

INDEPENDENCE CITY COMMISSION

SPECIAL SESSION AGENDA

September 29, 2022

9:00 AM

City Hall

To participate by conference call:
1 785-289-4727 Conference ID: 334 518 906#

The Agenda shall be as follows:

- I. SPECIAL SESSION
 - A. Call to Order
- II. ITEMS FOR COMMISSION ACTION
 - A. Consider adopting Resolution No. 2022-049 setting a public hearing to establish a Rural Housing Incentive District for Downtown Central Business Development District Part 1 and Jefferson Subdivision Development District.
 - B. Consider adopting Resolution No. 2022-050 authorizing the City of Independence to submit a Kansas Housing Resources Cooperation Moderate-Income Housing Grant on behalf of Trident Partnership LLC.
- III. ADJOURNMENT



**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
September 29, 2022**

Department Housing

Director Approval April Nutt

AGENDA ITEM Consider adopting Resolution No. 2022-049 setting a public hearing to establish a Rural Housing Incentive District for Downtown Central Business Development District Part 1 and Jefferson Subdivision Development District.

SUMMARY RECOMMENDATION The Independence Housing Authority recommends adopting Resolution 2022-049 setting the date of November 10, 2022 at 5:30p.m. to hold a public hearing to establish a Rural Housing Incentive Housing District for Downtown Central Business Development District Part 1 and Jefferson Subdivision Development District.

BACKGROUND The Independence Housing Authority has been working to include new tools to assist in the development of new housing within the City of Independence. Rural Housing Incentive District's (RHID) is one of those new tools that will benefit developers in constructing new housing units in the community. RHID is a program designed to aid cities, counties and developers in building housing within rural communities by assisting in the financing of eligible improvements. RHID captures the incremental increase in real property taxes created by a housing development project of up to 25 years. For new subdivision construction, eligible reimbursement costs are for infrastructure installation. Additionally, the State of Kansas, in 2021, amended the RHID program to include the development of upper story housing in central business districts. The eligible reimbursement costs are for the construction of upper level apartments. Currently, Independence has two developments that would like to have a RHID established, the Downtown Central Business Development District Part 1 to construct 20 new apartments and the Jefferson Subdivision Development District to construct 20 new single-family homes.

FINANCIAL INFORMATION There is no financial impact on the City of Independence budget.

SUGGESTED MOTION I move to adopt Resolution 2022-049 setting the date of November 10, 2022 at 5:30p.m. to hold a public hearing to establish a Rural Housing Incentive Housing District for the Downtown Central Business Development District Part 1 and the Jefferson Subdivision Development District.

SUPPORTING DOCUMENTS

1. RESOLUTION NO 2022-049 Setting Public Hearing Trident Partnerships LLC RHID
2. 0000 North 8th Development District
3. 106 North 8th Development District
4. 113 East Main Development District
5. 113 West Laurel Development District
6. 120 North 8th Development District
7. 219 West Main Development District

8. Trident RHID Estimate Spreadsheet
9. Jefferson Subdivision Development District
10. Jefferson Subdivision Feasibility Spreadsheet

RESOLUTION NO. 2022-049

INDEPENDENCE, KANSAS, SETTING A DATE AND TIME FOR A PUBLIC HEARING AT WHICH THE GOVERNING BODY WILL CONSIDER ESTABLISHING ONE OR MORE RURAL HOUSING INCENTIVE DISTRICTS

Whereas, on February 24, 2022, the governing body adopted Resolution No. 2022-004 pursuant to K.S.A. 12-5241, et seq., in which certain required findings were made in order to pursue the creation of multiple Rural Housing Incentive Districts.

And Whereas, Resolution No. 2022-004 was published in the official city newspaper according to law.

And Whereas, a certified copy of Resolution No 2022-004 was sent to the Secretary of Commerce for the State of Kansas for review and approval.

And Whereas, the Secretary of Commerce has advised the governing body in writing that it agrees with and approves the findings made by the governing body in Resolution No. 2022-004.

NOW THEREFORE, BE IT RESOLVED by the governing body of the City of Independence, Kansas;

Section 1. The governing body is considering taking action to adopt plans for development or redevelopment of housing and public facilities in certain proposed Rural Housing Incentive Districts.

Section 2. A public hearing will be held at the following date, time and location at which time the governing body will consider the adoption of the plans for development or redevelopment of housing and public facilities in the proposed Rural Housing Incentive Districts:

Date:	November 10, 2022
Time:	5:30 p.m.
Location:	Civic Center located in the basement of Memorial Hall, Southeast corner of intersection of Locust and North Pennsylvania Avenue.

Section 3. The governing body will consider establishing the Downtown Central Business Development District Part 1, as a Rural Housing Incentive District. The details of the Downtown Central Business Development District Part 1 are attached hereto and incorporated herein by reference as Exhibit "A".

The governing body will consider establishing the Jefferson Subdivision Development District. The details of the Jefferson Subdivision Development District are attached hereto and incorporated herein by reference as Exhibit "B".

Section 4. The proposed plan for development or redevelopment of housing and public facilities for the proposed districts are available for inspection at the office of the City Clerk, 811 West Laurel, Independence, Kansas.

Section 5. Members of the public are invited to review the proposed plans and attend the public hearing on the date and time stated above.

Section 6. This Resolution shall be published at least once in the official newspaper of the city not less than one week, nor more than two weeks, prior to the public hearing date.

ADOPTED by the governing body of the City of Independence, Kansas, on the 29th day of September, 2022.

Dean A. Hayse, Mayor

ATTEST:

David W. Schwenker, City Clerk

Exhibit “A”

Downtown Central Business Development District Part 1 Development Plan

0000 North 8th Street
Independence, KS 67301

Trident Partnerships LLC - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

ORIG PLAT, S31, T32, R16, BLOCK 31, COM 19.45' S NW COR LOT 16 AS POB E 50.2' S 73' E 20' N 20.35' E 18.2' S 60' W 101.2' N 40.55' TO POB; Lot Width: 040.5 Lot Depth: 101.2 (commonly known as 0000 North 8th St, Independence, KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$33,910

3. **2022 Appraised Value**

Class	Land	Building	Total
Commercial & Industrial - C	10,530	23,380	33,910
Total	10,530	23,380	33,910

4. Primary Owner:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

5. Second floor development of two apartments and third floor development of two apartments. With a target market price of \$900 to \$1200 monthly rent. "Target Market Price" reflects 1 Bedroom/1 Bathroom apartment of roughly 880 square feet livable space.

6. Names and addresses of developer:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

7. Contractual Assurances of the Developer – Developer intends to utilize the RHID tool to reimburse the cost of construction of development of two apartments on the second floor with an estimated cost to be approximately \$2,109,166 in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

8. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a timeline build out schedule.

9. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available housing development to help ease the strain on our current housing market. While this development won't solve our current housing shortage it will create an opportunity for new apartment development in our upper stories within the central business district. These units will be added to our inventory and can be combined with additional efforts to explore infill development, additional upper-story development and single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

Exhibit “A”

Downtown Central Business Development District Part 1 Development Plan

106 North 8th Street
Independence, KS 67301

Trident Partnerships LLC - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

ORIG PLAT, S31, T32, R16, 4826 SQUARE FEET, N 70' LTS 17-19 BLK 42; Lot Width: 070.0 Lot Depth: 070.0 (commonly known as 106 North 8th St, Independence, KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$23,400

3. **2022 Appraised Value**

Class	Land	Building	Total
Commercial & Industrial - C	5,580	6,180	11,760
Residential - R	5,580	6,060	11,640
Total	11,160	12,240	23,400

4. Primary Owner:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

5. Second floor development of three apartments. With a target market price of \$900 to \$1200 monthly rent. "Target Market Price" reflects 1 to 2 Bedroom/1 Bathroom apartment of roughly 525 to 914 square feet livable space.

6. Names and addresses of developer:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

7. Contractual Assurances of the Developer – Developer intends to utilize the RHID tool to reimburse the cost of construction of development of two apartments on the second floor with an estimated cost to be approximately \$859,550 in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

8. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a timeline build out schedule.

9. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available housing development to help ease the strain on our current housing market. While this development won't solve our current housing shortage it will create an opportunity for new apartment development in our upper stories within the central business district. These units will be added to our inventory and can be combined with additional efforts to explore infill development, additional upper-story development and single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

Exhibit “A”

Downtown Central Business Development District Part 1 Development Plan

113 East Main Street
Independence, KS 67301

Trident Partnerships LLC - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

ORIG PLAT, S31, T32, R16, BLOCK 54, Lot 6, 3484 SQUARE FEET, Lot Width: 025.0
Lot Depth: 140.0 (commonly known as 113 East Main St, Independence, KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$34,080

3. 2022 Appraised Value

Class	Land	Building	Total
Commercial & Industrial - C	6,660	27,420	34,080
Total	6,660	27,420	34,080

4. Primary Owner:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

5. Second floor development of two apartments. With a target market price of \$900 to \$1200 monthly rent. "Target Market Price" reflects 1 Bedroom/1 Bathroom apartment of roughly 575 to 585 square feet livable space.

6. Names and addresses of developer:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

7. Contractual Assurances of the Developer – Developer intends to utilize the RHID tool to reimburse the cost of construction of development of two apartments on the second floor with an estimated cost to be approximately \$309,550 in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

8. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a timeline build out schedule.

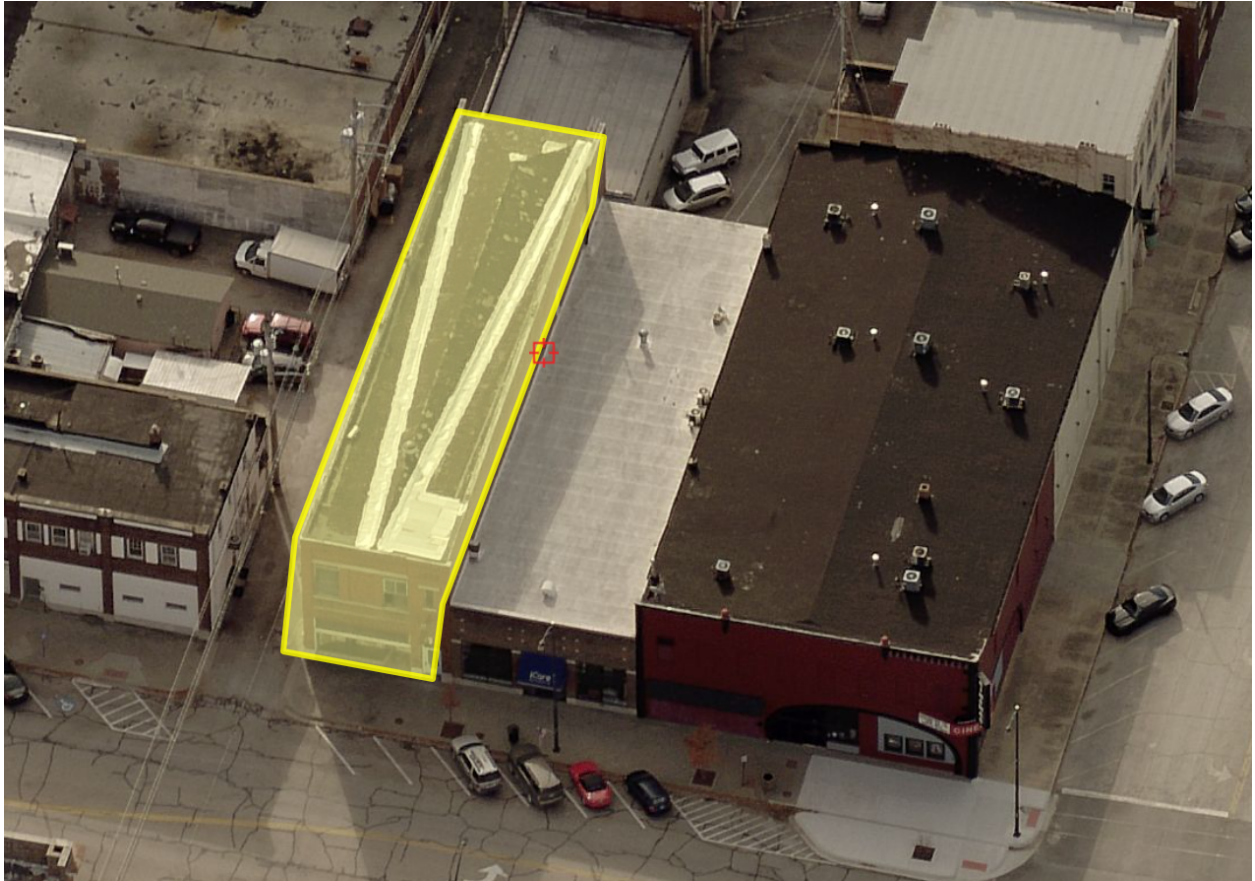
9. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available housing development to help ease the strain on our current housing market. While this development won't solve our current housing shortage it will create an opportunity for new apartment development in our upper stories within the central business district. These units will be added to our inventory and can be combined with additional efforts to explore infill development, additional upper-story development and single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

