

**City of Arkansas City
2025 Community Development Block Grant
Housing Rehabilitation Plan**

The United States Department of Housing & Urban Development (HUD) allocates funds used by the Kansas Department of Commerce for the Community Development Block Grant (CDBG) Housing Rehabilitation program. The City of Arkansas City has been awarded a CDBG grant from Commerce for the purpose of housing rehabilitation within the city. The maximum amount of CDBG federal grant funds to be spent on rehabilitation is \$25,000 per unit. Private matches are encouraged to fill the gap in financing if a rehabilitation will exceed this threshold. This program is designed to provide housing rehabilitation for low-to-moderate income individuals who own (or rent) a housing unit within the target area.

Applicants will be screened and rated in accordance with eligibility criteria as set out in this Housing Rehabilitation Plan.

The target area is defined as:

An area bounded by the City limits of Arkansas City, Kansas.

ELIGIBILITY REQUIREMENTS

Only property located within the target area is eligible for rehabilitation. To qualify, total household income for all individuals 18 years or older living in the home must be less than the low-to-moderate income guidelines set by HUD for Cowley County, Kansas. The eligible home must be the primary residence of the applicant for owner-occupied units. *For rental units, the renter must be income qualified. If the owner of the rental unit is income-qualified, the city will pay 85 percent of the rehabilitation and the Owner will be responsible for 15 percent. If the owner is above income guidelines, he/she must contribute 25 percent of the rehabilitation cost. The owner of the unit must also sign a rental rate agreement for a three-year period.*

The total household income (income from all sources of family members over 18 years of age) must be less than the following income limitations:

No. In Household	LMI Income
1	\$47,150
2	\$53,850
3	\$60,600
4	\$67,300
5	\$72,700
6	\$78,100
7	\$83,500
8	\$88,850

Note: The LMI income limits will always use the most current income requirements as established by HUD.

1. The real property taxes and utilities must be current for all properties.
2. Hazard insurance naming the City as an additional insured in at least the amount of the rehabilitation contract will be required. If repairs are necessary to obtain the hazard insurance, then evidence is required showing that coverage will be provided upon completion of the rehabilitation.
3. The applicant must have owned the unit for at least six (6) months prior to the application date.

VERIFICATION OF ELIGIBILITY

All income information will be kept confidential. Applicants must qualify as low-to-moderate income (LMI) prior to the time the inspection for rehabilitation is conducted. Re-verification will be required if a new income tax return has been filed prior to inspection. Also, re-verification will be required if 6 months have lapsed, and rehabilitation has not yet begun.

Adjusted Gross Income from the latest years IRS 1040 will be used for income verification. All income tax returns will need to be included for anyone in the household over 18 that are not attending school. The most recent tax return must be used – NO EXCEPTIONS.

If the applicant is not required to file taxes, they must provide a written attestation, under penalty of law, confirming that they are not required to file. Additionally, they must submit sufficient documentation to verify their income, such as a Social Security benefits letter or equivalent proof of income.

TYPES OF FINANCIAL ASSISTANCE

1. Households who income-qualify will be awarded CDBG Housing Rehabilitation funds in the form of a soft or deferred loan for the full amount of the rehabilitation costs or the maximum allowed under CDBG guidelines, whichever is less, for a three-year period.
2. A soft loan may be forgiven and considered a grant if all contractual agreements are followed.
3. The homeowners are required under CDBG guidelines to enter into a contractual agreement with the City, which will place a lien against the rehabilitated property for a three-year period to meet the guidelines as set out by the Housing Rehabilitation Plan.
4. The agreement will also stipulate that the unit must be the homeowners' primary residence (unless a rental agreement has been signed), kept and maintained in a standard condition.
5. If within the three-year lien period the homeowner should move from the housing unit, it's allowable to sell to a low-to-moderate income person, who will occupy the unit as the

primary residence and will assume the balance of the prorated lien. The city must verify the income of the person intending to purchase the home.

