12,806	13,690	14,573	20/30	193	207	248	287	320	353
		10,304	11,776	13,248	14,720	15,898	17,075	18,253	19,430	20/40	258	276	331	383	427	471
		12,775	14,600	16,425	18,250	19,710	21,170	22,630	24,090	20/50	319	342	411	475	529	584
		15,330	17,520	19,710	21,900	23,652	25,404	27,156	28,908	40/60	383	411	493	569	635	701
KINGMAN	31,500	6,615	7,560	8,505	9,450	10,206	10,962	11,718	12,474	20/30	165	177	213	246	274	302
		8,820	10,080	11,340	12,600	13,608	14,616	15,624	16,632	20/40	221	236	284	328	365	403
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

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MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
KIOWA	32,200	6,762	7,728	8,694	9,660	10,433	11,206	11,978	12,751	20/30	169	181	217	251	280	309
		9,016	10,304	11,592	12,880	13,910	14,941	15,971	17,002	20/40	225	242	290	335	374	412
		11,270	12,880	14,490	16,100	17,388	18,676	19,964	21,252	20/50	282	302	362	419	467	515
		13,524	15,456	17,388	19,320	20,866	22,411	23,957	25,502	40/60	338	362	435	502	560	618
LABETTE	32,000	6,720	7,680	8,640	9,600	10,368	11,136	11,904	12,672	20/30	168	180	216	250	278	307
		8,960	10,240	11,520	12,800	13,824	14,848	15,872	16,896	20/40	224	240	288	333	371	410
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
LANE	35,000	7,350	8,400	9,450	10,500	11,340	12,180	13,020	13,860	20/30	184	197	236	273	305	336
		9,800	11,200	12,600	14,000	15,120	16,240	17,360	18,480	20/40	245	263	315	364	406	448
		12,250	14,000	15,750	17,500	18,900	20,300	21,700	23,100	20/50	306	328	394	455	508	560
		14,700	16,800	18,900	21,000	22,680	24,360	26,040	27,720	40/60	368	394	473	546	609	672
LINCOLN	28,900	6,069	6,936	7,803	8,670	9,364	10,057	10,751	11,444	20/30	152	163	195	225	251	277
		8,092	9,248	10,404	11,560	12,485	13,410	14,334	15,259	20/40	202	217	260	301	335	370
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
LINN	28,300	5,943	6,792	7,641	8,490	9,169	9,848	10,528	11,207	20/30	149	159	191	221	246	272
		7,924	9,056	10,188	11,320	12,226	13,131	14,037	14,942	20/40	198	212	255	294	328	362
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
LOGAN	30,600	6,426	7,344	8,262	9,180	9,914	10,649	11,383	12,118	20/30	161	172	207	239	266	294
		8,568	9,792	11,016	12,240	13,219	14,198	15,178	16,157	20/40	214	230	275	318	355	392
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
LYON	34,700	7,287	8,328	9,369	10,410	11,243	12,076	12,908	13,741	20/30	182	195	234	271	302	333
		9,716	11,104	12,492	13,880	14,990	16,101	17,211	18,322	20/40	243	260	312	361	403	444
		12,145	13,880	15,615	17,350	18,738	20,126	21,514	22,902	20/50	304	325	390	451	503	555
		14,574	16,656	18,738	20,820	22,486	24,151	25,817	27,482	40/60	364	390	468	541	604	666
MCPHERSON	37,200	7,812	8,928	10,044	11,160	12,053	12,946	13,838	14,731	20/30	195	209	251	290	324	357
		10,416	11,904	13,392	14,880	16,070	17,261	18,451	19,642	20/40	260	279	335	387	432	476
		13,020	14,880	16,740	18,600	20,088	21,576	23,064	24,552	20/50	326	349	419	484	539	595
		15,624	17,856	20,088	22,320	24,106	25,891	27,677	29,462	40/60	391	419	502	580	647	714