Exhibit “A”

Downtown Central Business Development District Part 1 Development Plan

113 West Laurel Street
Independence, KS 67301

Trident Partnerships LLC - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

ORIG PLAT, S31, T32, R16, E 30' N 10' LT 16; E 30' LTS 17 & 18 BLK 31; LOT
WIDTH: 030.0 LOT DEPTH: 130.0 (commonly known as 113 West Laurel St,
Independence, KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$42,410

2022 Appraised Value

Class	Land	Building	Total
Commercial & Industrial - C	9,460	32,950	42,410
Total	9,460	32,950	42,410

3. Primary Owner:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

4. Second floor development of four apartments. With a target market price of \$900 to \$1200 monthly rent. "Target Market Price" reflects 1 to 2 Bedroom/1 Bathroom apartment of roughly 545 to 1441 square feet livable space.

5. Names and addresses of developer:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

6. Contractual Assurances of the Developer – Developer intends to utilize the RHID tool to reimburse the cost of construction of development of two apartments on the second floor with an estimated cost to be approximately \$1,275,500 in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

7. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a timeline build out schedule.

8. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available housing development to help ease the strain on our current housing market. While this development won't solve our current housing shortage it will create an opportunity for new apartment development in our upper stories within the central business district. These units will be added to our inventory and can be combined with additional efforts to explore infill development, additional upper-story development and single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

Exhibit “A”

Downtown Central Business Development District Part 1 Development Plan

120 North 8th Street
Independence, KS 67301

Trident Partnerships LLC - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

ORIG PLAT, S31, T32, R16, BEG NW COR LT 20 BLK 42, E 21.4' S 19.8' S ALG PARTY WALL 83.7' E 5.5' S 11.9' E 9.7' S 8.3' E 10.5' S 16.7' M/L TO S; Lot Width: 140.0 Lot Depth: 046.6 (commonly known as 120 North 8th St, Independence, KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$50,380

2022 Appraised Value

Class	Land	Building	Total
Commercial & Industrial - C	10,650	39,730	50,380
Total	10,650	39,730	50,380

3. Primary Owner:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

4. Second floor development of three apartments. With a target market price of \$900 to \$1200 monthly rent. "Target Market Price" reflects 1 Bedroom/1 Bathroom apartment of roughly 700 to 928 square feet livable space.

5. Names and addresses of developer:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

6. Contractual Assurances of the Developer – Developer intends to utilize the RHID tool to reimburse the cost of construction of development of two apartments on the second floor with an estimated cost to be approximately \$926,600 in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

7. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a timeline build out schedule.

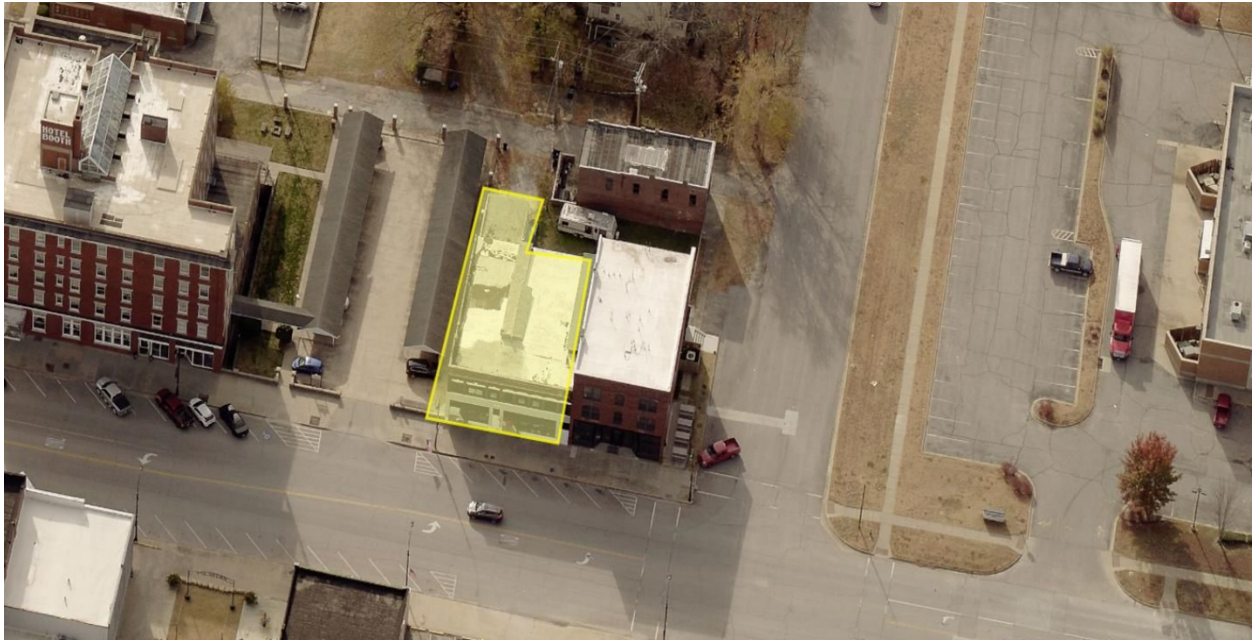
8. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available housing development to help ease the strain on our current housing market. While this development won't solve our current housing shortage it will create an opportunity for new apartment development in our upper stories within the central business district. These units will be added to our inventory and can be combined with additional efforts to explore infill development, additional upper-story development and single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

Exhibit “A”

Downtown Central Business Development District Part 1 Development Plan

219 West Main Street
Independence, KS 67301

Trident Partnerships LLC - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

ORIG PLAT, S31, T32, R16, 5585 SQUARE FEET, LT 10;& BEG NE COR LT 11 W 29' S 80' E 2' N 6' SELY TO PT 2' W & 85' S NE COR LT 11 S 55' E 2' N TO POB BLK 56; Lot Width: 052.0 Lot Depth: 140.0 (commonly known as 219 West Main St, Independence, KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$64,310

2022 Appraised Value

Class	Land	Building	Total
Commercial & Industrial - C	11,690	52,620	64,310
Total	11,690	52,620	64,310

3. Primary Owner:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

4. Second floor development of three apartments. With a target market price of \$900 to \$1200 monthly rent. "Target Market Price" reflects 2 Bedroom/1 Bathroom apartment of roughly 1290 to 1628 square feet livable space.

5. Names and addresses of developer:

Trident Partnerships, LLC
3321 SW Westover Road
Topeka, Kansas 66604

6. Contractual Assurances of the Developer – Developer intends to utilize the RHID tool to reimburse the cost of construction of development of two apartments on the second floor with an estimated cost to be approximately \$685,000 in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

7. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a timeline build out schedule.

8. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available housing development to help ease the strain on our current housing market. While this development won't solve our current housing shortage it will create an opportunity for new apartment development in our upper stories within the central business district. These units will be added to our inventory and can be combined with additional efforts to explore infill development, additional upper-story development and single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

Exhibit "A"

113 East Main, Independence, KS

Investment Data				
	Estimated	Actual	*County Data	RHID Eligible Estimate
Purchase Price	\$155,000.00		\$34,808.00	
1st Floor Renovation	\$328,050.00			
2nd Floor+ Renovation	\$232,050.00			\$309,550.00
Basement Renovation	\$45,000.00			
Total Cost	\$760,100.00			

RHID-113 East Main

COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

2021 Appraised Value	2021 Taxes	Estimated Appraised Value of Proposed Project	Estimated Assessed Value Commerical	Estimated Assessed Value Residential
\$ 34,080.00	\$ 1,594.02	\$ 684,090.00	\$ 442,582.00	\$ 241,508.00

Program Year	Year of Tax Statement	Annual New Tax Generated	Accumulated New Taxes Generated
1	2022	\$ -	\$ -
2	2023	\$ -	\$ -
3	2024	\$ 26,689.98	\$ 26,689.98
4	2025	\$ 26,689.98	\$ 53,379.96
5	2026	\$ 26,689.98	\$ 80,069.94
6	2027	\$ 26,689.98	\$ 106,759.92
7	2028	\$ 26,689.98	\$ 133,449.90
8	2029	\$ 26,689.98	\$ 160,139.88
9	2030	\$ 26,689.98	\$ 186,829.86
10	2031	\$ 26,689.98	\$ 213,519.84
11	2032	\$ 26,689.98	\$ 240,509.82
12	2033	\$ 26,689.98	\$ 266,899.80
13	2034	\$ 26,689.98	\$ 293,589.78
14	2035	\$ 26,689.98	\$ 320,279.76
15	2036	\$ 26,689.98	\$ 346,969.74
16	2037	\$ 26,689.98	\$ 373,659.72
17	2038	\$ 26,689.98	\$ 400,349.70

18	2039	\$	26,689.98	\$	427,039.68
19	2040	\$	26,689.98	\$	453,729.66
20	2041	\$	26,689.98	\$	480,419.64
21	2042	\$	26,689.98	\$	507,109.62
22	2043	\$	26,689.98	\$	533,799.60
23	2044	\$	26,689.98	\$	560,489.58
24	2045	\$	26,689.98	\$	587,179.56
25	2046	\$	26,689.98	\$	613,869.54

Est. Tax Based on 2021 Mill Levy Post Project	Difference of 2021 vs. Est. Taxes Post Project
\$ 28,284.00	\$ 26,689.98

Exhibit "A"

0000 North 8th

Investment Data				
	Estimated	Actual	*County Data	RHID Eligible Estimate
Purchase Price	\$124,000.00		\$33,910.00	
1st Floor Renovation	\$781,650.00			
2nd Floor+ Renovation	\$2,026,500.00			\$2,109,166.00
Basement Renovation	\$0.00			
Total Cost	\$2,932,150.00			

