

**2009 NSP I Action Plan**  
**Prepared by the City of Lawrence**  
**Community Development Division**  
**April 13, 2009**

This NSP I Action Plan provides a strategy for the use of State funds granted to the City of Lawrence by the State of Kansas in the NSP I program. Programs and activities listed in this Action Plan are intended to primarily benefit low and moderate income residents of the City of Lawrence, neighborhoods with high concentrations of low-income and moderate income residents, and the City as a whole.

The City of Lawrence will be utilizing primarily Eligible Use E, which is Redevelopment of vacant land. The first Activity Plan (Rhode Island Roost Rentals) is the collaboration of the City of Lawrence, Tenants to Homeowners, Inc (Community Housing Development Organization), and Douglas County. This is the primary project that the City of Lawrence will be committing to for the expenditure of the NSP I funds.

The City of Lawrence anticipates that the Rhode Island Roost Rentals project will utilize \$400,000. With the funds remaining after the Rhode Island Roost Rentals project, the City of Lawrence will utilize Eligible Use B, which is the Purchase and Rehabilitation of abandoned or foreclosed homes. This is the second Activity Plan. With a projected start date of May 2009, Activity One will commence prior to Activity Two (October, 2009).

**Activity One**  
**Rhode Island Roost Rentals**

1. *Activity Name:* Rhode Island Roost Rentals
2. *Activity Type:* NSP eligible use "E" (§2301(c)(3)(E) redevelop demolished or vacant properties.
3. *National Objective:* Provide rental housing for people under 50% MFI (4 units) and under 60% MFI (1 unit). Two units will be fully accessible.
4. *Activity Description:* This activity meets the great need of affordable, accessible rental housing for very low income individuals in Lawrence. The location is close to downtown and many of the services that people access without transportation. Four out of five of these units will specifically target those under 50% MFI. The expected benefit to income eligible persons will be safe, maintenance free permanent housing.
5. *Location Description:* The vacant lots are three adjacent lots on the east side of the 1100 block of Rhode Island Street (legal address: Lot 122, 124, and 126 Rhode Island Street, Lawrence, Douglas County, Kansas). The 1100 block of Rhode Island is right across the street from the Judicial Building and one block east of the main downtown shopping and service area. Many of the social services that lower income families access are easily accessible from this central location. There are bus stops within walking distance and the area is in the residential Historic Rhode Island District. Although the neighborhood is historic, it is historically affordable and currently is a

target neighborhood, where 50% of the population is under 80% MFI. This target neighborhood has an active neighborhood association and is split between owner occupied and rental housing.

6. *Performance Measures:* Tenants to Homeowners, Inc (TTH, Inc.) has acquired the vacant lots that are zoned to allow five units of multifamily housing. Two front-back duplexes and one single family unit will create the five total units. The duplex units (4) will be two bedroom, one bath, and will accommodate families under 50% MFI. Each duplex will have a 1300 sq. foot two story unit in the front and a 1000 sq. foot one-story unit in the back. The back two duplex units will be fully accessible with alley access. The middle single family duplex unit will be a three bedroom, 1.5 bath and will accommodate a family under 60% MFI.

7. *Total Budget:* The total development budget for these five units is \$500,000, including development costs, construction hard costs, and \$25,000 in operating reserves. TTH has already allocated \$50,000 from the Affordable Housing Program from the Federal Home Loan Bank of Topeka. An additional \$50,000 will come from the non-profit revolving project funds and community contributions. This leaves \$400,000 in NSP funding.

8. *Responsible Organizations:* The City of Lawrence, Tenants to Homeowners, Inc.

The Community Development Division of the Planning and Development Services Department, City of Lawrence KS will oversee and administer the plan.

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Tenants to Homeowners, Inc is the 501 (c)3 nonprofit that is the participating jurisdiction's certified Community Housing Development Organization. TTH develops and manages affordable owner and rental housing for low and moderate income families in Lawrence. All properties are placed in the Land Trust to ensure permanent affordability.