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State of Kansas Department of Commerce & Housing  
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 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY								MAXIMUM RENTS FOR GIVEN # BEDROOMS						
		1	2	3	4	5	6	7	8	EFF	1	2	3	4	5	
MARION	31,100	6,531	7,464	8,397	9,330	10,076	10,823	11,569	12,316	20/30	163	175	210	243	271	299
		8,708	9,952	11,196	12,440	13,435	14,430	15,426	16,421	20/40	218	233	280	323	361	398
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
MARSHALL	28,900	6,069	6,936	7,803	8,670	9,364	10,057	10,751	11,444	20/30	152	163	195	225	251	277
		8,092	9,248	10,404	11,560	12,485	13,410	14,334	15,259	20/40	202	217	260	301	335	370
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
MEADE	31,900	6,699	7,656	8,613	9,570	10,336	11,101	11,867	12,632	20/30	167	179	215	249	278	306
		8,932	10,208	11,484	12,760	13,781	14,802	15,822	16,843	20/40	223	239	287	332	370	408
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
MITCHELL	30,400	6,384	7,296	8,208	9,120	9,850	10,579	11,309	12,038	20/30	160	171	205	237	264	292
		8,512	9,728	10,944	12,160	13,133	14,106	15,078	16,051	20/40	213	228	274	316	353	389
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
MONTGOMERY	31,000	6,510	7,440	8,370	9,300	10,044	10,788	11,532	12,276	20/30	163	174	209	242	270	298
		8,680	9,920	11,160	12,400	13,392	14,384	15,376	16,368	20/40	217	233	279	322	360	397
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
MORRIS	31,400	6,594	7,536	8,478	9,420	10,174	10,927	11,681	12,434	20/30	165	177	212	245	273	301
		8,792	10,048	11,304	12,560	13,565	14,570	15,574	16,579	20/40	220	236	283	327	364	402
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
MORTON	35,300	7,413	8,472	9,531	10,590	11,437	12,284	13,132	13,979	20/30	185	199	238	275	307	339
		9,884	11,296	12,708	14,120	15,250	16,379	17,509	18,638	20/40	247	265	318	367	409	452
		12,355	14,120	15,885	17,650	19,062	20,474	21,886	23,298	20/50	309	331	397	459	512	565
		14,826	16,944	19,062	21,180	22,874	24,569	26,263	27,958	40/60	371	397	477	551	614	678
NEMAHA	30,700	6,447	7,368	8,289	9,210	9,947	10,684	11,420	12,157	20/30	161	173	207	239	267	295
		8,596	9,824	11,052	12,280	13,262	14,245	15,227	16,210	20/40	215	230	276	319	356	393
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
NEOSHO	31,600	6,636	7,584	8,532	9,480	10,238	10,997	11,755	12,514	20/30	166	178	213	246	275	303
		8,848	10,112	11,376	12,640	13,651	14,662	15,674	16,685	20/40	221	237	284	329	367	404
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
NESS	32,300	6,783	7,752	8,721	9,690	10,465	11,240	12,016	12,791	20/30	170	182	218	252	281	310
		9,044	10,336	11,628	12,920	13,954	14,987	16,021	17,054	20/40	226	242	291	336	375	413
		11,305	12,920	14,535	16,150	17,442	18,734	20,026	21,318	20/50	283	303	363	420	468	517
		13,566	15,504	17,442	19,380	20,930	22,481	24,031	25,582	40/60	339	363	436	504	562	620
NORTON	33,200	6,972	7,968	8,964	9,960	10,757	11,554	12,350	13,147	20/30	174	187	224	259	289	319
		9,296	10,624	11,952	13,280	14,342	15,405	16,467	17,530	20/40	232	249	299	345	385	425
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
OSAGE	33,200	6,972	7,968	8,964	9,960	10,757	11,554	12,350	13,147	20/30	174	187	224	259	289	319
		9,296	10,624	11,952	13,280	14,342	15,405	16,467	17,530	20/40	232	249	299	345	385	425
		11,620	13,280	14,940	16,600	17,928	19,256	20,584	21,912	20/50	291	311	374	432	481	531
		13,944	15,936	17,928	19,920	21,514	23,107	24,701	26,294	40/60	349	374	448	518	578	637