RHID-0000 North 8th

COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

2021 Appraised Value	2021 Taxes	Estimated Appraised Value of Proposed Project	Estimated Assessed Value Commerical	Estimated Assessed Value Residential
\$ 33,910.00	\$ 1,236.44	\$ 2,638,935.00	\$ 949,313.00	\$ 1,689,622.00

Program Year	Year of Tax Statement	Annual New Tax Generated	Accumulated New Taxes Generated
1	2022	\$ -	\$ -
2	2023	\$ -	\$ -
3	2024	\$ 75,456.56	\$ 75,456.56
4	2025	\$ 75,456.56	\$ 150,913.12
5	2026	\$ 75,456.56	\$ 226,369.68
6	2027	\$ 75,456.56	\$ 301,826.24
7	2028	\$ 75,456.56	\$ 377,282.80
8	2029	\$ 75,456.56	\$ 452,739.36
9	2030	\$ 75,456.56	\$ 528,195.92
10	2031	\$ 75,456.56	\$ 603,652.48
11	2032	\$ 75,456.56	\$ 679,109.04
12	2033	\$ 75,456.56	\$ 754,565.60
13	2034	\$ 75,456.56	\$ 830,022.16
14	2035	\$ 75,456.56	\$ 905,478.72
15	2036	\$ 75,456.56	\$ 980,935.28
16	2037	\$ 75,456.56	\$ 1,056,391.84
17	2038	\$ 75,456.56	\$ 1,131,848.40
18	2039	\$ 75,456.56	\$ 1,207,304.96

19	2040	\$	75,456.56	\$	1,282,761.52
20	2041	\$	75,456.56	\$	1,358,218.08
21	2042	\$	75,456.56	\$	1,433,674.64
22	2043	\$	75,456.56	\$	1,509,131.20
23	2044	\$	75,456.56	\$	1,584,587.76
24	2045	\$	75,456.56	\$	1,660,044.32
25	2046	\$	75,456.56	\$	1,735,500.88

Est. Tax Based on 2021 Mill Levy Post Project	Difference of 2021 vs. Est. Taxes Post Project
\$ 76,693.00	\$ 75,456.56

Exhibit "A"

113 West Laurel

Investment Data				
	Estimated	Actual	*County Data	RHID Eligible Estimate
Purchase Price	\$80,000.00		\$42,410.00	
1st Floor Renovation	\$135,000.00			
2nd Floor+ Renovation	\$1,235,500.00			\$1,275,500.00
Basement Renovation	\$93,000.00			
Total Cost	\$1,543,500.00			

RHID-113 West Laurel

COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

2021 Appraised Value	2021 Taxes	Estimated Appraised Value of Proposed Project	Estimated Assessed Value Commerical	Estimated Assessed Value Residential
\$ 42,410.00	\$ 1,906.46	\$ 1,389,150.00	\$ 591,164.00	\$ 797,986.00

Program Year	Year of Tax Statement	Annual New Tax Generated	Accumulated New Taxes Generated
1	2022	\$ -	\$ -
2	2023	\$ -	\$ -
3	2024	\$ 47,043.54	\$ 47,043.54
4	2025	\$ 47,043.54	\$ 94,087.08
5	2026	\$ 47,043.54	\$ 141,130.62
6	2027	\$ 47,043.54	\$ 188,174.16
7	2028	\$ 47,043.54	\$ 235,217.70
8	2029	\$ 47,043.54	\$ 282,261.24
9	2030	\$ 47,043.54	\$ 329,304.78
10	2031	\$ 47,043.54	\$ 376,348.32
11	2032	\$ 47,043.54	\$ 423,391.86
12	2033	\$ 47,043.54	\$ 470,435.40
13	2034	\$ 47,043.54	\$ 517,478.94
14	2035	\$ 47,043.54	\$ 564,522.48
15	2036	\$ 47,043.54	\$ 611,566.02
16	2037	\$ 47,043.54	\$ 658,609.56
17	2038	\$ 47,043.54	\$ 705,653.10
18	2039	\$ 47,043.54	\$ 752,696.64

19	2040	\$	47,043.54	\$	799,740.18
20	2041	\$	47,043.54	\$	846,783.72
21	2042	\$	47,043.54	\$	893,827.26
22	2043	\$	47,043.54	\$	940,870.80
23	2044	\$	47,043.54	\$	987,914.34
24	2045	\$	47,043.54	\$	1,034,957.88
25	2046	\$	47,043.54	\$	1,082,001.42

Est. Tax Based on 2021 Mill Levy Post Project	Difference of 2021 vs. Est. Taxes Post Project
\$ 48,950.00	\$ 47,043.54

Exhibit "A"
106 North 8th

Investment Data				
	Estimated	Actual	*County Data	RHID Eligible Estimate
Purchase Price	\$30,000.00		\$23,400.00	
1st Floor Renovation	\$651,510.00			
2nd Floor+ Renovation	\$844,550.00			\$859,550.00
Basement Renovation	\$0.00			
Total Cost	\$1,526,060.00			

RHID-106 North 8th
COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

2021 Appraised Value	2021 Taxes	Estimated Appraised Value of Proposed Project	Estimated Assessed Value Commerical	Estimated Assessed Value Residential
\$11,760.00 C \$11,640.00 R	\$ 848.06	\$ 1,373,454.00	\$ 686,727.00	\$ 686,727.00

Program Year	Year of Tax Statement	Annual New Tax Generated	Accumulated New Taxes Generated
1	2022	\$ -	\$ -
2	2023	\$ -	\$ -
3	2024	\$ 50,369.94	\$ 50,369.94
4	2025	\$ 50,369.94	\$ 100,739.88
5	2026	\$ 50,369.94	\$ 151,109.82
6	2027	\$ 50,369.94	\$ 201,479.76
7	2028	\$ 50,369.94	\$ 251,849.70
8	2029	\$ 50,369.94	\$ 302,219.64
9	2030	\$ 50,369.94	\$ 352,589.58
10	2031	\$ 50,369.94	\$ 402,959.52
11	2032	\$ 50,369.94	\$ 453,329.46
12	2033	\$ 50,369.94	\$ 503,699.40
13	2034	\$ 50,369.94	\$ 554,069.34
14	2035	\$ 50,369.94	\$ 604,439.28
15	2036	\$ 50,369.94	\$ 654,809.22
16	2037	\$ 50,369.94	\$ 705,179.16
17	2038	\$ 50,369.94	\$ 755,549.10
18	2039	\$ 50,369.94	\$ 805,919.04

19	2040	\$	50,369.94	\$	856,288.98
20	2041	\$	50,369.94	\$	906,658.92
21	2042	\$	50,369.94	\$	957,028.86
22	2043	\$	50,369.94	\$	1,007,398.80
23	2044	\$	50,369.94	\$	1,057,768.74
24	2045	\$	50,369.94	\$	1,108,138.68
25	2046	\$	50,369.94	\$	1,158,508.62

Est. Tax Based on 2021 Mill Levy Post Project	Difference of 2021 vs. Est. Taxes Post Project
\$ 51,218.00	\$ 50,369.94

Exhibit "A"

219 West Main

Investment Data				
	Estimated	Actual	*County Data	RHID Estimated Amount
Purchase Price	\$110,000.00			
1st Floor Renovation	\$573,750.00			
2nd Floor+ Renovation	\$630,000.00			\$685,000.00
Basement Renovation				
Total Cost	\$1,313,750.00			

RHID-219 West Main

COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

2021 Appraised Value	2021 Taxes	Estimated Appraised Value of Proposed Project	Estimated Assessed Value Commerical	Estimated Assessed Value Residential
\$ 64,310.00	\$ 1,941.46	\$ 1,182,375.00	\$ 709,425.00	\$ 472,950.00

Program Year	Year of Tax Statement	Annual New Tax Generated	Accumulated New Taxes Generated
1	2022	\$ -	\$ -
2	2023	\$ -	\$ -
3	2024	\$ 45,412.54	\$ 45,412.54
4	2025	\$ 45,412.54	\$ 90,825.08
5	2026	\$ 45,412.54	\$ 136,237.62
6	2027	\$ 45,412.54	\$ 181,650.16
7	2028	\$ 45,412.54	\$ 227,062.70
8	2029	\$ 45,412.54	\$ 272,475.24
9	2030	\$ 45,412.54	\$ 317,887.78
10	2031	\$ 45,412.54	\$ 363,300.32
11	2032	\$ 45,412.54	\$ 408,712.86
12	2033	\$ 45,412.54	\$ 454,125.40
13	2034	\$ 45,412.54	\$ 499,537.94
14	2035	\$ 45,412.54	\$ 544,950.48
15	2036	\$ 45,412.54	\$ 590,363.02
16	2037	\$ 45,412.54	\$ 635,775.56
17	2038	\$ 45,412.54	\$ 681,188.10
18	2039	\$ 45,412.54	\$ 726,600.64

19	2040 \$	45,412.54	\$	772,013.18
20	2041 \$	45,412.54	\$	817,425.72
21	2042 \$	45,412.54	\$	862,838.26
22	2043 \$	45,412.54	\$	908,250.80
23	2044 \$	45,412.54	\$	953,663.34
24	2045 \$	45,412.54	\$	999,075.88
25	2046 \$	45,412.54	\$	1,044,488.42

Est. Tax Based on 2021 Mill Levy Post Project	Difference of 2021 vs. Est. Taxes Post Project
\$ 47,354.00	\$ 45,412.54

Exhibit "A"
120 North 8th

Investment Data				
	Estimated	Actual	*County Data	RHID Eligible Estimate
Purchase Price	\$120,000.00		\$23,400.00	
1st Floor Renovation	\$680,750.00			
2nd Floor+ Renovation	\$625,100.00			\$926,600.00
Basement Renovation	\$241,500.00			
Total Cost	\$1,667,350.00			

RHID-120 North 8th
COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

2021 Appraised Value	2021 Taxes	Estimated Appraised Value of Proposed Project	Estimated Assessed Value Commerical	Estimated Assessed Value Residential
\$ 50,380.00	\$ 1,070.92	\$ 1,500,615.00	\$ 782,283.00	\$ 718,332.00

Program Year	Year of Tax Statement	Annual New Tax Generated	Accumulated New Taxes Generated
1	2022	\$ -	\$ -
2	2023	\$ -	\$ -
3	2024	\$ 55,771.08	\$ 55,771.08
4	2025	\$ 55,771.08	\$ 111,542.16
5	2026	\$ 55,771.08	\$ 167,313.24
6	2027	\$ 55,771.08	\$ 223,084.32
7	2028	\$ 55,771.08	\$ 278,855.40
8	2029	\$ 55,771.08	\$ 334,626.48
9	2030	\$ 55,771.08	\$ 390,397.56
10	2031	\$ 55,771.08	\$ 446,168.64
11	2032	\$ 55,771.08	\$ 501,939.72
12	2033	\$ 55,771.08	\$ 557,710.80
13	2034	\$ 55,771.08	\$ 613,481.88
14	2035	\$ 55,771.08	\$ 669,252.96
15	2036	\$ 55,771.08	\$ 725,024.04
16	2037	\$ 55,771.08	\$ 780,795.12
17	2038	\$ 55,771.08	\$ 836,566.20
18	2039	\$ 55,771.08	\$ 892,337.28