Tenants to Homeowners, Inc.  
2518 Ridge Court, Suite 209  
Lawrence, KS 66046  
(785) 842-5494  
Rebecca Buford, Executive Director  
[www.tenants-to-homeowners.org](http://www.tenants-to-homeowners.org)

9. *Projected start date:* October 2009

10. *Projected end date:* June 2010

11. *Specific Activity Requirements:* Rental units will be managed by the Lawrence Community Housing and Land Trust and will be targeted towards people at or below 50% MFI (4 units) and 60% MFI (1 unit). These incomes will be certified annually. The nonprofit will keep these rental units in trust and ensure permanent affordability that serves low income families.

## **Activity Two**

### **Purchase and Rehabilitate homes and residential properties abandoned or foreclosed.**

1. *Activity Name:* Purchase and Rehabilitate homes and residential properties abandoned or foreclosed.

2. *Activity Type:* NSP eligible use "B" (§2301 (c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties).

3. *National Objective:* Project will meet the national objective by providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120% of the area median income under the topic of Housing Activities.

4. *Activity Description:* The City of Lawrence estimates funding remaining to purchase and rehabilitate one to two homes. The plan below will be done with each individual property that is chosen. The City of Lawrence will administer this activity by following the following steps:

a. Notify community mortgage lenders and real estate agents with information on the NSP I program so that a list may be generated of available foreclosed or abandoned properties in the City of Lawrence or Douglas County.

b. Prepare RFQ for independent local appraisers.

c. Prepare inspectors from the City of Lawrence for their role in the program.

d. The City of Lawrence will research list of properties obtained from the lenders and determine costs of acquisition and rehabilitation of the properties.

- The City of Lawrence will pursue properties in a moderate price range that will be affordable to qualified buyers.

- The City of Lawrence will analyze the time frame to rehabilitate the properties and place them back on the market.

- The City of Lawrence will look at those with lowest value to see if they are worth rehabilitation.

- The City of Lawrence will check with the Douglas County Register of Deeds to be certain of the status of the property.

- The City of Lawrence will approach the lender of the chosen property to negotiate on price to reach the "maximum reasonable discount" on house price after rehabilitation.

- The Administration will work with appraiser and inspector to determine value and required rehabilitation to meet health and safety standards.

e. When eligible properties have been determined, the administrator will begin the Uniform Relocation and Environmental Review process on the property.

- The property owner will be advised of his/her rights under the Uniform Relocation Act.

- The Environmental Review process will be completed prior to purchase and rehabilitation.

f. Homes to be resold will be placed with Tenants to Homeowners, Inc. As the property enters the rehabilitation process TTH will:

- Begin qualifying prospective buyers. The buyers must meet the following guidelines:

- i. Not more than 120% AMI determined by family size.
- ii. Attend eight hours of homebuyer training provided by TTH.
- iii. Obtain mortgage (no adjustable rate loans).
- iv. Work with TTH regarding second mortgage costs.

5. *Location description:* The area of interest for the properties will be within Douglas County, Kansas. The primary area will be the City of Lawrence as this is the area of the county that has experienced the highest rate of foreclosures.

6. *Performance measures:* The City of Lawrence will purchase and rehabilitate one home and enlist Tenants to Homeowners, Inc. to resell the property to a buyer at 120% LMI. Any remaining funds after Activity Two is complete will be utilized to acquire and rehabilitate a second property.

7. *Total Budget:* The estimated funding available for this activity will be \$100,000.

8. *Responsible organization:* The City of Lawrence will administer Activity Two, and Tenants to Homeowners, Inc. will be the partner enlisted for resale activities.

9. *Projected Start Date:* May 2009.

10. *Projected End Date:* June 2010 (if a second home is acquired and rehabilitated).

11. *Specific activity requirement:* There shall be a minimum of 15% discount on individual purchase.