OSBORNE	26,900	5,649	6,456	7,263	8,070	8,716	9,361	10,007	10,652	20/30	141	151	182	210	234	258
		7,532	8,608	9,684	10,760	11,621	12,482	13,342	14,203	20/40	188	202	242	280	312	344
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
OTTAWA	30,300	6,363	7,272	8,181	9,090	9,817	10,544	11,272	11,999	20/30	159	170	205	236	264	291
		8,484	9,696	10,908	12,120	13,090	14,059	15,029	15,998	20/40	212	227	273	315	351	388
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
PAWNEE	33,000	6,930	7,920	8,910	9,900	10,692	11,484	12,276	13,068	20/30	173	186	223	257	287	317
		9,240	10,560	11,880	13,200	14,256	15,312	16,368	17,424	20/40	231	248	297	343	383	422
		11,550	13,200	14,850	16,500	17,820	19,140	20,460	21,780	20/50	289	309	371	429	479	528
		13,860	15,840	17,820	19,800	21,384	22,968	24,552	26,136	40/60	347	371	446	515	574	634
PHILLIPS	30,400	6,384	7,296	8,208	9,120	9,850	10,579	11,309	12,038	20/30	160	171	205	237	264	292
		8,512	9,728	10,944	12,160	13,133	14,106	15,078	16,051	20/40	213	228	274	316	353	389
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
POTTAWATOMIE	34,300	7,203	8,232	9,261	10,290	11,113	11,936	12,760	13,583	20/30	180	193	232	268	298	329
		9,604	10,976	12,348	13,720	14,818	15,915	17,013	18,110	20/40	240	257	309	357	398	439
		12,005	13,720	15,435	17,150	18,522	19,894	21,266	22,638	20/50	300	322	386	446	497	549
		14,406	16,464	18,522	20,580	22,226	23,873	25,519	27,166	40/60	360	386	463	535	597	659
PRATT	34,900	7,329	8,376	9,423	10,470	11,308	12,145	12,983	13,820	20/30	183	196	236	272	304	335
		9,772	11,168	12,564	13,960	15,077	16,194	17,310	18,427	20/40	244	262	314	363	405	447
		12,215	13,960	15,705	17,450	18,846	20,242	21,638	23,034	20/50	305	327	393	454	506	558
		14,658	16,752	18,846	20,940	22,615	24,290	25,966	27,641	40/60	366	393	471	544	607	670
RAWLINS	29,600	6,216	7,104	7,992	8,880	9,590	10,301	11,011	11,722	20/30	155	167	200	231	258	284
		8,288	9,472	10,656	11,840	12,787	13,734	14,682	15,629	20/40	207	222	266	308	343	379
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
RENO	33,900	7,119	8,136	9,153	10,170	10,984	11,797	12,611	13,424	20/30	178	191	229	264	295	325
		9,492	10,848	12,204	13,560	14,645	15,730	16,814	17,899	20/40	237	254	305	353	393	434
		11,865	13,560	15,255	16,950	18,306	19,662	21,018	22,374	20/50	297	318	381	441	492	542
		14,238	16,272	18,306	20,340	21,967	23,594	25,222	26,849	40/60	356	381	458	529	590	651
REPUBLIC	29,400	6,174	7,056	7,938	8,820	9,526	10,231	10,937	11,642	20/30	154	165	198	229	256	282
		8,232	9,408	10,584	11,760	12,701	13,642	14,582	15,523	20/40	206	221	265	306	341	376
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
RICE	31,400	6,594	7,536	8,478	9,420	10,174	10,927	11,681	12,434	20/30	165	177	212	245	273	301
		8,792	10,048	11,304	12,560	13,565	14,570	15,574	16,579	20/40	220	236	283	327	364	402
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
RILEY	32,700	6,867	7,848	8,829	9,810	10,595	11,380	12,164	12,949	20/30	172	184	221	255	284	314
		9,156	10,464	11,772	13,080	14,126	15,173	16,219	17,266	20/40	229	245	294	340	379	419
		11,445	13,080	14,715	16,350	17,658	18,966	20,274	21,582	20/50	286	307	368	425	474	523
		13,734	15,696	17,658	19,620	21,190	22,759	24,329	25,898	40/60	343	368	441	510	569	628
ROOKS	28,200	5,922	6,768	7,614	8,460	9,137	9,814	10,490	11,167	20/30	148	159	190	220	245	271
		7,896	9,024	10,152	11,280	12,182	13,085	13,987	14,890	20/40	197	212	254	293	327	361
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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 All rents include utility bills