19	2040	\$	55,771.08	\$	948,108.36
20	2041	\$	55,771.08	\$	1,003,879.44
21	2042	\$	55,771.08	\$	1,059,650.52
22	2043	\$	55,771.08	\$	1,115,421.60
23	2044	\$	55,771.08	\$	1,171,192.68
24	2045	\$	55,771.08	\$	1,226,963.76
25	2046	\$	55,771.08	\$	1,282,734.84

Est. Tax Based on 2021 Mill Levy Post Project	Difference of 2021 vs. Est. Taxes Post Project
\$ 56,842.00	\$ 55,771.08

Exhibit “B”
Development Plan

Jefferson Subdivision
Development District
0000 North 13th Street
(between Mulberry & Spruce)

City of Independence, Kansas
Housing Authority - Project
Developer



1. Legal Description and Map (Exhibit A)

Legal Description:

HIGHLAND PARK ADD, S24, T32, R15, ACRES 7. 36, COM POB NW COR
 LOT 4 E 297. 58' S 624. 11' W 595. 84' N 442. 78' E 265. 04' NWLY 67. 41' N
 121. 71' TO POB; LESS RW (commonly known as 0000 N 13TH ST, Independence,
 KS 67301)

2. Assessed Valuation for Tax Year 2022 was \$8,620.00

2022 Appraised Value

Class	Land	Building	Total
Vacant Lots - V	8,620	0	8,620
Total	8,620	0	8,620

3. Primary Owner:

City of Independence, Kansas/Independence Housing Authority
811 West Laurel
Independence, KS 67301

4. Development of a new 20 lot subdivision for the development of single-family homes with a target market price of \$200,000 to \$250,000. (“Target Market Price” reflects slab on grade 3 Bedroom/2 Bathroom home of roughly 1,450 to 1,700 square feet livable space.
5. Names and addresses of developer City of Independence, Kansas Housing Authority, 811 West Laurel, Independence, Kansas, 67301.
6. Contractual Assurances of the Developer – Developers intend to utilize the RHID tool to reimburse the cost of construction of development infrastructure estimated to be approximately \$1 Million in total cost. Financing for the project will be negotiated with City input on best responsible strategy for City of Independence, Kansas Taxpayers.

7. Comprehensive Feasibility Analysis

Exhibit A shows an RHID Revenue project based on a 6-year neighborhood build out schedule.

8. The City of Independence, Kansas Housing Study completed in December 2021 indicated a critical need for available lots for housing development to help ease the strain on our current housing market. While this development won’t solve our current housing shortage it will create an opportunity for new homes to be added to our inventory and can be combined with additional efforts to explore infill development, upper-story development and additional single-family projects both detached and attached. There is a critical need for housing for our local workforce and community and this project hopes to help fill this need.

\$225,000 avg. sale price per home

COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

Parcel # 630862404002003000 (tax yr. 2022 est. value for land only)

Estimated Eligible Infrastructure Costs
Total Construction Project Period
Payback Period from 1st year of construction

Value	Assessment Rate	Assessed Value	Mill Levy	Base Year Tax	Years in Program
19,680	0.115	2,263.20	0.204335	462.45	13

Mill Levy	Gross Tax Increase	School Tax Exemp.	State Exemption 21.5 mills	Annual New Tax Generated	Accumulated New Taxes Generated
0.204335					-
0.204335	26,435.84	230	2,781.56	23,424.28	23,424.28
0.204335	52,871.68	460	5,563.13	46,848.56	70,272.83
0.204335	79,307.52	690	8,344.69	70,272.83	140,545.67
0.204335	105,743.36	920	11,126.25	93,697.11	234,242.78
0.204335	105,743.36	920	11,126.25	93,697.11	327,939.89
0.204335	105,743.36	920	11,126.25	93,697.11	421,637.01
0.204335	105,743.36	920	11,126.25	93,697.11	515,334.12
0.204335	105,743.36	920	11,126.25	93,697.11	609,031.23
0.204335	105,743.36	920	11,126.25	93,697.11	702,728.34
0.204335	105,743.36	920	11,126.25	93,697.11	796,425.46
0.204335	105,743.36	920	11,126.25	93,697.11	890,122.57
0.204335	105,743.36	920	11,126.25	93,697.11	983,819.68
0.204335	105,743.36	920	11,126.25	93,697.11	1,077,516.79
0.204335	105,743.36	920	11,126.25	93,697.11	1,171,213.91
0.204335	105,743.36	920	11,126.25	93,697.11	1,264,911.02
0.204335	105,743.36	920	11,126.25	93,697.11	1,358,608.13
0.204335	105,743.36	920	11,126.25	93,697.11	1,452,305.24
0.204335	105,743.36	920	11,126.25	93,697.11	1,546,002.36
0.204335	105,743.36	920	11,126.25	93,697.11	1,639,699.47

\$	961,000
	5 years
	13 years

Total Base Year
Tax
6,011.86

Program Year	Year of Tax Statement
1	2022
2	2023
3	2024
4	2025
5	2026
6	2027
7	2028
8	2029
9	2030
10	2031
11	2032
12	2033
13	2034
14	2035
15	2036
16	2037
17	2038
18	2039
19	2040
20	2041



**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
September 29, 2022**

Department Housing

Director Approval April Nutt

AGENDA ITEM Consider adopting Resolution No. 2022-050 authorizing the City of Independence to submit a Kansas Housing Resources Cooperation Moderate-Income Housing Grant on behalf of Trident Partnership LLC.

SUMMARY RECOMMENDATION The Independence Housing Authority recommends approving the submission of a Kansas Housing Resources Cooperation's Moderate-Income Housing Grant on behalf of Trident Partnership LLC.

BACKGROUND The Independence Housing Authority has been working with Trident Partnership LLC, an upper story downtown housing developer. Trident Partnership LLC intends to purchase six buildings in Independence's central business district for the purpose of constructing 20 apartments, while rehabilitating the lower levels for commercial use. Trident Partnership LLC intends to work with the Kansas State Historic Society in order to meet all Federal and State historical tax credit requirements. In addition to the potential historical tax credits, Trident Partnership LLC wishes to apply for a Kansas Housing Resources Cooperation Moderate-Income Housing Grant. KHRC's MIH grant is available to cities or counties for the purpose of developing housing for moderate-income families. Trident Partnership LLC has contracted with Southeast Kansas Planning Commission to write and administer grant compliance. Trident Partnership LLC requests the City of Independence submit KHRC's MIH grant on its behalf.

FINANCIAL INFORMATION There is no financial impact on the City of Independence's budget.

SUGGESTED MOTION I move to adopt Resolution No. 2022-050 authorizing the City of Independence to submit a Kansas Housing Resources Cooperation Moderate-Income Housing Grant on behalf of Trident Partnership LLC.

SUPPORTING DOCUMENTS

1. RESOLUTION - 2022-050
2. Copy of MIH22-City of Independence-Application
3. Independence MIH Application Attachment

RESOLUTION NO. 2022-050

**A RESOLUTION SUPPORTING THE DEVELOPMENT OF CERTAIN
HOUSING WITHIN THE CITY OF INDEPENDENCE, KANSAS.**

Whereas, the City of Independence, Kansas is responding to the Request for Proposals for Kansas Moderate Income Housing (MIH) funds to be submitted to the Kansas Housing Resources Corporation through the State Housing Trust Fund (SHTF); and

Whereas, the proposed development project to be completed by Trident Partnerships, consists of the rehabilitation of six downtown historic buildings converting the upper stories into 20 rental units including options for: a studio apartment, 1 bedroom/1 bath, and 2 bedroom/1 bath apartments within the city limits of the City of Independence; and

Whereas, the housing units will be targeted to households between 60 and 150 percent of HUD's state non-metro area median income; and

Whereas, the development will have the benefit of providing quality, affordable housing to the community and help to satisfy the need for new rental housing as described in the 2021 Housing Needs Analysis; and

NOW, THEREFORE BE IT RESOLVED by the Governing Body of the City of Independence, Kansas, that the City of Independence supports and approves the development of the aforesaid housing in the community, subject to City codes, ordinances, building permit process, appropriate zoning and any applicable agreements. In the event that any of the characteristics mentioned above should substantially change prior to issuance of a building permit, this resolution is null and void.

ADOPTED BY THE GOVERNING BODY AND APPROVED BY THE MAYOR, this 29th day of September, 2022.

Dean A. Hayse, Mayor

ATTEST:

David Schwenker, City Clerk



Instructions for the 2022 Moderate Income Housing (MIH) Application: Kansas Housing Resources Corporation (KHRC) requires this application to be submitted electronically to better facilitate importing data into a database for application evaluations. **To submit:** Please complete this application in Excel and save as "MIH22-NameofApplicant-Application" and send as an email attachment to MIH@kshousingcorp.org. Example 1: Anytown, USA would submit the application as "MIH22-Anytown-Application." Accompanying documents must be sent electronically as PDF documents. If the applicant has difficulty or cannot submit the application electronically, please email MIH@kshousingcorp.org.

I. Applicant Information:

Name(s): City of Independence
Address: 811 W. Laurel City: Independence State: KS
County: Montgomery Zip: 67301 Population: 8,548
Telephone: 620-332-2500
Primary Contact: April Nutt Email: apriln@independencets.gov

The primary contact person should be someone that is familiar with the development and application and can answer questions that arise during the application review.

Kansas Senate District: 15 Kansas House District: 11 US Congressional District: 2
Have you previously applied for MIH funding? Yes *If no, skip to Section II.*
What years did you apply? 2012 & 2020
Did you receive funding? Y If yes, please list amount of funding allocated: \$200,000 & \$60,000

II. Type of Development:

How many total units are in your development? 20 Total MIH units? 19

What is the type of the development? *Please select all that apply and indicate the # of units of each.*

Single Family Homeownership: _____ Infrastructure: _____
Multi-Family Rental: 20 Single Family Rental: _____
Duplexes: _____ Other (specify): _____

What is the anticipated start date of the development? 3/1/2023
What is the anticipated completion date of the development? 4/4/2024

III. Funding Information:

What is the amount of funding being requested? \$ 650,000.00

How will the funds be used? *Please select all that apply and indicate the \$ amount of each.*

Infrastructure/Site Work: _____ New Construction: _____
Down Payment Assistance: _____ Acquisition & Rehab.: _____
Historic Rehabilitation: \$650,000 Rehabilitation: _____
If other, please describe: _____

Has the applicant applied or been approved for a Rural Housing Incentive District (RHID)? In progress

If yes, at what stage of the approval process is the applicant? The 2021 Housing Study has been received and approved by Comm

IV. Partnership Information

Name: Trident Partnerships

Federal ID Number: 87-3673337

Identify the ownership structure if it is rental housing.

General Partner/Managing Member/or Principal(s) Involved:

Name: Christopher Stemler - Owner

Phone: 785-438-7311

Ownership Percentage: 55.00%

Name: Nic Irick - Member

Phone: 913-645-9331

Ownership Percentage: 15.00%

Name: Mary Anne Durall

Phone: 785-221-2565

Ownership Percentage: 15.00%

V. Development Team Information

Provide the following information if applicable and attach a resume for each team member listed.

