

**FIFTH AMENDMENT TO THE
HEART OF THE CITY
NEIGHBORHOOD STABILIZATION
TAX INCREMENT FINANCING PLAN**

KANSAS CITY, MISSOURI

TIF COMMISSION APPROVAL:

<u>N/A</u>	<u>N/A</u>
DATE:	RESOLUTION No.

CITY COUNCIL APPROVAL:

<u> </u>	<u> </u>
DATE:	ORDINANCE No.

FIFTH AMENDMENT
TO THE
HEART OF THE CITY NEIGHBORHOOD STABILIZATION
TAX INCREMENT FINANCING PLAN

Introduction

This Fifth Amendment to the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan (the “Fifth Amendment”) modifies the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan as approved by Ordinance No. 160979 and amended by Ordinance Nos. 170887, 180212, 190828, and 190943 (collectively, referred to herein as the “Plan”). The Fifth Amendment (i) modifies the parameters for the Housing Program contemplated by the Plan and (ii) modifies the Exhibits attached to the Plan that are in furtherance of the above modification, as necessary.

To the extent the Plan varies with the Fifth Amendment, said Plan shall be amended and superseded thereby. Except for those specific amendments set forth herein, the Plan remains unchanged and shall remain in full force and effect.

Specific Amendments

In accordance with this Fifth Amendment, the Plan shall be amended as follows:

Amendment No. 1. Exhibit 12, entitled “Heart of the City Neighborhood Stabilization TIF Plan Housing Program” shall be deleted and replaced with the following:

Exhibit 12
Heart of the City Neighborhood Stabilization TIF Plan
Housing Program

Single-Family Owner Occupied:

TIF Loan/Grants are available in an amount up to \$20,000 for single-family owner-occupied homes as follows:

- Under 100% median income: no match required
- 100% to 125% median income: dollar for dollar match required
- Over 125% median income: 2 to 1 match required

The property owner must execute a deed of trust for the benefit of the Commission for 5 years. Each year that the owner maintains the property as his/her primary place of residence, 20% of the loan/grant is forgiven. At the end of 5 years, the Commission will execute and record a release of the deed of trust. If the owner transfers ownership of the property or does not maintain the property as his/her primary residence prior to the end of the 5-year period, he/she will be required to repay to the program the amount of the loan/grant which has not been forgiven.

Single Family Rental to Ownership Conversion

TIF Loan/Grants are available in an amount up to \$10,000 for rental homes. The owner must match dollar for dollar and provide proof that house was a rental property prior to participation in program. The proposed repairs to the house must result in a complete rehabilitation of the home so that it can be successfully marketed. The home must be offered for sale and sold to a single-family owner within 18 months after completion of repairs. No lease to own contracts will be allowed. If the property is not sold within 18 months after completion of the repairs, the TIF loan/grant amount shall be due and payable immediately. The Commission will execute a deed of release upon closing.

Multi-Family Units (2 to 6 units)

TIF Loan/Grants are available in an amount up to \$2,500 per unit with owner matching funds dollar for dollar. TIF funds can only be used on the exterior improvements. The property owner must execute a deed of trust for the benefit of the Commission for 5 years. Each year that the owner maintains fee simple ownership of the property, 20% of the loan/grant is forgiven. At the end of 5 years, the Commission will execute and record a release of the deed of trust. If the owner transfers ownership of the property prior to the end of the 5-year period, he/she will be required to repay to the program the amount of the loan/grant which has not been forgiven.

Single Family New Construction / Gap

A TIF Grant is available in an amount up to \$10,000 per lot. Funds may be used for costs of construction risk or gap in financing for new construction. Construction risk consists of costs of excavation/removal of buried foundations, concrete, rock, underground tanks, abandoned utilities or other unforeseen or unknown underground construction or environmental hazards. Gap in financing consists of the difference between the hard construction cost of the home and the appraised value of the finished home. Funds may also be used for demolition of an existing structure to allow construction of a new home. Funds may also be used to acquire a lot for the construction of a single-family home when the entity building the home is a nonprofit and also receives funding from the City of Kansas City Missouri.

Single-Family Rental

A TIF Grant is available in an amount up to \$5,000 per home with owner matching dollar for dollar. Each applicant must demonstrate all properties within Kansas City owned by the applicant are in compliance with all city codes and regulations. The property owner must execute a deed of trust for the benefit of the Commission for 5 years. Each year that the owner maintains ownership of the property, 20% of the loan/grant is forgiven. At the end of 5 years, the Commission will execute and record a release of the deed of trust. If the owner transfers ownership of the property prior to the end of the 5-year period, he/she will be required to repay to the program the amount of the loan/grant which has not been forgiven.

Application Process

Applicant will complete an application on a form approved by the program administrator.

Contractor and vendor requirements

All vendors or contractors paid through the program will provide such documentation as required by the program administrator.

Additional requirements

Improvements within the Troost Corridor Overlay shall be compliant with the regulations as approved by Ordinance No. 150581.

Improvements to properties subject to the standards of 88-323 Boulevard and Parkway Standards shall comply with said standards.

Applications must provide a schedule of development which will include an estimated start and end date, and comply with the 3-year maximum timeline described in City Code 74-12.

Advisory Committee

Advisory Committee. The Advisory Committee will consist of 9 individuals appointed by the Mayor who have a residency or civic interest (personal, political and/or business) within the Heart of the City TIF Area consisting of 2 council members from the Redevelopment Area or their designees, 1 representative of the City Planning Department, 1 representative from the Neighborhood and Housing Services Department, 4 neighborhood representatives and 1 representative from the current target area of the housing program. Alternates for the City representatives may also be appointed.

Review of Applications

All applications will be reviewed by the Advisory Committee, whose decision will be final.

For all properties, exterior improvements and conditions imperiling health and safety are the top priorities of the program.