

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

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KANSAS CITY, MISSOURI

**TIF Commission Consideration:**

*N/A*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resolution No.

**City Council Approval:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ordinance No.

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

I. INTRODUCTION

The First Amendment (“First Amendment”) to the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan (the “Plan”) amends the Plan to define the parameters of a housing program for the purposes of preserving, rehabilitating and constructing safe residential structures as provided for in Section III.A of the Plan. The intent and substance of the Plan remains unchanged other than specifically referenced herein.

II. SPECIFIC AMENDMENTS

In accordance with the First Amendment, the Plan is amended as follows:

Exhibit No. 12, entitled “Heart of the City Neighborhood Stabilization TIF Plan Housing Program” is hereby added to the Plan, to read as follows:

**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 \$10,000 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 the 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.

### **Advisory Committee**

The Neighborhood Advisory Committee will consist of 7 individuals who have a residency or civic interest (personal, political and/or business) within the Heart of the City TIF Area. Two council members from the District or their representative, one representative of the City Planning Department, and four neighborhood representatives, appointed by the mayor's office. Up to two additional voting members may be added by a majority vote of the Advisory Committee.

### **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***

ORDINANCE NO. 170887

Approving the First Amendment to the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan.

WHEREAS, pursuant to the Real Property tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, 1986, as amended (the "Act"), the City Council of Kansas City, Missouri, by Ordinance No. 54556, passed on November 24, 1982, and thereafter repealed and amended in certain respects by Committee Substitute for Ordinance No. 911076, as amended, passed on August 29, 1991, Ordinance No. 100089, passed on January 28, 2010, and Committee Substitute for Ordinance No. 140823, As Amended, passed on June 18, 2015, created the Tax Increment Financing Commission of Kansas City, Missouri (the "Commission"); and

WHEREAS, the Commission having been duly constituted, its members appointed, and after all proper notice was given, met in public hearing on December 2, 2016, and, after receiving the comments of all interested persons and taxing districts, approved Resolution No. 12-4-2016 recommending to the City Council the approval of the Troost Area Tax Increment Financing Plan, along with certain modifications thereto in accordance with the Act; and

WHEREAS, the City Council, by passage of Ordinance No. 160979, accepted the recommendations of the Commission, approved the plan, as modified, and renamed the same to be known as the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan (the "Plan"); and

WHEREAS, a First Amendment to the Plan (the "First Amendment") has been proposed, which establishes the parameters of the housing program provided for by the Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the First Amendment, a copy of which is attached hereto, is hereby approved and adopted as valid.

Section 2. All terms used in this ordinance, not otherwise defined herein, shall be construed as defined in the Act.

Section 3. The Council hereby finds that:

- (a) Good cause has been shown for amendment of the Plan, and that the findings of the Council in Ordinance No. 160979 with respect to the Plan are not affected by the First Amendment and apply equally to the First Amendment;

ORDINANCE NO. 170887

- (b) The Redevelopment Area is a Conservation Area and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Plan and the First Amendment;
- (c) The Plan, as amended by the First Amendment, confirms to the comprehensive plan for the development of the City as a whole;
- (d) The areas selected for the Redevelopment Project include only those parcels of real property and improvements therein which will be directly and substantially benefited by the Redevelopment Project improvements;
- (e) The estimated dates of completion of the Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project Costs, have been stated in the Plan, as amended by the First Amendment, and are not more than 23 years from the adoption of any ordinance approving a Redevelopment Project within the Redevelopment Area;
- (f) A plan has been developed for relocation assistance for businesses and residences;
- (g) A cost benefit analysis showing the economic impact on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared in accordance with the Act;
- (h) The First Amendment does not include the initial development or redevelopment of any gambling establishment; and
- (i) A conservation study has been completed and the findings of such study satisfy the requirements provided under subdivision (1) of Section 99.805, RSMo.

Section 4. That the Commission is authorized to issue obligations in one or more series of bonds secured by the Heart of the City Neighborhood Stabilization Tax Increment Financing Plan Account (“Heart of the City TIF”) of the Special Allocation Fund to finance Redevelopment Project Costs within the Redevelopment Area and, subject to any constitutional limitations, to acquire by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of, land or other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the Commission determines, to enter into such contracts and take all such further actions as are reasonably necessary to achieve the objectives of the Plan pursuant to the power delegated to it by the City. Any obligations issued to finance Redevelopment Project Costs shall contain a recital that they are issued pursuant to Sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

ORDINANCE NO. 170887

Section 5. That pursuant to the provisions of the Plan, the City Council approves the pledge of all funds that are deposited into the Heart of the City TIF Account of the Special Allocation Fund to the payment of Redevelopment Project Costs identified by the Plan and permitted by the Act and authorizes the Commission to pledge such funds on its behalf.

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Approved as to form and legality:

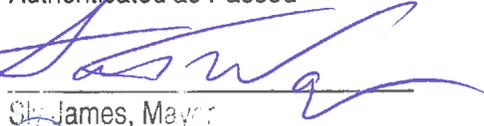


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Brian T. Rabineau  
Assistant City Attorney



Authenticated as Passed



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City James, Mayor



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Marilyn Sanders, City Clerk

**NOV 30 2017**

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Date Passed