6. If the home is sold to someone other than a low- to-moderate income individual, the cost of the rehabilitation will be prorated and must be paid back into the City's Housing program by the homeowner. Proration example is shown below. If a homeowner passes away within the three-year lien period and has no spouse, the home may be sold or rented to a low- to-moderate income household.
7. If sold or rented to a non-LMI family, the homeowner's estate must pay back the prorated amount on the lien. For example, if the home is sold in the 13th month following completion of the rehabilitation, then 12/36 or 1/3 of the loan would be forgiven and the homeowner's estate would repay 2/3 of the original amount.

APPLICATION SELECTION CRITERIA

First-Come/First-Served

A public meeting will be held to review and explain the application process and grant program, administered by the City of Arkansas City in partnership with the Grant Administrator, SCKEDD.

Completed applications must be submitted to the City of Arkansas City during business hours or by mail at:

118 W. Central Ave, Arkansas City, KS 67005

Office hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.

Completed applications will be accepted on a first-come, first-served basis, with priority given to those received on or before **11/21/2025** and to applicants who submitted pre-applications. Applications received after this date will be processed only if grant funds remain available, and selections will follow the ranking system outlined below.

Applicants located within designated areas of need, as identified in the City's windshield assessment, may be given preference if their home is within those target areas. If more applications are received than the program can serve, awards will be determined by the ranking system.

Please note: Individuals who have previously received a CDBG Housing Rehabilitation grant are not eligible.

Ranking System –

In the case of limited funding, the following ranking system will be utilized to allocate funding. Applicants receiving the highest number of points receive first consideration and then in descending order. In the case of equal points, the earliest application filing date will serve as the tiebreaker. Points will be awarded as follows:

	Household Characteristics	Points
1	Household income at or below 70% of Area Median Income	5
2	Submitted a pre-application	5
3	Presence of handicapped/disabled household member	5
4	Head of household age 62 or older	5
5	Single Head of Household with dependent children	5
6	Each dependent under age 18	2 each
7	Structure located within the windshield identified area of need	5
8	Owner occupied home	5

STANDARDS FOR IMPROVEMENTS

This program does not consist of remodeling or cosmetic repairs. The goal of the Housing Rehabilitation program is to add twenty years to the useful life of the housing unit. Housing rehabilitation activities will include only the repairs necessary to meet the Health and Safety Standards defined by the Housing Rehabilitation program as determined by the Housing Inspector. Housing units considered for rehabilitation must meet the definitions of a substandard unit and must be suitable for rehabilitation.

“Substandard” is defined as a housing unit that does not adequately meet health & safety criteria set for the following: Building Exterior (foundation, roof, gutters, doors, windows, and insulation), Heating System, Plumbing System, Electrical Systems/Appliances or Building Interior (ceilings, walls, floors, doors, ventilation, smoke detectors)

“Suitable for Rehabilitation” is defined as a substandard house for which it is technically and financially feasible to restore it to a standard condition, given the funding limits of the program.

Emergency repairs and handicapped accessibility items may be addressed on a case-by-case basis at the discretion of the Housing Board and City Commission following the CDBG guidelines. Emergency repairs must be verified by the City’s Housing Inspector and must cause an immediate and overwhelming threat to the home’s occupant. The emergency repair must be brought to code standards.

Only one grant per house may be awarded.

LIMITED/INELIGIBLE ACTIVITIES

The following activities are limited to the identified restrictions:

1. Manufactured Homes

- a. Mobile homes and Manufactured homes will not be considered for rehabilitation under this program.

2. Rental Units

Rental units are eligible if:

- a. Tenant is documented to be LMI.
- b. If homeowner is documented to be LMI, an 85 percent grant may be allowed.

- c. If homeowner is documented to be non-LMI, homeowner must provide at least 25 percent matching funds.
- d. The homeowner must sign an agreement that all tenants renting this property within the three (3) years from the date of this agreement will have an income that does not exceed the most recently published Department of Housing and Urban Development (HUD) Section 8 LMI guidelines.
- e. The homeowner of the unit must also sign an agreement indicating that the monthly rental payment will not exceed the current monthly, or the Fair Market Rents (FMR) as published annually by HUD or a three-year period after the rehabilitation is complete.
- f. The homeowner of any rental unit receiving CDBG grant funds for rehabilitation also agrees to allow the City of Arkansas City or its appointed representative access to the property to perform an annual HQS inspection, for 3 years after the rehabilitation work is finished. Any HQS deficiencies discovered during the annual inspection will need to be brought into compliance at the landlord's expense.