Developer: Trident Partnerships, LLC

Email: christopher@tridentpartnerships.com

Phone: 785-438-7311

Principal: Chris Stemler

Email: christopher@tridentpartnerships.com

Phone: 785-438-7311

Contractor: The MCP Group

Email: PatT@theMCPGroup.com

Phone: 785-273-3880

Management Company: Trident Partnerships, LLC

Email: christopher@tridentpartnerships.com

Phone: 785-438-7311

Consultant: Rosin Preservation

Email: elizabeth@rosinpreservation

Phone: 816-472-4950

Architect: Echelon Arch & Design

Email: Miranda@EchelonAD.com

Phone: 620-205-8487

Have any members of the development team previously received MIH funding?

If yes, please list the name of member, year, and community funded.

No

Disclosure of Relationship: Applicants must disclose any current or former KHRC employees acting as a consultant or interested party. Current KHRC employees cannot receive a financial gain from the funding of a project received through KHRC for a period of two years after his/her employment ends.

Are any of the above parties or additional interested parties a current or former employee of KHRC?

no

If yes, who?

If yes, please describe their involvement in the project:

Fourth partner: Jonathan Poulis, 413-454-5918, 15%

By completing this application, the applicant is agreeing to KHRC's Disclosure of Relationship clause and must comply by verifying the project does not create financial gain for the current KHRC employee. The applicant should submit the proper information when requesting disbursement of funds to show compliance.

VI. Additional Development Information:

Project Type: Please select all that apply and indicate # of units where appropriate.

Rowhouse/Townhouse:

Detached Single Family:

Stories:

Full Basement:

Apartments: 20

Detached Multi-Family:

Elevator:

Partial Basement:

Crawl Space:

Slab on Grade:

If other, please describe: This project is for 20 downtown upper story apartments

Total Development Costs:

\$ 9,902,950.00

Prefilled from Total Development Costs in Section XI.

Is the site properly zoned for the proposed development?

Yes

Are all the utilities presently available to the site?

yes

The following information must be included with application. Answer "Yes" if attached. Not applicable for down payment assistance.

Proof of Site Control: Yes

Proper Zoning or Application for Proper Zoning: Yes

Sketch Plan: Yes

Legal Description of Site: Yes

Will the development provide a ERI rating of 75 or less? Yes

Will the development exceed 2018 IECC? Yes

VII. Source of Funds (Construction & Permanent Financing):

Construction: List individually the source of construction financing.

Please attach proof of funding source with the application.

Source of Funds: <u>Moderate Income Housing Grant</u>	Amount of Funds: \$	650,000.00
Contact Name: <u>Kansas Housing Resources Corporation</u>	Prefilled from Section III.	
Email: <u>MIH@kshousingcorp.org</u>	Phone: <u>785-217-2001</u>	
Source of Funds: <u>KS Housing Investor Tax Credits</u>	Amount of Funds: \$	600,000.00
Contact Name: <u>Kansas Housing Resources Corporation</u>	Phone: <u>785-217-2001</u>	
Email: <u>MIH@kshousingcorp.org</u>		
Source of Funds: <u>City Grants</u>	Amount of Funds: \$	212,000.00
Contact Name: <u>City of Independence/April Nutt</u>	Phone: <u>620-332-2536</u>	
Email: <u>apriln@independenceks.gov</u>		
Source of Funds: <u>Federal tax credits</u>	Amount of Funds: \$	278,518.50
Contact Name: <u>KS State Historical Society/Kristen Johnston</u>	Phone: <u>785-272-8681 x213</u>	
Email: <u>kjohnston@kshs.org</u>		
Source of Funds: <u>KS Historic Tax Credits</u>	Amount of Funds: \$	1,674,432.00
Contact Name: <u>KS State Historical Society/Kristen Johnston</u>	Phone: <u>785-272-8681 x213</u>	
Email: <u>kjohnston@kshs.org</u>		
Source of Funds: <u>Commercial Financing-First Interstate Bank</u>	Amount of Funds: \$	6,300,000.00
Contact Name: <u>RD Helt</u>	Phone: <u>785-760-0147</u>	
Email: <u>rd.helt@fib.com</u>		

Total Construction Financing: \$ 9,714,950.50

In the box below, detail other items used to leverage the proposal. This could include sources such as in-kind labor and services, reduced fees and taxes, and city contributed work. KHRC recognizes that calculating leveraged funds is complicated and nuanced. KHRC will consider the sources listed below, but outside of the leveraged funds calculation.

Additional Funding Source: Trident Partnerships, LLC, \$400,000, christopher@tridentpartnerships.com, Chris Stemler, 785-438-7311

Permanent Financing: List total source of funds for the development at closing. Do not include construction finance.

Please attach proof of funding source with the application.

Name of Lender or Source of Funds:	Amount of Funds:	Annual Debt Service:	Interest Rate of Loan Period:	Amortization Period:	Term of Loan:
Moderate Income Housing Grant	\$ 650,000.00				
HITCA	\$ 600,000.00				
Bank Financing	\$ 6,300,000.00	\$ 571,368.00	7.00%	25	10
Developer Funds	\$ 400,000.00				
Tax Credits	\$ 1,952,950.00				

Total Permanent Funds: \$ 9,902,950.00 Permanent Funds Must Equal Total Development Costs: \$ 9,902,950.00

Total Annual Debt Service: \$ 571,368.00 Prefilled from Section XI.

In the box below, detail other items used to leverage the proposal. This could include sources such as in-kind labor and services, reduced fees and taxes, and city contributed work. KHRC recognizes that calculating leveraged funds is complicated and nuanced. KHRC will consider the sources listed below, but outside of the leveraged funds calculation.

RHID will be utilized to lessen the tax burden. The estimated revenue totals \$7,196,450 over 25 years. Additionally tax credits (state) will be sold via c

VIII. Annual Rental Operating Income:

If you do not plan to incorporate rental units in your project, please skip this section.

Unit Type:	# Units	Monthly Rent Per Unit:	Total Tenant Paid Rent:	Square Feet Per Unit:
Studio	1	\$ 900.00	\$ 900.00	545
1BR/1BA	4	\$ 1,000.00	\$ 4,000.00	525-691
1BR/1BA	11	\$ 1,100.00	\$ 12,100.00	714-1,210
2BR/1BA	4	\$ 1,200.00	\$ 4,800.00	914-1,628
Total:	20	\$ 4,200.00	\$ 21,800.00	

Total # of Units:	20	Total Monthly Rental Income:	\$ 21,800.00
Other Income Type:		Plus Other Monthly Income Amount:	
Vacancy Allowance:	10.00%	Less Monthly Vacancy Allowance:	2,180.00
		Total Monthly Operating Income:	\$ 19,620.00

Total Annualized Operating Income: \$ 235,440.00

IX. Annual Rental Operating Expense:

If you do not plan to incorporate rental units in your project, please skip this section.

Administrative		Operating		Maintenance	
Advertising		Elevator	\$ 500	Decorating	
Management	\$ 7,063	Fuel (Heating & Water)	\$ 250	Repairs	\$ 7,000
Legal/Partnership		Lighting & Misc. Power	\$ 100	Exterminating	\$ 3,000
Accounting/Audit		Gas	\$ 100	Ground Expense	
Other		Trash Removal	\$ 100	Other	
Other		Payroll, include. taxes		Other	
Other		Insurance	\$ 4,650	Other	

Total Administrative Cost:	\$ 7,063	Total Operating Cost:	\$ 5,700	Total Maintenance Cost:	\$ 10,000
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Total Real Estate Taxes:	\$ 8,596.00
Annual Replacement Reserve for Units:	\$ 9,000.00
Total Annual Operating Expense:	\$ 40,359.00

X. Homeownership:

If you do not plan to incorporate homeownership units in your project, please skip this section.

Down Payment Cost:	\$ -
Estimated Sale Price:	\$ -

Mortgage:	\$ -
Utilities:	\$ -
Interest, Taxes & Insurance:	\$ -
Total Monthly Housing Cost:	\$ -

XI. Development Budget:

List Total Development Costs. Not applicable for Down Payment only proposals.

Itemized Cost	Development Cost	MIH Eligible Expenses
To Purchase Land and Buildings:		
Land	\$ -	\$ -
Existing Structures	\$ 619,000.00	\$ -
Demolition	\$ -	\$ -
Other (specify)	\$ -	\$ -
Subtotal	\$ 619,000.00	\$ -
For Site Work:		
Site Work	\$ -	\$ -
Off-Site Improvement	\$ -	\$ -
Subtotal	\$ -	\$ -
For Rehabilitation & New Construction:		
New Building	\$ -	\$ -
Rehabilitation	\$ 8,410,700.00	\$ 630,000.00
Accessory Building	\$ -	\$ -
General Requirements	\$ -	\$ -
Contractor Overhead		\$ -
Contractor Profit		\$ -
Building Permit Fee	\$ -	\$ -
Subtotal	\$ 8,410,700.00	\$ 630,000.00
For Contingency:		
Construction Contingency	\$ -	\$ -
Other (specify)	\$ -	\$ -
Subtotal	\$ -	\$ -
For Architectural & Engineering Fees:		
Architect Fee - Design	\$ 276,250.00	\$ -
Architect Fee - Supervision	\$ -	\$ -
Real Estate Attorney	\$ -	\$ -
Consultant or Processing Agent	\$ 20,000.00	\$ 20,000.00
Property/Survey Fee	\$ -	\$ -
Engineering Fees	\$ -	\$ -
Other (specify) Historic Preservation assistance	\$ 127,000.00	\$ -
Other (specify)	\$ -	\$ -
Subtotal	\$ 423,250.00	\$ 20,000.00
For Interim Costs:		
Construction Insurance	\$ -	\$ -
Construction Interest	\$ -	\$ -
Construction Loan Origination Fee	\$ -	\$ -
Construction Loan Credit Enhancement	\$ -	\$ -
Taxes	\$ -	\$ -
Subtotal	\$ -	\$ -
For Financing Fees and Expenses:		
Bond Premium	\$ -	\$ -
Credit Report	\$ -	\$ -
Permanent Loan Origination Fee	\$ -	\$ -
Permanent Loan Credit Enhancement	\$ -	\$ -
Cost of Issuance/Underwriter Discount	\$ -	\$ -
Title and Recording	\$ -	\$ -
Counsel's Fee	\$ -	\$ -
Cost Certification Fee	\$ -	\$ -
Other (specify)	\$ -	\$ -
Subtotal	\$ -	\$ -
For Soft Costs:		
Property Appraisal (Feasibility) Market Study	\$ -	\$ -
Environmental Report	\$ -	\$ -
Rent-Up Consultants Other	\$ -	\$ -

Subtotal	\$	-	\$	-
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Itemized Cost	Development Cost	MIH Eligible Expenses
For Developer's Fees:		
Developer's Overhead	\$ -	\$ -
Developer's Fees	\$ 450,000.00	\$ -
Other (specify)	\$ -	\$ -
Subtotal	\$ 450,000.00	\$ -
For Development Reserves:		
Rent-Up Reserve Operating Reserve Other	\$ -	\$ -
Other (specify)	\$ -	\$ -
Subtotal	\$ -	\$ -
Total	\$ 9,902,950.00	\$ 650,000.00

XII. Job Creation and Economic Development

Please provide a narrative explaining job creation and economic development in your community, including major employers with the number of their employees, open positions, and unemployment rate. This narrative should include relevant job and economic development numbers from the applicant's housing study. Submit documentation to support each answer (i.e. letters from employers).

