

# City of McPherson

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## PRESS RELEASE

January 7, 2021

### City of McPherson Seeks Interested Parties for Moderate Income Housing Program

McPherson – The City of McPherson received notice in early December 2020 that they received a \$100,000 Moderate Income Housing (MIH) Grant through the Kansas Housing Resource Corporation (KHRC). The City of McPherson is partnering with developer Jim Strawn to build five (5) moderately priced houses. The houses will be located on newly developed stretch of Genesis Street in the Barnstormers West Field Addition. The homes will be on the south side of Genesis Drive on the five lots closest to Eastlinks Drive. The houses being built are 1,300 sq. ft. with three (3) bedrooms, two (2) baths a two (2) car garage, and a full unfinished basement with a rough in for a third bathroom. There are vaulted ceilings in the living room, dining room, and kitchen. Construction includes dimensional shingles and a seeded yard. The base price for the houses is \$225,000. Additional add-ons are available. There are special assessments on the property.

The MIH Grant will allow down payment assistance up to a \$20,000. In addition, individuals will be eligible for the City of McPherson’s New Construction Homebuyers Incentive Program, which can net up to \$4,400 in cash or tax refunds over a 4-year period if the house is owned for the entire period. With down payment assistance and the potential city incentive, the base cost has the potential to go as low as \$174,100.

Only interested applicants making no more than 150% of the statewide median income, based on family size, and no less than 60% of the statewide median income will be considered. This scale is what KHRC has classified as moderate income. The following household incomes are eligible to apply for this grant, and will be determined by the most recently filed income tax return:

		1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Maximum Income	150% of KS median	\$80,344	\$91,781	\$103,313	\$114,750	\$123,938	\$133,125	\$142,313	\$151,500
Minimum Income	60% of KS median	\$32,138	\$36,713	\$41,325	\$45,900	\$49,575	\$53,250	\$56,925	\$60,600

Interested recipients must first apply through the City of McPherson. Interested applicants should be prepared to show their most recent tax returns for all family members in the household. Applications will be available at the City Office or on the City Website at <https://www.mcpcity.com/739/Moderate-Income-Housing-MIH-Grant> . Before applications are advanced for consideration, applicants must have a preapproved letter of available financing from a bank or mortgage lender showing eligibility for financing. Upon meeting eligibility, applicants will begin conversations with the builder. Successful applicants who are awarded funds, will be required to sign a 0% loan agreement/promissory note and second mortgage agreements. These agreements ensure that there are limits on profitability if the home is sold within a ten-year period of its initial occupancy. At the end of ten years, the deed restriction/lien will be lifted and 100% of the loan will be forgiven. If the house is sold before the end of the ten-year occupancy, the loan recipient will be required to pay back a pro-rated portion of the loan. The ten-year requirement prevents awardees from flipping properties for profit soon after purchase.

There are five spots available in the current funding round. The grant will be available until contracts are signed on all five houses. For more questions on the MIH Grant Program or other housing related grant programs, contact City Administrator Nick Gregory at (620) 245-2535 or via e-mail at [nickg@mcpcity.com](mailto:nickg@mcpcity.com).

Grant applications and other relevant forms are available at the City Offices, 400 E. Kansas. For more information, visit <http://www.visitmcpherson.com/511/Community-Development-Block-Grant-CDBG> or contact Nick Gregory at 620-245-2535.

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