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MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY								EFF	MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		1	2	3	4	5	
RUSH	29,200	6,132	7,008	7,884	8,760	9,461	10,162	10,862	11,563	20/30	153	164	197	228	254	280
		8,176	9,344	10,512	11,680	12,614	13,549	14,483	15,418	20/40	204	219	263	304	339	374
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
RUSSELL	30,400	6,384	7,296	8,208	9,120	9,850	10,579	11,309	12,038	20/30	160	171	205	237	264	292
		8,512	9,728	10,944	12,160	13,133	14,106	15,078	16,051	20/40	213	228	274	316	353	389
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
SALINE	35,600	7,476	8,544	9,612	10,680	11,534	12,389	13,243	14,098	20/30	187	200	240	278	310	342
		9,968	11,392	12,816	14,240	15,379	16,518	17,658	18,797	20/40	249	267	320	370	413	456
		12,460	14,240	16,020	17,800	19,224	20,648	22,072	23,496	20/50	312	334	401	463	516	570
		14,952	17,088	19,224	21,360	23,069	24,778	26,486	28,195	40/60	374	401	481	555	619	684
SCOTT	33,500	7,035	8,040	9,045	10,050	10,854	11,658	12,462	13,266	20/30	176	188	226	261	291	322
		9,380	10,720	12,060	13,400	14,472	15,544	16,616	17,688	20/40	235	251	302	348	389	429
		11,725	13,400	15,075	16,750	18,090	19,430	20,770	22,110	20/50	293	314	377	436	486	536
		14,070	16,080	18,090	20,100	21,708	23,316	24,924	26,532	40/60	352	377	452	523	583	643
SEWARD	34,200	7,182	8,208	9,234	10,260	11,081	11,902	12,722	13,543	20/30	180	192	231	267	298	328
		9,576	10,944	12,312	13,680	14,774	15,869	16,963	18,058	20/40	239	257	308	356	397	438
		11,970	13,680	15,390	17,100	18,468	19,836	21,204	22,572	20/50	299	321	385	445	496	547
		14,364	16,416	18,468	20,520	22,162	23,803	25,445	27,086	40/60	359	385	462	534	595	657
SHERIDAN	28,800	6,048	6,912	7,776	8,640	9,331	10,022	10,714	11,405	20/30	151	162	194	225	251	276
		8,064	9,216	10,368	11,520	12,442	13,363	14,285	15,206	20/40	202	216	259	300	334	369
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
SHERMAN	29,500	6,195	7,080	7,965	8,850	9,558	10,266	10,974	11,682	20/30	155	166	199	230	257	283
		8,260	9,440	10,620	11,800	12,744	13,688	14,632	15,576	20/40	207	221	266	307	342	378
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
SMITH	25,500	5,355	6,120	6,885	7,650	8,262	8,874	9,486	10,098	20/30	134	143	172	199	222	245
		7,140	8,160	9,180	10,200	11,016	11,832	12,648	13,464	20/40	179	191	230	265	296	326
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
STAFFORD	28,600	6,006	6,864	7,722	8,580	9,266	9,953	10,639	11,326	20/30	150	161	193	223	249	275
		8,008	9,152	10,296	11,440	12,355	13,270	14,186	15,101	20/40	200	215	257	297	332	366
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
STANTON	33,200	6,972	7,968	8,964	9,960	10,757	11,554	12,350	13,147	20/30	174	187	224	259	289	319
		9,296	10,624	11,952	13,280	14,342	15,405	16,467	17,530	20/40	232	249	299	345	385	425
		11,620	13,280	14,940	16,600	17,928	19,256	20,584	21,912	20/50	291	311	374	432	481	531
		13,944	15,936	17,928	19,920	21,514	23,107	24,701	26,294	40/60	349	374	448	518	578	637
STEVENS	34,900	7,329	8,376	9,423	10,470	11,308	12,145	12,983	13,820	20/30	183	196	236	272	304	335
		9,772	11,168	12,564	13,960	15,077	16,194	17,310	18,427	20/40	244	262	314	363	405	447
		12,215	13,960	15,705	17,450	18,846	20,242	21,638	23,034	20/50	305	327	393	454	506	558
		14,658	16,752	18,846	20,940	22,615	24,290	25,966	27,641	40/60	366	393	471	544	607	670
SUMNER	37,600	7,896	9,024	10,152	11,280	12,182	13,085	13,987	14,890	20/30	197	212	254	293	327	361
		10,528	12,032	13,536	15,040	16,243	17,446	18,650	19,853	20/40	263	282	338	391	436	481
		12,495	14,280	16,065	17,850	19,278	20,706	22,134	23,562	20/50	312	335	402	464	518	571
		14,994	17,136	19,278	21,420	23,134	24,847	26,561	28,274	40/60	375	402	482	557	621	685
THOMAS	31,500	6,615	7,560	8,505	9,450	10,206	10,962	11,718	12,474	20/30	165	177	213	246	274	302
		8,820	10,080	11,340	12,600	13,608	14,616	15,624	16,632	20/40	221	236	284	328	365	403
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
TREGO	29,600	6,216	7,104	7,992	8,880	9,590	10,301	11,011	11,722	20/30	155	167	200	231	258	284
		8,288	9,472	10,656	11,840	12,787	13,734	14,682	15,629	20/40	207	222	266	308	343	379
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
WABAUNSEE	36,400	7,644	8,736	9,828	10,920	11,794	12,667	13,541	14,414	20/30	191	205	246	284	317	349
		10,192	11,648	13,104	14,560	15,725	16,890	18,054	19,219	20/40	255	273	328	379	422	466
		12,740	14,560	16,380	18,200	19,656	21,112	22,568	24,024	20/50	319	341	410	473	528	582
		15,288	17,472	19,656	21,840	23,587	25,334	27,082	28,829	40/60	382	410	491	568	633	699
WALLACE	27,400	5,754	6,576	7,398	8,220	8,878	9,535	10,193	10,850	20/30	144	154	185	214	238	263
		7,672	8,768	9,864	10,960	11,837	12,714	13,590	14,467	20/40	192	206	247	285	318	351
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