Who are the employers in the area?

Employer Name:	Textron Aviation	Number of employees:	548	Open positions (Yes or No)	38
Employer Name:	Standard Motor Products	Number of employees:	486	Open positions (Yes or No)	3
Employer Name:	Four County Mental Health	Number of employees:	355	Open positions (Yes or No)	23
Employer Name:	City of Independence	Number of employees:	152	Open positions (Yes or No)	7
Employer Name:	USD 446	Number of employees:	370	Open positions (Yes or No)	14
Employer Name:	John Deere	Number of employees:	287	Open positions (Yes or No)	7
Employer Name:	VSE	Number of employees:	100	Open positions (Yes or No)	26

Please provide a brief narrative on open positions and projected employment opportunities.

Job openings in the City of Independence are currently at 146 (KANSASWORKS.com) and 691 in Montgomery County (KS Labor Information Center).

Current Unemployment Rate: 4% Data collected and community definition: August rate for Montgomery Co.

Please provide a brief narrative on how the proposal provides a solution to the immediate workforce needs in the community.

The 2021 housing study shows the need for all types of housing. This project will focus on rental units, adding 20 units to downtown upper story living

XIII. Applicant Agreement

The applicant hereby makes application to Kansas Housing Resources Corporation for the Moderate Income Housing in the amount of:	\$ 650,000.00
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Prefilled from Section III.

The Applicant agrees that KHRC shall not be held responsible or liable for representations made to the undersigned, or its investors, relating to the KHRC MIH. Therefore, the undersigned Applicant assumes all the risk of damages, losses, costs, and expenses related thereto, and further agrees to indemnify and hold harmless KHRC against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature, that KHRC may hereinafter suffer, incur or pay arising out of the use of the information concerning the MIH on the above referenced development.

X

Applicant Name (Print)

Date

City of Independence 2022 MIH Application Attachment

1. Excel Application – submitted xx/xx/xxxx

2. Funding Information

2.1. Narrative – the Narrative should address the following:

2.1.1. Description of the project

This project proposes to conduct historic rehabilitation of six dilapidated buildings in the historic downtown district of Independence, KS to include much-needed upper story living units, consisting of a total of: 1 studio apartment, thirteen 1 bedroom/1 bath apartments, six 2 bedroom/1 bath apartments, for a total of 20 units added to downtown living. Nineteen of the units will be committed to the MIH program. The total project cost is estimated at approximately \$9.6 million. In order to make this project feasible, layering of incentives is necessary. This project will utilize: Federal/State Tax Credits, local grants, Rural Housing Incentive District (RHID), Kansas Housing Investor Tax Credit (KHITC), and the Moderate-Income Housing program (MIH).

We are extremely excited about this potential project. It has the potential to be a catalyst for downtown living showing that layering of incentives can make these projects viable. We have struggled to see much activity in upper story living units. Our downtown is in a historic district which can add to the complexity of renovation projects, especially for living units and many of local building owners have shied away from renovating the second story. The increase in property taxes has also been prohibitive. Fortunately, with the updated RHID program now allowing upper story projects into the program, we are hopeful interest will increase. The impact this project will have will be transformative for our downtown district with the addition of 6 newly renovated historic buildings providing new, modern commercial spaces and the much-needed modern downtown living spaces.

2.1.2. Administration of the project

These are busy times, especially for city staff responsible for coordinating the plethora of new programs being released along with keeping up with their normal duties. Understanding the important opportunity the MIH program provides, we were proactive and hired the Southeast Kansas Regional Planning Commission (SEKRPC) to assist with the administration of the project. This will ease the burden on city staff and allow for an experienced grant administrator with years of experience in administering both State and Federal grants and understands the importance of meeting deadlines, regulatory requirements, and strong financial management. The SEKRPC will be onboard to ensure the grantee understands and follows the regulatory requirements, meets deadlines, ensures financial compliance, and provides accurate and regular reporting. The SEKRPC will also be able to provide liaison support as needed with Kansas Housing Resource Corporation, KHRC, the developer, contractors, renters, etc.

2.1.3. Capacity of the applicant

The City has the appropriate staff in place to coordinate with the SEKRPC to undertake and manage projects such as this and we have successfully completed many projects that have involved the multiple kinds of funding mechanisms such as CDBG, MIH, tax credits, RHID, etc.

The SEKRPC will work directly with April Nutt, Executive Director, Independence Housing Authority. She will act as the local city contact, and along with her staff, will be instrumental in assisting the developer and contractors with obtaining the proper permits and understanding of the code requirements and will

City of Independence 2022 MIH Application Attachment

be the local face for anyone locally who may have questions. Finance Director, Lacie Lies, will also be onboard to provide the necessary expertise to properly track all funds.

The City Commission and City Manager, Kelly Passauer, fully support this project and are eager for this project to begin and will ensure sufficient help is provided to ensure this project is a success. A resolution approving the project is attached.

2.1.4. Description of the collaboration with local housing community, including lenders, employers, economic development organizations, and other housing partners

There have been many community conversations involving many different stakeholders about Independence housing needs over the past several years dating back to 2005 when the Independence Chamber of Commerce established a Housing Task Force to study the challenges the community faced in housing development. This committee was comprised of business, civic, government, bank, realtor, and at-large community leaders. The committee met and discussed for four months Independence's housing challenge with the conclusion that the number one need was to construct non-low-income single-family homes for the City's workforce. Another conclusion that came from this group, was that Independence was going to have to develop a program to construct a new subdivision themselves, as no discussions with any developers local or otherwise had been successful. This is when the Independence Housing Authority, the City of Independence, a local bank, and local contractors got together and constructed the Eisenhower Subdivision's first phase. Phase one consisted of 4 single-family homes constructed on a newly constructed cul-de-sac across the street from the Eisenhower Elementary School (K-2). Three of the four units were sold before construction was finished.

In 2014, the Independence Housing Authority held 3 listening tours with senior members of the Independence community. The purpose of visiting with this specific focus group was to determine what could be constructed, if anything, that would encourage them to sell their larger homes. This group stated they would consider moving to a smaller housing unit if it were constructed in their existing neighborhoods, construction would be single level, prefer smaller single-family homes (3 bedroom, 2 bath, 2 car garage) but would consider duplexes. Despite Independence's best efforts we have not been successful in recruiting a developer for this development until today. Independence is currently in discussion with a developer who has an interest in developing this type of development.

In April 2018, the Independence Housing Authority held a housing needs forum, facilitated by Craig VanWey and Barbara Anderson, with the Kansas Department of Commerce. Those in attendance were human resource managers, small business owners, City leadership, realtors, bankers, service organizations, non-profits, utility providers, USD 446, Independence Community College, Chamber, Main Street, Montgomery County Action Council, contractors, and at-large community members.

Following a good robust discussion, the following were the top three priorities:

- New single-family housing construction is a need. Young professionals are returning home and expect move-in ready new homes. They do not want fixer-uppers. Human Resource managers stated they were having difficulties recruiting new employees due to the lack of newer housing. SMP noted they too had recently failed to recruit two young engineers due to the lack of available housing.
- Lack of maintenance of existing housing stock tied with revitalizing the upper stories in the downtown district. Attendees noted the aging housing stock is not attractive to young professionals and is not what recruited employees are wanting. The aging housing stock costs too

City of Independence 2022 MIH Application Attachment

much to rehabilitate. Bankers noted that they were having problems with financing home loans due to the condition of the existing homes. Attendees noted that there was a great deal of unused space in the downtown buildings that could be renovated into usable housing. **Main Street noted they receive at least 3 phone calls a week with someone looking for downtown housing.**

Attendees noted the Independence Housing Authority's Upper Story Grant Program but stated that once the upper story is renovated the building owner is hit by a big increase in their property taxes.

- The high Montgomery County property taxes are a challenge. Not sure this group can do anything about that issue, but that it is something that needs to be addressed. The development of more housing is one potential solution as it is needed and it would allow the tax base to be spread out. (Update: RHID has been expanded to allow upper story downtown housing as part of the program.)

In May 2021, the Independence Housing Authority facilitated a housing forum with community partners. The forum attendees were bankers, realtors, business leaders, Chamber, Main Street, architects, City leadership, contractors, and community members. Robust discussions were had about the current needs of the area, what options there might to address those needs, different types of housing was discussed, building codes and zoning issues, and obstacles that might impeding development. These discussions have helped guide city leadership priorities including continuing the funding for demolitions, the various local housing grant programs, establishment of the Independence land bank, expansion of Neighborhood Revitalization Zones, utilizing the RHID program including the central business district.

2.1.5. More detailed answers to any questions from the Excel application that you would like to explain in more detail

This project utilizes a layered funding approach: MIH, KHITC, RHID, Federal and State Historic Tax Credits, Bank financing and owner's equity. MIH and KHITC is greatly needed to help cover the heavy front end costs for this project and provide the necessary leverage with the bank financing and owner's equity.

3. Development Team Information - Bios and resumes of all team members attached

Christopher Stemler is Owner/CEO of Trident Partnerships based in Topeka, KS. Trident was formed to address a significant need impacting all of Kansas – Housing. Three years ago, Chris began his first large scale historic renovation project on The Beacon (formerly the Topeka Women's Club). Through a lot of hard work, Chris and his partners, fell in love with restoring historic buildings. He is also currently working on project in Abilene renovating historic multi-use buildings. Chris is also an experienced landlord, currently owning 12 residential homes in Topeka and chooses to self-manage to ensure the properties are properly maintained and tenants are happy.

Trident has two fortune 500 companies (major insurance carriers) that have committed to partner in the purchase of state tax credits generated from these projects, and over a dozen high net worth individuals who will be financial backing and partners on this and other project to utilize the federal tax credits. With a background in finance, Chris is comfortable working with the different layers of financing for large scale projects.

Chris has a great team working with him. The architectural firm, Echelon Arch +Design, is based out of Independence with one of the architects living and working in Independence for the last 25 years. The architect is a former member of the Independence Historic Resource Corporation and the Independence

City of Independence 2022 MIH Application Attachment

Historic Design Review Committee. This type of project is right up his alley. He not only knows historic renovation, but is also very knowledgeable about the city's building codes and permit requirements. The contractor hired for the project, MCP Group, has extensive experience with large scale building projects and is experienced at scheduling, material management, and coordinating the many subcontractors for the project. Chris intends to utilize local subcontractors whenever possible and is excited to learn that Independence has a highly skilled plaster tradesman, as many of the buildings will require plaster work and restoration. And to ensure that the project meets all historical specification and requirements, Rosin Preservation, has been hired to oversee this aspect of the project. The firm is a registered historic preservation consultant with the State Historic Preservation Offices in several states across the US including Kansas. Having this experienced firm on-board will help ensure the project foresees obstacles and has options available to minimize delays. This strong group of professionals all have one goal in mind: to ensure a successful historic renovation project of six downtown buildings in Independence, KS.

4. Additional Development Information

- 4.1. **Proof of Site Control** – Signed real estate contracts are provided for each building. Closings are currently scheduled for November 4, 2022.
- 4.2. **Proof of proper zoning** - Yes, all buildings are zoned as C-3. The City established a moratorium for 24 months allowing upper story housing development to be allowed without the requirement of obtaining a conditional use permit. Verification from the City is provided.
- 4.3. **Sketch plan** – Proposed floor plans are provided for each building.
- 4.4. **Legal description of site** – Legal descriptions for all buildings are provided on pg. 1 of each attached real estate contracts.

