

The following Substantial Amendment to the City's 2008 Action Plan affects the implementation of the City's Neighborhood Stabilization Program which is currently in progress. The posting of this draft begins a 15-day public comment period which will include a public hearing on Wednesday, April 28, 2010. The comment period ends on May 11, 2010. Comments on this draft amendment can be made by either of the following:

- At the public hearing which will be held at 12:00 noon on April 28, 2010 on the 10<sup>th</sup> floor of City Hall.
- By written comments which will be accepted through 5:00 p.m. on May 11, 2010.

Written comments should be sent to the following:

NSP Substantial Amendment  
Housing and Community Development Department  
City Hall, 11<sup>th</sup> Floor  
414 E. 12<sup>th</sup> Street  
Kansas City, MO 64106

Fax: (816) 513-2808 or email: daniel\_schmelzinger@kcmo.org

**City of Kansas City, Missouri**  
**Neighborhood Stabilization Program – 1**  
**Substantial Amendment Number 1**  
**April 22, 2010**

The City of Kansas City is submitting an amendment to section G, NSP Information by Activity, of its original Neighborhood Stabilization Program application to provide funding for Redevelopment activity and to clarify that acquisition and rehabilitation assistance may be provided to multifamily properties.

*G. NSP Information by Activity*

**ACQUISITION AND REHABILITATION (ELIGIBLE USE B)**

(1) Activity Name: Financing of Acquisition and Rehabilitation

(2) Activity Type: Acquire and rehabilitate homes and residential properties (single and multi-family) that have been abandoned or foreclosed upon in order to sell or rent such homes and properties.

(3) National Objective: Benefit low, moderate and middle-income families (<120 AMI) by providing affordable housing through the sale or lease of rehabilitated properties.

(4) Projected Start Date: Upon HUD approval of amendment.

(5) Projected End Date: December 2011

(6-7) No change.

(8) Activity Description: The City expects to be able to comply with the NSP 25% targeting requirement through the addition of Redevelopment activity as described below and the continued sale or lease of rehabilitated properties. Some properties already have commitments from buyers with incomes below 50% AMI but the anticipated number of such transactions is not considered adequate to meet program requirements.

In order to provide funding for Redevelopment, a portion of the funds currently allocated for acquisition/rehabilitation would be re-budgeted as indicated below.

I. Total Budget (Acquisition and Rehabilitation)

	<u>Application</u> <u>11-6-2008</u>	<u>Amend.</u> <u>Change</u>	<u>Revised</u> <u>Budget</u>
Acquisition and Financing	\$5,841,361	(600,000)	\$5,241,361

**LAND BANK (ELIGIBLE USE C)**

(1-7): No change.

(8) Activity Description: The City has determined that it will not be necessary to carry out land banking activity to the degree originally envisioned. Such activity is expected to be utilized only in rare instances (5-6 properties) where there are outstanding prospects for a viable redevelopment effort to be undertaken.

I. Total Budget (Land Bank)

	<u>Application</u> <u>11-6-2008</u>	<u>Amend.</u> <u>Change</u>	<u>Revised</u> <u>Budget</u>
Land Bank	\$450,000	(350,000)	\$100,000

**DEMOLITION (ELIGIBLE USE D) – No change.**

**REDEVELOPMENT (ELIGIBLE USE E)**

(1) Activity Name: Redevelopment of Demolished or Vacant Properties

(2) Activity Type: Construction of houses on foreclosed or abandoned properties only.

(3) National Objective: Benefit low-income families with incomes below 50% of Area Median income by providing affordable housing through the construction of new homes.

(4) Projected Start Date: Upon HUD approval of amendment.

(5) Projected End Date: December 2011

(6) Responsible Organization: Homes will be constructed by one of the participating subrecipients currently working in the NSP program.

(7) Location Description: Homes will be constructed within one or more of the census tracts listed in Attachment B of the City's original application for NSP funding.

(8) Activity Description: The City originally expressed a desire in its application to meet the requirement that 25% of funds be expended for persons with incomes below 50% of the Area Median Income through the purchase/rehabilitation and sale or rental of single-family dwellings to qualifying owner-occupants or through a lease-purchase arrangement. However, the City now finds that it would also be beneficial to provide an opportunity for a subrecipient to build new single-family dwellings on foreclosed or abandoned residential properties in the designated census tracts.

Buyers would be required to have incomes below 50% AMI thus the City's ability to comply in a timely manner with the program requirement regarding income targeting for below 50% AMI will be greatly enhanced by the ability to pursue redevelopment activities. Mortgages will be provided by the subrecipient and lots suitable for single-family construction can frequently be obtained from the Land Trust of Jackson County at attractive prices. As a result, funding for Redevelopment activity is being requested under this amendment.

(9) Total Budget: \$950,000

(10) Performance Measures: Ten homes are expected to be redeveloped as described above.

*PROPOSED REVISED NSP BUDGET*

Acquisition and Rehabilitation	\$5,241,361
Land Bank	100,000
Demolition	300,000
Redevelopment	950,000
Administration	<u>732,373</u>
 TOTAL	 \$7,323,734

*PUBLIC COMMENT:* Provide a summary of public comments received to the proposed NSP Substantial Amendment.

A resolution approving the NSP amendment was introduced by the City Council on April 22, 2010. The draft amendment was placed on the City's website on April 22, 2010. The comment period will expire on May 7, 2010.

(Public comments to be added after the comment period expires.)