



## Kansas City Affordable Housing Trust Fund (HTF)

### Board Policy - Project Modifications



#### Effective as of January 01, 2025

In response to increases in construction costs and or supply chain disruptions, the Kansas City Affordable Housing Trust Fund Board (the “HTF Board”) would like to offer an opportunity for previously awarded Affordable Housing Trust Fund (“HTF”) funded projects to request a one-time additional funds request. The purpose of this policy will be to assist projects impacted by the construction cost increases and or supply chain disruptions previously funded to assist projects that have exhausted other options when affected by an increase in construction costs.

Projects that meet the following requirements will be eligible to submit a one-time budget modification application letter requesting additional funding.

1. The contracted with the City pursuant to Ordinance 240413; and
2. The project has not yet completed construction.
3. The requested increased funding amount from HTF will allow the developer to complete the project; and
4. The project budget increase is not due to material changes in HTF approved scope, plan, design, or concept.
5. The project development team has not had any changes in ownership; and
6. The project has not received a previous HTF award of additional funds under this new policy effective **January 01, 2025**; and
7. The additional requested should not exceed the maximum award that can be awarded at modification.

#### Maximum Awards:

The HTF Board will determine the maximum amount that a project can be awarded, which will be calculated at the time of the project modification request and may include material changes to the construction cost or supply chain.

The maximum grant awards given to for-profit developers is 10% of their total development costs (15% of total development costs for nonprofits). The maximum loan award to for-profit developers is 20% of costs (30% of costs for nonprofits).

#### Costs Covered Under the Project Modification Policy but not limited to:

1. Construction Cost (Hard Cost)-the total hard cost expense incurred in the process of

building, renovating, or rehabilitation of project.

- Material Costs-the expense associated with procuring construction materials and supplies needed for the project.

Additional funds are being made available to address increases in construction costs. In determining the maximum award that projects will be eligible to receive, HTF staff will allocate only the amount of additional funds that are necessary to alleviate the higher construction costs that was caused by construction and or supply chain issues.

In offering the opportunity for projects to apply for additional funds, it is the intention that additional funds will be an option to assist a development only after the development team has exhausted other options. In order for projects to be eligible for additional funds, they must demonstrate that the owner/developer is already making a significant contribution to the project and there is a funding gap that still remains that can only be remedied through additional funds.

Upon receipt of a verified budget modification application from the developer, stating fully the grounds for the application and the facts relied upon, the HTF Board shall discuss the request at a regular scheduled meeting not later than 90 days from the date of submittal. The HTF Board has discretionary authority concerning all aspects of any project modification awards. The HTF Board reserves the right, to award additional funds or not award funds. This could result in an award for the total amount of additional funds requested, some portion thereof, or no additional funding. All HTF funding awards are based on the availability of funds.

Budget modification applications not meeting the criteria stated above may participate in the next project cycle (RFP) as a new project submission. Additional funding will only be considered through the Project Modification Policy and will not be considered through an RFP. Projects with multiple phases can apply for additional funds for phase that is currently being funded. Additional phases will need to participate in the next project cycle (RFP) for each phase.

Budget modification applications approved for additional funding will be recommended by the HTF Board with final approval by the City Council.

The budget modification application must include the following:

- Signature of the authorizing official
- Project Name
- Developer Name and contact information
- Remaining HTF award balance (include total HTF award amount and any funds not expended)
- Supporting reasons for request
- Evidence of eligibility (see list above)
- Detailed budget (this includes four columns with totals across the bottom: Original project scopes, original project budget in alignment with original scopes, additional cost related each scope, and final overall budget for each scope)