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State of Kansas Department of Commerce & Housing  
 Maximum Income and Maximum Rent to Qualify Units as Low-Income  
 For Low-Income Housing Tax Credit Program - 1993 Calculations  
 All rents include utility bills

MSA/COUNTY	MEDIAN INCOME	INCOME LIMITS FOR A GIVEN NUMBER OF PERSONS IN THE FAMILY									MAXIMUM RENTS FOR GIVEN # BEDROOMS					
		1	2	3	4	5	6	7	8		EFF	1	2	3	4	5
WASHINGTON	27,700	5,817	6,648	7,479	8,310	8,975	9,640	10,304	10,969	20/30	145	156	187	216	241	266
		7,756	8,864	9,972	11,080	11,966	12,853	13,739	14,626	20/40	194	208	249	288	321	355
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
WICHITA	29,000	6,090	6,960	7,830	8,700	9,396	10,092	10,788	11,484	20/30	152	163	196	226	252	278
		8,120	9,280	10,440	11,600	12,528	13,456	14,384	15,312	20/40	203	218	261	302	336	371
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
WILSON	27,100	5,691	6,504	7,317	8,130	8,780	9,431	10,081	10,732	20/30	142	152	183	211	236	260
		7,588	8,672	9,756	10,840	11,707	12,574	13,442	14,309	20/40	190	203	244	282	314	347
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616
WOODSON	27,700	5,817	6,648	7,479	8,310	8,975	9,640	10,304	10,969	20/30	145	156	187	216	241	266
		7,756	8,864	9,972	11,080	11,966	12,853	13,739	14,626	20/40	194	208	249	288	321	355
		11,235	12,840	14,445	16,050	17,334	18,618	19,902	21,186	20/50	281	301	361	417	465	514
		13,482	15,408	17,334	19,260	20,801	22,342	23,882	25,423	40/60	337	361	433	501	559	616

6/11/94  
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Karen Herrman  
111 West 11th Street  
Hays, Kansas 67601

H. B. 2726

March 17, 1994

I appreciate the opportunity to appear before you as the Chairman of the Governor's Commission on Housing and Homelessness and as a representative of the housing concerns of the rural areas and small towns throughout Kansas.

The Commission, which is charged with finding solutions for housing all citizens of Kansas, recommended legislation to provide for a state tax credit equity fund and the ability to administer the fund.

This recommendation is an outgrowth of studying successful programs in other states and looking for a solution which does not create a burden on Kansas taxpayers. Furthermore, as we tour the state to identify housing problems, we see the Low Income Housing Tax Credit program as a frequent solution. The program could be applied to a majority of the housing problems identified in the September, 1993 Governor's Statewide Housing Conference,

This program is a way for Kansas corporations to receive credit on their federal taxes, thus spending or reinvesting their money in Kansas. At the same time, affordable housing is delivered to Kansas communities. So far, \$211 million dollars in tax credits have been allocated to the state. The present year has approximately \$21 million dollars in tax credits for Kansas properties. Kansans could be spending these benefits.