5. Source of Funds

Letters from the lender, developer, city and potential buyer of tax credits are provided as attachments.

6. Leveraged Funds

The developer is utilizing several incentives to make this project viable and has provided letters from his self, his lender and potential buyer of tax credits as attachments to the application. The City is committed to utilizing the Neighborhood Revitalization District providing an estimated \$5.6M in property tax rebates over 25 years. The City also has two downtown grant programs that the project is eligible to apply for with a potential contribution of up to \$212,000.

7. Job Creation and Economic Development

- 7.1. **Narrative** – the Narrative should address how development provides a solution to the housing needs of the region.
 - 7.1.1. **Unmet housing needs** – demonstrated through low unemployment rate, difficulty filling employment positions, and commitment to growing housing stock.

In 2021, there was over \$500,000,000 in capital investments announced in Montgomery County, with more anticipated to come.

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Some recent examples include: \$24M Fedex Distribution Center is in the process of locating in the Independence Industrial Park, which will add approximately 50 new jobs to Independence. Bartlett Grain is locating a \$358M soybean processing plant near Independence and is anticipating 50 new jobs to be created when the facility opens in 2024. CVR Energy is expanding in nearby Coffeyville adding 15 new Research and Development jobs. They will also be adding an additional tank farm in the future.

Additionally, a new project coming to Independence – currently confidential – will be hiring 45 to 60 new employees once facilities are in-place. Textron Aviation employs 548 at the Independence facility with 38 open positions they are trying to fill. Textron Aviation is forecasting their need to hire nearly 3,000 new skilled aviation employees in the State of Kansas through 2024 many of which will be at the Independence facility.

Overall, Montgomery County has 691 current job openings and the City of Independence has 146 current openings.

The City of Independence has also seen an uptick in Economic Development in our vibrant historic downtown district and west main business corridor. Independence is now home to several new or expanded franchises, such as O'Reilly Auto Parts, Dickey's Barbecue Pit, Apricot Lane Boutique, Scooter's Coffee, and Domino's Pizza. In addition, a newly expanded KS Department of Children and Family Services facility has recently been constructed along with the following new businesses; High Roads Coffee, Sunflower Nutrition, Bows and Britches Children's Boutique, Confectionate Fine Chocolates, The Prairie Fox Crafts, Indy Brew Works-Craft Beer, and coming soon, Twin Spur Boutique. Also located downtown is a co-working space called Founder's Place that offers a shared, community-driven workspace for location-independent workers. Also, within walking distance of downtown are pharmacies, banks, restaurants, churches, professional services, post office, health care, DMV, museums, schools, etc. All of these wonderful retail and service offerings make downtown a wonderful place to locate young professionals looking for more modern living options.

In addition to the historic downtown offerings, the educational system is valued by the community as they supported a \$45.1M school bond to fund a new elementary school; major renovations to the middle school, and undertake major renovations and upgrades to Independence High School including a new performing arts center, state-of-art science wing, library/media center and a new competition gymnasium. In April 2022, Independence High School was ranked 24th out of 360 Kansas schools and 4292 out of 24,000 nationally by U.S. News and World Report.

Quality of life initiatives are also strongly supported by the community and city commission. Most recently, the city partnered with the recreation commission and USD 466 to begin developing a \$7M Central Park Sports Complex which will offer play areas, walking trails, dog park, basketball parks, ball diamonds, soccer fields, batting cages, and multi-use areas. This complex will be within walking distance of downtown. Just to the north of this project is the existing Riverside Park, a 124-acre showcase featuring playgrounds, shelter houses, miniature golf course, carousel, a miniature train, \$3.1M aquatic center, tennis complex, fairgrounds, and Shulthis Stadium – a \$4M soccer and football stadium. Admission to the park is free and the Mid-Continent Bank plays every Tuesday night at the band shell in the summer. Ralph Mitchell Zoo is also located in the park and provides a natural habitat for 300 species of animals including bears, monkeys, and all kinds of birds. Admission is free and open 7 days a week.

City of Independence 2022 MIH Application Attachment

We have the jobs, education facilities, co-working space, and amenities to offer job seekers, but very little quality rental housing options. This is apparent when speaking with area HR personnel. We often hear they are struggling to recruit young professionals and mid-range management due to the lack of transitional housing – a quality rental they can secure to transition to Independence with the future possibility of buying a permanent home. We have a large manufacturing base that needs this option to help them in their recruiting effort for their young engineers, accountants, and sales personnel.

Quotes from additional recent conversations about the impact of housing on jobs:

Jodi Hayse, Chief Operating Office/Chief Wellness Officer—Four County Mental Health Center

“Our HR team very frequently hears how difficult housing is to obtain here at all levels – from apartments and rentals to home ownership. The feedback is that there is little available, and what is available, is often priced above what they are looking for, or is substandard. We have many new-to-town employees unfortunately living outside the community because of lack of housing.”

Joslyn Kusiak, Attorney—Kelly & Kusiak Law Office LLC

“Currently, Montgomery County District Attorney's office has two attorney openings, my office is in the process of creating an attorney opening, and I've heard but have not received confirmation that BIDS has two attorney openings. That's an immediate need for FIVE lawyers in the Independence area alone - lawyers who need a place to live. And, that doesn't count that we actually need more lawyers but just haven't accumulated the resources, funds, etc. to have a job posting. Plus, hiring and retaining competent staff is such a challenge that since 2020 my office utilizes independent contractors stationed around the world for specific tasks that I am able to outsource. I'd much prefer to have live bodies in my office but the reality is for my business to be profitable, I had to resort to those alternatives to make it worthwhile to stay open.”

While we have added housing units with some new development of single-family homes, duplexes, and quad-plexes, it is not enough. We need more. An opportunity exists in our historic downtown district. While our downtown is thriving, we do still have some dilapidated properties that need addressed. Unfortunately, the cost to properly restore these old beauties can be high. Incentives are needed to make it possible to undertake large renovations projects. With the help from both Federal and State tax credits, local grants, RHID, KHITC and MIH, we are excited about the possibility of renovating **six** of our dilapidated historic downtown buildings. This proposed project will bring 20 total upper story rental units to our beautiful downtown district with a combination of 1-bedroom and 2-bedroom offerings along with approximately 12 newly renovated 1st floor commercial spaces, all with modern amenities.

7.1.2. Expanded housing needs – demonstrate the ability to attract new businesses through the housing development; demonstrate a direct correlation between the proposed wages of the new or expanding business and the affordability of the proposed housing.

We are fortunate that we have been successful at attracting new businesses to our area to date. However, that may change if we can't address our housing shortage. And, while we have new industry locating here, many of the employees are choosing to commute to Bartlesville, OK, or sometimes as far away as Joplin, MO because they cannot find adequate rental housing in Independence. In conversations with area HR personnel, they confirm that this is one of their biggest hurdles in trying to recruit middle management personnel. This is not ideal for the employer as it is more difficult to keep those employee's long term.

City of Independence 2022 MIH Application Attachment

There is a much better chance they will stay on long term if the employee resides in the same town as the company. A recent search of Apartments.com showed 2 rental listings in or around Independence and zero on Zillow.

The 2021 Housing Study indicates there are currently 416 non-residential commuters for work, with 360 of those having more than a 40 minute commute time. The Oklahoma border is less than 40 miles away and the Missouri border is approximately 70 miles. Many of these employees are taking those monies home and spending it out of state.

This project proposes to address the shortage in quality rentals available to those who are looking for more modern options in the form of downtown living. We have no doubt these will quickly fill up once completed. This project will add 20 upper story living units to downtown Independence providing the needed housing for the young professional, which is what industry is telling us is one of the demographics they are struggling to recruit due to the lack of modern rental housing the young professionals are looking for. One non-MIH unit will be utilized for an executive level apartment for area industry to utilize for their traveling executives.

Supporting the development of housing – in particular rental housing – is imperative, which is the reason for this application. It is one step of many that we are undertaking to bring our housing more in line with the demand of our area and in preparation for the growth occurring in and around Independence.

The average hourly wage in Montgomery County according to the Labor Market Statistics is \$22.38 representing an average annual wage of \$46,540. This equates to a monthly wage of \$3,878 per person or \$7,756 for a two-wage earner household. To meet the 30% of income requirements, rents would need to be below \$2,327 per month. The rent range for this project is \$900 to \$1,200 per month which is well within this requirement.

7.2. Supporting documentation

A copy of the 2021 Housing Study and the average wage information is provided as attachments to the application.

8. Executive Summary of the Housing Assessment

The City of Independence, Kansas completed a Housing Needs Analysis in December 2021, with the findings determining that there is a shortage of quality housing. In response to the findings, the Independence City Commission approved Resolution 2022-004 establishing Rural Housing Incentive Districts as a new economic development incentive for housing development.

The following is a summary of those findings:

- There is exists a shortage of units with complete kitchens and complete plumbing facilities, with 8.1% and 7.1% respectively, of units that have incomplete facilities. This factor exceeds the Secretary's threshold of 4% owner occupied and 5% rental.
- Paying more than 30% of one's income for housing is considered "cost burdened" by HUD. 10.4% of owner-occupied units with a mortgage, 8% of owner-occupied units without a mortgage, and 40.5% of the occupied rental units are paying more than 30% for housing making it difficult to afford other necessities. In addition of more concern, 5.2% of owner occupied with a mortgage,

City of Independence 2022 MIH Application Attachment

3.4% of owner-occupied without a mortgage, and 13.8% of occupied rental units are paying more than 50% for housing.

- In December 2021, the housing inventory for sale was at a 2.6 months' worth of inventory. This demonstrates a severe shortage of housing stock available for buyers. Of the 21 homes available, 10 homes were selling for less than \$50,000, an additional 7 homes were for sale from \$50,001 to \$75,000. Only 4 homes were available above \$75,000.
- The following information demonstrates the increase in home sales in Independence exacerbating the shortage of available housing:
 - Home sales for 2021 were up 14% over 2020 and up 16.87% over 2019.
 - Contracts written for 2021 were up 56% over 2020 and up 46.6% over 2019.
 - Sales volume per 1000 were up 26.6% over 2020 and up 46.6% over 2019.
 - The average sale price for 2021 was up 11% over 2020 and up 25.4% over 2019.
 - The median sale price for 2021 was up 7.5% over 2020 and up 25.6% over 2019.
 - Average days on the market for 2021 (91 days), 2020 (142 days), and 2019 (139 days).
 - Median days on the market for 2021 (55 days), 2020 (88 days), and 2019 (110 days).
- **Of the 162 City licensed landlords, 102 participated in a rental housing availability survey. 787 units were represented by the 102 landlords. Of the 787 units, only 43 units were available for rent. Of the 43 units available for rent, 27 were restricted to low-income families. Of the 16 units available at market rate, 15 were in an apartment complex with only one single-family home available for rent.**
- **61.6% of Independence's housing stock is older than 50 years old**, which exceeds the Secretary of Commerce's finding of 40% or more than 50 years old is a factor in a community having a housing shortage of quality housing.
- 40% of the Independence housing stock is characterized as having a significant degree of deferred maintenance or greater than normal wear and tear present relative to its age.
- For the past 21 years, there has been only 91 new single-family homes constructed and only 71 new multi-family units constructed. With the total overall units constructed of 162, which 44 or 27% of these units were constructed privately with 118 or 73% having been constructed with either Federal, State, or Local funds assisting. Since 2015, only 10 single-family homes have been constructed and 0 multi-family units have been constructed.
- When demolitions outpace new construction, the Secretary determines this as another indicator of a housing shortage. **Since 2015, Independence has constructed 10 units, yet the City has removed 72 units.** The 72 units only reflects the number the City has removed, it does not include the homes that are removed by the property owner.
- Another measure used by the Secretary in assessing a housing shortage is the number of new units. If the number of new units (those one-year-old or less) is less than 1.5% of the total housing stock, a housing shortage exists. **Independence has 3857 housing units and with only 10 being constructed since 2015, Independence is constructing .04% annually.** This is well below the Secretary's threshold of 1.5%.