3. Self-Help

- a. The city will not allow self-help projects. In the event that the inspector determines the home cannot be rehabilitated for the CDBG Housing Rehabilitation Limits and/or all bids on a home are above the maximum, the applicant would be permitted to accomplish part of the work, and then the property may be re-evaluated/re-bid after the applicant's work was finished if funding is still available.

4. Homes Being Purchased Under a Contract for Deed

- a. Land/Deed Contracts are eligible, based on the following criteria:
- b. Any seller must be unable to use the property as collateral and must be unable to convey title to the property unless such transaction is subject to the land sale contract; legally accepted limitation of the conveyance must exist in record form.
- c. The contract or ownership interest must be recorded.
- d. The seller must be obligated to deliver to the buyer a free simple title to the property on full payment of the contract price, without qualification.
- e. The purchaser must have:
 - i. Full use, possession and quite enjoyment of the property for a period of 6 months before application.
 - ii. Equitable title to the property; and
 - iii. Full rights of redemption for a period of not less than 90 days unless such rights are afforded by local law.
- f. The purchaser and seller jointly sign the repayment agreement. The repayment agreement resolves the following:
 - i. If the buyer moves from the unit prior to the expiration of the repayment agreement, the seller must do one of the following:

- ii. Rent or sell the dwelling to a LMI person; or
- iii. Repay a prorated portion of the housing rehabilitation cost.
- iv. If the seller is not willing to enter into the repayment agreement, the dwelling will not be eligible for rehabilitation.

Without these minimum provisions in a contract, the grantee should assume that the seller has ownership interest in the property and should be treated as such regard to state rehabilitation provision, i.e., treated as a rental.

5. **Living Trust & Life Estates**

- a. Applicants meeting all other eligibility criteria, who currently reside on a property held in a Living Trust or Life Estate, are eligible for rehabilitation assistance through a soft or forgivable loan.
- b. The applicant must reside on the property as their permanent residence. Income eligibility will be based on the household income of the resident beneficiary/life tenant.
- c. The appointee of the estate or trust holding the deed will be required to sign all grant documents.
- d. A property held as a Living Trust or Life Estate must be considered as a tenant and handled as such.

The following activities are considered ineligible:

- 6. **Homes located in a flood plain are not eligible.**
- 7. **Remodeling or work not required to meet CDBG standards.**

“WALK-AWAY” POLICY

If the initial inspection and cost estimate for bringing the home up to health & safety standards indicates that the cost of rehabilitation is expected to exceed the maximum allowable, the homeowner will be notified. The application will be considered a “walk away” until:

1. Homeowner-Completed Repairs

If the homeowner chooses to complete certain repairs on their own, the cost estimate for the remaining work must be at or below the maximum allowable program limit. The homeowner is responsible for notifying the City upon completion of the work so that the property can be re-inspected. All self-completed work must be approved by the Housing Inspector to ensure compliance with program standards.

2. Additional Funds Requirement

If the homeowner is unable to complete the required repairs within program limits, they may provide the additional funds necessary to cover the cost of work. These funds must be deposited with the City within forty-five (45) days of notification. Failure to provide funds within this timeframe will result in cancellation of the application, closure of the file, and withdrawal of the property from the program.

3. Minor Rehabilitation Eligibility

If a property qualifies under the “minor rehabilitation” approach, the scope of work may be adjusted to maintain funding eligibility. Final determination of eligible repairs will be made by the Housing Inspector, based on identified areas of need and required program standards and approved by the City.

If the original cost estimate is below the maximum allowable, the property will be included in the next bidding process. Homeowners will be notified within 15 days after the bid opening if the lowest contractor bid for their home exceeds the maximum allowable. In that event, the applicant will have the option to supply the additional funds. The applicant will be given 45 days to satisfy the requirements for all necessary additional funding. Additional funds must be received in full by the City prior to any rehabilitation work conducted on the home. If the homeowner cannot provide the additional funds, the City may “walk away” from that home. If the applicant does not respond in 30 days, the City will cancel the application, close the file and “walk away” from the property.

