PROPOSED SECOND AMENDMENT TO NEIGHBORHOOD STABILIZATION PROGRAM - 3

Following is the second Substantial Amendment to the City's 2010 Action Plan for the implementation of the City's Neighborhood Stabilization Program -3 which is currently in progress. The posting of this draft on December 3, 2012 begins a 15-day public comment period which will include a public hearing on Wednesday, December 19, 2012. The written comment period ends on December 18, 2012. Comments on this draft amendment can be made by either of the following:

- At the public hearing which will be at the Council Planning, Zoning and Economic Development Committee meeting on December 19, 2012 at 1:30 p.m. on the 26th floor of City Hall.
- By written comments which will be accepted through 5:00 p.m. on December 18, 2012. Written comments should be sent to the following:

NSP-3 Substantial Amendment No. 2 Neighborhoods and Housing Services Department City Hall, 4th Floor 414 E. 12th Street Kansas City, MO 64106

Fax: (816) 513-2808 or email: daniel_schmelzinger@kcmo.org



City of Kansas City, Missouri

Neighborhood Stabilization Program 3 Program Amendment Number 2

Neighborhoods and Housing Services Department

City Hall 414 E. 12th Street, 4th Floor Kansas City, MO 64106

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EMAIL: housing@kcmo.org

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PROPOSED AMENDMENT

City of Kansas City, Missouri Neighborhood Stabilization Program-3 Amendment Number 2 December 3, 2012

The City of Kansas City is proposing the submittal an amendment to item 4, Low-Income Targeting, and item 7, NSP Information by Activity, of its original Neighborhood Stabilization Program-3 application as modified by amendment No. 1.

4. Low-Income Targeting

The amount of funding to be used to provide housing for households whose incomes do not exceed 50% of the area median income will be no less than the currently approved and minimal set-aside requirement of \$455,972. However, the manner in which this target will be met under this amendment will include newly constructed housing as well as the acquisition and rehabilitation of existing homes as was described in the original application. At least one housing unit provided under the Redevelopment Activity will be dedicated for occupancy by a household below 50% of AMI. It is anticipated that this unit will be for rental occupancy rather than owner-occupancy.

6. Public Comment

Information on public comments will be inserted following the public comment period.

7. NSP Information by Activity

• Activity Number 1 - ACQUISITION AND REHABILITATION OF RESIDENTIAL PROPERTIES (ELIGIBLE USE B)

Rather than continue with the acquisition and rehabilitation of foreclosed/abandoned properties in the Green Impact Zone (GIZ), the City is proposing to focus on constructing new housing units on a key block that serves as a gateway to the GIZ. The impact from this construction is anticipated to contribute more to the revitalization of the area than would the continued demolition of scattered units with limited NSP-3 funds. However, demolition of blighted structures by the City will continue with other sources of funding.

Latest Approved Budget: \$865,528
Amendment #2 Proposed Change: -865,528
Revised Budget Request: \$ -0-

Revised Performance Measure 14 homes acquired and rehabilitated

Amendment #2 Proposed Change -14

Revised Performance Measure 0 homes acquired and rehabilitated

No change to other information.

Activity Number 2 – ADMINISTRATION

Latest Approved Budget: \$182,388

No change in this activity is proposed.

Activity Number 3 – ACQUISITION AND REHABILITATION OF RESIDENTIAL PROPERTIES
 AND REDEVELOPMENT (ELIGIBLE USES B and E) FOR USE BY HOUSEHOLDS BELOW 50%
 AMI

While the exact number is undetermined at this time, at least one of the units created under the Redevelopment activity will be reserved for occupancy by a household with an income below 50% of the AMI. There is no change to the minimal amount of funding that will be used for this activity although at least \$34,472 will go towards Redevelopment rather than acquisition and rehabilitation.

Latest Approved Budget: \$455,972

No other change in this activity is proposed.

• Activity Number 4 – **DEMOLITION (ELIGIBLE USE D)**

Latest Approved Budget: \$ 320,000

Latest Approved Performance Measure: Demolish the Horace Mann School and acquire and demolish 5-10 other blighted structures.

No change in this activity is proposed.

Activity Number 5 – REDEVELOPMENT (ELIGIBLE USE E)

Latest Approved Budget: \$ -0-Amendment #2 Change: <u>865,528</u> Revised Budget Request: \$865,528

The actual amount of funding to be budgeted for Redevelopment activity will be \$900,000 as \$34,472 of the 25% Set-aside funds will be used for new construction rather than acquisition and rehabilitation.

Revised Performance Measure: 7 duplex structures – 14 housing units

Activity Description:

The demolition of the Horace Mann School located on the expanded area approved in amendment number 1 will leave a large vacant parcel at the northern gateway to the Green Impact Zone. While the demolition of the school is badly needed because of its seriously dilapidated condition, the visibility of the cleared lot from the adjacent, highly traveled Bruce Watkins Drive would negatively impact development potential in the GIZ. The City intends to partner with the Ivanhoe Neighborhood Council

to develop 14 new housing units on adjoining parcels immediately north of the former school building site.

Although there are significant numbers of vacant abandoned and/or foreclosed houses in the GIZ, experience from NSP-1 has shown that most of these properties are either uneconomical to rehabilitate or functionally obsolete after rehabilitation sparking little interest among potential buyers. The City is addressing this problem of deteriorated, vacant housing by stepping up demolition activity using funding sources other than NSP. The newly constructed homes will feature modern floor plans and features as well as be built to Energy Star standards.

In addition to providing quality, affordable housing, the construction of these units is intended to act as a catalyst project to inspire future and ongoing revitalization of the neighborhood.

CURRENTLY APPROVED AND PROPOSED NSP-3 BUDGET

	Requested		
NSP-3 BUDGET	<u>Current</u>	<u>Revision</u>	<u>Proposed</u>
Acquisition and Rehabilitation	\$865,528	(\$865,528)	-0-
Administration	182,388		182,388
25% Set-aside	455,972		455,972
· \$421,500 for Acquisition/Rehab			
· \$ 34,472 for Redevelopment			
Demolition	320,000		320,000
Redevelopment	-0-	865,528	*865,528
TOTAL	1,823,888	-0-	\$1,823,888

^{*}Amount does not include portion of 25% Set-aside funds to be used for Redevelopment. Total Redevelopment activity will be \$900,000.