INDEPENDENCE'S ECONOMIC INDICATORS FOR GROWTH

- Commercial building permits values were significantly up with 2021 being \$24,762,764 over 2020 and \$22,689,841 over 2019.

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- The City of Independence's valuation for 2022 over 2021 is an increase of \$543,214 (or 1.01%). Projections for Montgomery County for 2023 valuations are on average a 15% increase for residential and a 26% increase for commercial.
- Montgomery County, in comparison to the 3 other largest counties in the southeast region, has seen wages increase in 2021 over 2020 significantly. The mean average wage for all occupations in Montgomery County has increase from \$17.72 in 2020 to \$19.00 in 2021.
- Independence sales tax has seen a year over year increase since 2018. Independence serves as a regional sales center, drawing shoppers from a large geographic area. For 2021 vs. 2020, sales tax was up 5.5%.
- Montgomery County, in 2021, has announced over ½ a BILLION in commercial development.

For years, various stakeholders in the Independence community have discussed the lack of housing as a hindrance to community growth, advancement of economic development, bringing new jobs and businesses, and the need to expand the tax base. **Independence currently has 416 non-residential commuters for work. 360 of those commuters have more than a 40-minute commute time. The Oklahoma border is less than 40 miles, and the Missouri border is approximately 70 miles. Many of these employees are taking those monies home spending it out of state.**

It is vital for local, state, and federal governmental entities to focus on establishing programs that will assist in the construction of workforce/moderate-income housing units as they have historically low-income housing programs. A community's overall economic health and viability is dependent on all housing types being available. The loss of people living in a community has a trickle-down effect in the community. When people don't live in the community they work; they don't pay taxes, their children don't attend local schools, they don't shop locally, and they don't spend their leisure time attending community events and festivals.

In addition, employers need employees to live close to where they work. Studies have shown, employees who live in the communities where they work are better employees. Employers see lower absentee rates, less employment turn-over, thus reducing training costs and when an employee stays with a company for more than 24 months, there are fewer worker compensation claims.

Economic development is tied to a quality housing stock for new employees – without the latter, it is hard to attract the former.

The City of Independence's aging housing stock is declining. The future economic well-being of Independence depends upon developing new housing to meet the needs of a variety of consumers. Additional incentives are needed to spur development housing.

8.1. What other housing activities are happening to meet these needs?

The City of Independence is very proactive in doing what they can to address the area housing needs, which includes providing valuable incentives to encourage and support development efforts whether it be a small homeowner rehab project, or a large-scale development project. All types of projects are needed in order to properly address the housing shortage in the region. Examples of city initiatives, as well as private initiatives include:

In 2007, Independence along with much of the Midwest was hit by the great 2007 flood. Out of disasters comes opportunities, as the City of Independence and the Independence Housing Authority applied for SB417 funds and were awarded funding to complete the installation of the next 3 cul-de-sacs

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infrastructure. Today there are a total of 28 homes comprising the Eisenhower Subdivision. This project has been a huge success.

In 2013, the Independence Housing Authority in partnership with Montgomery County Action Council, the City of Cherryvale, and the City of Coffeyville applied for a joint Moderate-Income Housing Grant from Kansas Housing Resources Corporation for the construction of 14 single-family homes (Independence-6, Coffeyville-6, and Cherryvale-2) by private developers and was awarded funding to assist with the gap in what it costs to construct vs. what the home would appraise. Once again this was a successful project that would not have happened had it not been for KHRC's Moderate-Income Housing Grant.

Independence Land Bank

In 2021, the Independence Housing Authority (IHA) requested the City of Independence establish the Independence Land Bank (ILB), with IHA providing initial funding, administrative services, and over-seeing the day-to-day operations of the ILB. One of the ILB goals is to obtain ownership of homes that have been abandoned or neglected by property owners for one of the following purposes: give local investors an opportunity to rehabilitate the homes for rent or sale, allow an individual to rehabilitate a home for their personal residence, or allow IHA to rehabilitate 1 to 2 homes annually for the purpose of homeownership for a low-income family.

Neighborhood Exterior Grant Program

In 2021, the City of Independence (City) in partnership with the Independence Housing Authority (IHA) established the Neighborhood Exterior Grant Program. The city will annually set aside \$50,000 with IHA providing \$25,000. The program helps homeowners who live in Neighborhood Revitalization Districts, or have property valued at \$100,000 or below by Montgomery County or rated average minus or below by Montgomery County reinvest in their properties and improve neighborhoods. Two or more neighboring homeowners must submit co-applications to participate. The City of Independence will reimburse each co-applicant a portion of the actual costs of exterior improvements to their home. Homeowner minimum investment of \$1000 with a reimbursement of \$500 (50%) with a maximum homeowner investment of \$10,000 with a reimbursement of \$5000 (50%) of all eligible expenses.

Jefferson Subdivision

In 2020, the Independence Housing Authority (IHA) purchased land to construct a 20-unit single-family home subdivision. IHA received a \$200,000 Moderate-Income Housing Grant for infrastructure from Kansas Housing Resources Corporation. As of September 2022, this property is part of a Rural Housing Incentive District. IHA is currently working on bond documents for the infrastructure costs. Bond counsel intends to have the bond documents available December 2022. January 2023, bids will be awarded to for construction of the infrastructure for 20 single-family homes. Once the infrastructure is in, IHA will begin the construction of the first 10 homes to be sold to moderate-income qualifying buyers.

Central Business District Historic Downtown Upper Story Housing Grant

Starting in 2015 to date, the Independence Housing Authority (IHA) established a grant program assisting Central Business District building owners with rehabilitating their upper story floors into apartments. The program provides reimbursement of 25% of eligible costs not to exceed \$10,000. The goal of the program is to assist in addressing the need for housing and contribute to the revitalization of Independence's beautiful historic downtown while assisting property owners to fully utilize their buildings. To date IHA has assisted with 13 apartments.

City of Independence 2022 MIH Application Attachment

Established Minimum Standards for Rental Property

The City of Independence adopted Ordinance 4028 with amended Ordinance 4029, 4034, 4043, and 4173. The purpose of the ordinance is to protect the public health, safety, and general welfare of the residents in rental properties by adopting minimal standards for rents. Landlords are required to obtain a Residential Landlord Occupation License with an annual renewal. Properties will be inspected upon initial registration of unit or upon the City receiving a complaint. The minimum standards required are Section 8 of the U.S. Housing Act of 1937 (42 USC 1437(f)) the Housing Quality Standards.

Demolitions

The City of Independence and the Independence Housing Authority annually partner in setting aside funding for the purpose of removing dangerous and dilapidated structures. 72 homes have been removed between 2016 and 2021. IHA deferred their funds for 2021 to establish the Independence Land Bank.

Rural Housing Incentive Districts

The City of Independence has established three Rural Housing Incentive Districts and in the process of adding a new one for the downtown business district.

Rainbow South: This property consists of nine lots that could be developed for executive housing. This property has all of the infrastructure with the exception of the sewer. The City established the RHID to encourage the development of this street.

Horizon Estates: This property is approximately 24 acres. The city is working with a developer for the potential development of multi and single-family units. The developer currently has an option on the land and is still in development discussions with the city.

Downtown Business District:

In addition to the project being proposed with this MIH application, IHA is currently in discussions with five additional building owners concerning developing upper story apartments under the Downtown RHID. This could be an additional thirteen apartments.

Private Housing Efforts Past 5-years

Community Mission for Improved Housing

Community Mission for Improved Housing (CMIH) is a grass roots faith-based organization established in 2015, with a mission to serve the Independence area by helping the poor, people with disabilities, the elderly, and Veterans and their families repair their homes, building relationships among neighbors and bringing hope and spiritual renewal to our community. CMIH has completed 32 home projects since 2015. Projects have consisted of repairing foundations, replacement of floor joints, installing sheet rock on ceiling and walls, complete gut and shoring up of floor and walls in living rooms and bathrooms, installing handicapped accessible railing in bathrooms, installing handicapped accessible ramps in front of several homes, roof replacements, and painting the exterior of homes. This organization receives funding through private donations and private business grants.

Love Independence Day

In 2016, the Independence Chamber of Commerce established "Love Independence Day." Love Independence Day is the last Saturday in April where every community member, business, or organization is encouraged to do random acts of kindness. The Independence Housing Authority (IHA) in partnership with the Community Mission for Improved Housing (CMIH) identifies owner-occupied homes in need of

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minor exterior repair and exterior painting. A preference has been given to those homes that are located on the community's main thoroughfares. 4 to 5 local businesses adopt a home to paint, with 1 home being painted by an ad hoc group. Each year 4 to 6 homes are part of this amazing day of kindness. To date, 23 homes have been part of this program.

Infill Housing

The Independence Housing Authority is working with a local contractor to construct two single-family homes and two duplexes in an existing older neighborhood. IHA provided the lots to the contractor for \$1 each with a 3-month time-line to start on the first unit. Following the construction of each unit, the contractor has 3 months to begin the next unit. If the contractor fails to complete the development timely, then the property is returned to IHA.

9. Housing Assessment/Market Study

The 2021 Housing Study is provided as an attachment to the application.

10. Energy and Accessibility Certification (KHRC form) – Attached with application.

11. Rural Housing Incentive District

The 2021 Independence Housing Study has been received by Commerce and has approved of the housing study and are eligible to apply for the specific project. The resolution and public hearing are scheduled for October 13, 2022. The redevelopment plan and feasibility analysis are in progress.

12. Capacity Statement

The City of Independence has very capable staff to administer programs as evidenced by successful execution of prior MIH projects. However, due to the complexity of this project and the preferred timeline required, the Southeast Kansas Regional Planning Commission (SEKRPC) has been hired to assist with the administration of this project. The City has a long history of working on projects with the SEKRPC with all projects reaching successful completion. We have full confidence that SEKRPC will ensure we have another successful project completion.

A resolution is attached to the application committing to the project and ensuring full governing body support, Appendix A.

13. Community Support

Letters of support are provided with the application.

14. Kansas Housing Investor Tax Credit Certification (KHRC form)

A signed form is included with the application.

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Appendix A:	Resolution No. 2022-050
Appendix B:	Proof of Site Control – Signed Real Estate Contracts
Appendix C:	Sketch Plans
Appendix D:	2021 Housing Needs Analysis
Appendix E:	Average Wage
Appendix F:	Letters of Support
Appendix G:	City of Independence Letter of Commitment with zoning verification
Appendix H:	Developer letter of Commitment
Appendix I:	Lender letter of Commitment
Appendix J:	KHITC Certification
Appendix K:	Energy and Accessibility Certification