Lead-Based Paint Compliance

Lead-based paint risk assessment inspections will be completed after the health & safety standards inspection and if the estimated cost for repairs is below \$25,000. If the lead-based paint risk assessment shows lead and repairs cannot be done with containment, which allows a family use of restroom, cooking and sleeping facilities, and the family must relocate to a lead safe housing unit for the duration of the rehabilitation and until the dwelling passes the clearance test. Refusal to relocate will be grounds to “walk away”.

Children, age six or younger, will be required to relocate if lead activity is necessary, even if containment is possible. Refusal to relocate will be grounds to “walk away.”

Mode of Living Conditions

The “walk-away” policy will apply if the mode of living in the home is determined to be unsafe or unfeasible for contractors to perform work. This includes, but is not limited to:

1. Excessive items or clutter in the home that obstructs work.
2. Unsafe or unsuitable air quality.
3. Sanitation or cleanliness concerns caused by pets, pests, mold, or other environmental hazards.

The Housing Inspector will determine whether living conditions trigger this policy. Homeowners will be notified in writing of the improvements or actions required to proceed with rehabilitation work. Documentation, including photos of completed improvements and/or a re-inspection by the Housing Inspector, will be required before work can continue. If compliance cannot be demonstrated after a secondary inspection, the project will be formally denied by written correspondence.

Occupant Conduct

Contractors and City staff must be able to safely and respectfully perform their duties. The following behaviors may result in termination of program participation:

1. Verbal abuse, threats, or harassment directed towards City staff, contractors, or inspectors by the occupant or their associates.
2. Refusal to provide reasonable access/communication for inspections or repairs.
3. Interference with contractor work (e.g., altering work, obstructing workers, tampering with equipment).

Occupant conduct issues must be corrected immediately. Occupants will be issued a written warning if harassment, refusal of access, or interference with work occurs. Failure to correct such behavior may result in termination of participation and formal denial of the project by written correspondence from the City.

Program Compliance

Homeowners are also required to remain in compliance with all program rules and documentation requirements outlined in “Roles and Responsibilities.” Failure to meet these obligations may result in project denial. Examples include:

1. Misrepresentation of eligibility information (income, ownership, occupancy).
2. Refusal to comply with program requirements such as signing the repayment agreement, maintaining homeowner’s insurance, or maintaining active utilities.

The City will notify the homeowner of any missing or incorrect information and provide a deadline to submit required documents or complete corrective actions. Failure to comply within the specified timeframe may result in denial of the project or, in cases where funds have already been expended, repayment of project funds as determined by the severity of the noncompliance.

LEAD-BASED PAINT REQUIREMENTS

The homeowner, contractor, City, grant administrator, and housing inspector will be required to follow all regulations of all state and federal regulations regarding lead-based paint hazards. The appropriate regulations are hereby made a part of this plan.

Participation in the Housing Rehabilitation program is voluntary for all parties. All property proposed for rehabilitation, and built prior to 1978, will be inspected for lead-based paint.

The city will require that children younger than 6 years of age living in a house built prior to 1978 be tested for an elevated blood lead level. If an applicant refuses to allow the child’s blood to be tested, the city may elect not to rehabilitate the home.

The city is not required to pay any expenses for relocation of the household that may be required by lead-based paint activities during construction. However, the city recognizes that if relocation is required, it could produce a degree of hardship on the household. It will be the policy of the program to provide the household with **\$150** per day relocation expense allowance for a

household of two persons, plus **\$30** per day for each additional household member. This allowance will be paid for the actual days the members are required to be out of the home. If a family voluntarily relocates during rehabilitation, when relocation is not required, it will be the policy of the City to not pay any relocation expenses.

In cases where hotel accommodations with kitchen facilities are not available, the City may consider limited reimbursement for reasonable food expenses, to be determined on a case-by-case basis.