Congress saw the benefits of involving the private sector in the delivery of affordable housing. Right now, a single developer can rarely use all of the tax credits individually. The developer sells them to other investors, who at this time are likely to be on the east or west coast. A tax credit equity pool in Kansas would be a way to keep the benefits at home. Additionally, instead of paying hefty fees to out-of-state firms, a reasonable fee could be charged by the state to administer the fund.

Lower development costs are, of course, an incentive to do more development in Kansas.

The rural areas in which I work are asking for affordable housing to attract economic development to their communities. Affordable housing in the small towns and rural areas provides a solution to one of the largest budgetary demands on people with marginal income. By staying in their smaller communities, families are strengthened, and there is less of a concentration of poverty in the cities. The children of these families stay in the smaller school districts, surrounded by role models that may very well elevate them beyond their economic plight.

Senate 7141  
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Attachment #6

Low income housing tax credit programs work very well in the smaller communities, as well as the urban areas. This is a painless, tax-free, way the state can help.

As an advocate of affordable housing for Kansas, I ask that you support this bill.

I will be happy to answer any questions.

7141 3/17/94  
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THE ARCHDIOCESAN OFFICE FOR THE SPANISH SPEAKING APOSTOLATE

# EL CENTRO, INC.

(913) 677-0100 • 1333 SOUTH 27TH • KANSAS CITY, KS 66106

## HEARING REGARDING KANSAS EQUITY FUND SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

MARCH 17, 1994

### Board of Directors

#### President

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#### Vicar For Hispanic Ministry

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### Administrative Staff

#### Executive Administrator

*Richard A. Ruiz*

#### Assistant Administrator

*Sr. Matilda Jaime*

#### Development Director

*Wade Freeman*

#### Accountant

*Francisco Varela*

Testimony provided by:

Wade Freeman

Development Director

El Centro, Inc.

El Centro is a not-for-profit community based organization which served 5,110 individuals in 1993 through the following programs:

- Keyboards To Success, a computer skills employment training program,
- Job Placement Services,
- The Academy For Children, a bi-lingual day-care center,
- Students As Teachers, a tutorial program matching high school youth with children experiencing academic difficulties,
- The Migrant Education Tutorial Program,
- A Senior Center,
- The Telephone Reassurance Service for homebound senior citizens,
- Emergency Assistance and Translation.

The agency is currently sponsoring the Woodland Hills Apartments redevelopment. Woodland Hills is a 216 unit complex located in southeastern Wyandotte County. We became involved in this project for two reasons. El Centro serves many families who pay sizable rents and live in disgraceful, substandard conditions. Secondly, the apartments have been allowed to deteriorate and we want to convert them into a property that will be an asset to the community.

At the present time, El Centro has acquired Woodland Hills from the Resolution Trust Corporation through the Designated Buyer Program. The agency has obtained a conventional first mortgage loan and federal HOME program second mortgage loans. We have applied for and obtained \$160,000 in annual Federal Low Income Housing Tax Credits from the State of Kansas.

El Centro is marketing the credits. We have been in contact with fourteen funds regarding their sale. Serious discussions continue with six of these

Affiliate of United Way of Wyandotte County



Senate 7141  
3/17/94  
Attachment #7

groups. Although we are confident that we will reach an agreement with an investor, **construction has been delayed by the tax credit process.**

Kansas needs an equity fund to invest in Low Income Housing Tax Credits because our state must take full advantage of the funding potential of this federal initiative. The credits do not benefit an affordable housing development until an investor purchases them. A fund which understands the Kansas rental housing market and the needs of lower-income Kansans should make the investment process more efficient and effective.

In particular, I believe that a Kansas equity fund should address the needs of not-for-profit lower income housing sponsors. The fund should pay for the credits at the time of construction. Slower payment methods require the project owner to pay for construction and receive income later. Because not-for-profits lack substantial financial resources, this requires them to borrow additional money. Secondly, the Fund should not look to obtain cash flow from the operations of the lower-income properties. It should enter agreements that will allow income from the properties to be reinvested in the continued maintenance and improvement of the facilities and in the provision of supportive human services for the residents.

Thank you for your consideration of these remarks.

Senate 4141  
3/17/94  
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