LEAD-BASED PAINT PRECAUTIONS

All occupants of property to be rehabilitated will be notified of the following:

1. All households will receive both the “Protect Your Family from Lead in Your Home” and “Renovation Right” brochures.
2. All households will receive a copy of the risk assessment report to sign within 15 days after the risk assessment is completed.
3. If lead-based paint is discovered in the assessment, households will receive a “Lead Hazard Reduction Notice” within 15 days after work is completed.
4. All households, which have been identified as having lead-based paint, will receive a copy of the “Lead Hazard Clearance Notice”.
5. Require any individual 6 years of age or younger, residing in the home, to have a blood test for elevated levels of lead.
6. Homeowners may sign a waiver to remain in their home if no child six or under lives in the house and the repairs can be completed with self-containment; and restroom, cooking and sleeping facilities are available.
7. Relocation costs to a lead-free dwelling may be paid to a homeowner or tenant when the risk assessment shows elevated levels of lead in areas where repairs will be done with or without containment and a restroom, cooking, and sleeping facilities are not available.
8. Participation in the Housing Rehabilitation program is voluntary; therefore, temporary relocation expenses are not required.

ROLES AND RESPONSIBILITIES

Homeowner/Tenant

The homeowner/tenant must agree to abide by all the rules and regulations of the Housing Rehabilitation program and allow the rehabilitation work to be performed on his/her home in

accordance with the Housing and Lead Hazard Control Plans, the Material Application Manual, procurement requirements, and/or the CDBG Housing Standards guidelines.

The homeowner/tenant must:

1. Complete a Property Owners' Soft Loan Agreement (Attachment A and, if applicable, Attachment B).
2. Remove all obstacles from inside and outside of the house in order to view and subsequently work on the dwelling. This may include removing any stored items from areas and cutting any weeds or saplings that may obscure the foundation or hauling away items stacked in or around the house, or homeowner/tenant must agree to allow debris to be removed from the premises by the contractor or City.
3. Grant access to the dwelling for additional inspections, pre-bid conference inspections, rehabilitation work, ongoing inspections of work, and state monitoring visit.
4. Provide electricity and water to the contractor at no cost.
5. Sign a waiver of liability for the property identified in the application.
6. Provide proof of property insurance and must keep the dwelling insured for the three-year soft loan period.
7. Shall provide documentation of lead blood level for every child aged six (6) and under if the home was constructed prior to 1978, prior to rehabilitation work proceeding.
8. Must agree to relocate should it become necessary in order to perform the lead hazard work.
9. Maintain the rehabilitated property in good condition and repair so it will not become a substandard property.
10. Must fill out an application and supply income documentation for the Weatherization program.
11. **The homeowner will be required to attend the final inspection and sign the final inspection certificate.** If the homeowner has questions or comments on any of the rehabilitation work it should be mentioned at this time and resolution agreed upon, prior to signing the certificate of completion.
12. If requested, the homeowner must make the home available at a CDBG monitoring visit.

GRIEVANCE POLICY

All grievances or concerns regarding civil rights, fair housing, the City Commission, the Grant Administrator, City Manager, the Housing Inspector, the contractor(s), the contractor's workmanship, the bid procedure(s), the awarding of the contracts etc. shall follow the grievance policy included in this application. All grievances and concerns should first be made in writing to the City Clerk. The City Clerk will then observe the following procedure:

Level 1

The City Clerk receives a written complaint.

The City Clerk contacts the Grant Administrator if the controversy is regarding workmanship, client treatment or contractor misunderstandings. The Grant Administrator will contact the Housing Inspector and contractor to meet on site and address the client or contractor concerns. A written resolution will be made to the complainant, and a copy of the resolution will be forwarded to the City Administrator.

The Deputy City Administrator will immediately advance the complaint to level 2 if the complaint is on fair housing, civil rights, procurement, or an environmental issue.

The complainant has the right to appeal the decision and must do so in writing to Deputy City Administrator within five days from the date of the written resolution.

Level 2

The written complaint concerning fair housing, civil rights, procurement, the environment or an appeal of a previous decision will be reviewed by the Mayor, City Manager and City Clerk, with the assistance of the Grant Administrator and the City Attorney. If the complaint is a fair housing or civil rights concern, the City may submit the complaint to the Kansas Human Rights Council, 130 South Market, Suite 7050, Wichita, Kansas, 67202, for investigation and resolution. After review, a written decision will be made to the complainant and the City Commission.

The complainant has the right to appeal the decision and must do so in writing to the City Clerk within five days from the date of the written resolution.

Level 3

The City Clerk receives a written appeal from the complainant.

The City Commission will review the appeal with assistance from the City Attorney and Grant Administrator. All written evidence will be made available to the City Commission for their deliberation.

The City Commission shall present a written resolution to the complainant within 15 days of the date the appeal was received.

All grievances/concerns regarding this project should first be made in writing. The letter must be submitted to the City Clerk. The City Clerk will then refer the complaint to the appropriate party(ies) to resolve the dispute.

Written notice will be given to the complainant within 15 days. If the grievance remains unsolved after this action, the Grant Administrator, Housing Inspector, contractor and the homeowner will review the situation. Subsequently, a written recommendation of resolution will be forwarded to the City Commission.

If this problem still cannot be resolved, the City Commission will make disposition of the complaint from documentation that the complainant, Housing Inspector, contractor and/or Grant Administrator have submitted. Any of the involved parties may be called to appear before the City Commission for clarification of the matter.

The City Commission will then review the complaint at the next City Commission meeting. The City Commission will determine at that meeting if the decision is acceptable or unacceptable. If it is unacceptable, the City Commission has the right to overturn the decision. At that time the final disposition will be made in writing to the complainant.

Final responsibility for the Housing Rehabilitation program rests with the City. The City will be involved with the Housing Rehabilitation program, perform duties as necessary and will have the final decision in local matters involving this grant.

CONFLICT OF INTEREST POLICY

The State of Kansas agreed, when it accepted the CDBG program in 1983, to abide by 24 CFR 570.611 of the Federal regulations (conflict of interest) for the program. The Kansas Department of Commerce developed a conflict-of-interest policy on April 22, 1994, relating to housing. This policy has been broadened to cover all areas of participation in all programs funded by CDBG monies. To clarify this issue for the State's program, the State has adopted, as of July 1, 1996, the following position on conflict of interest, incorporating the April 22, 1994, policy and extending the policy further to address other areas as provided in 24 CFR 570.611.

Standard of Conduct Involving Conflict of Interest

- I. **Persons Covered:** The conflict-of-interest provision of this policy shall apply to any person who is an employee, elected or appointed official, agent, consultant, officer, or any immediate family member or business partner of the above, of the recipient, or of any designated public agencies, or subrecipients which are receiving funds from the Kansas Community Development block grant Program.

- II. **Applicability:**
 - A. In the area of procurement of supplies, equipment, construction, and services by recipients, subrecipients, or designated public agencies, the conflict-of-interest provisions in public Law 103-355 or OMB Circular A- 110, as applicable, shall apply.
 - B. In all cases not governed by PL 103-355, the provisions of this policy shall apply. Such cases include the acquisition and disposition of real property and the provisions of assistance by the recipient or subrecipients to individuals,

businesses and other private entities in the form of grants, loans, or other assistance through eligible activities of the program which authorize assistance.

III. **Conflicts Prohibited:** Except for approved administrative or personnel cost, no persons described in I. above who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under the State program or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the State CDBG Economic Development program, the above restrictions shall apply to all activities that are a part of the funding approval for all projects, and shall cover any such interest or benefit during, or at any time after, such person's tenure.

A. An exception may be considered only after the grant applicant has provided the following:

1. A disclosure of the nature of the conflict accompanied by an assurance that there has been a public disclosure of the conflict and a description of how the public disclosure was made;
2. Whether an opportunity was provided for competitive bidding or negotiation;
3. Whether the person affected is a member of a group or class of low- or moderate- income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
4. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
5. Whether the interest or benefit was present before the affected person was in a position as described in Section III;
6. Whether undue hardship will result either to the recipient or the person affected when weighted against the public interest served by avoiding the prohibited conflict; and
7. Any other relevant considerations.

If after all considerations, determination is made to grant an exception, the State shall issue a waiver noting such exception and the conditions and the basis for the issuance of the same.

It is the policy of the CDBG program that no waiver will be issued concerning benefit to the chief elected official or governing body members of the grantee, except in dire circumstances affecting performance.

Adoption of the Housing Rehabilitation Plan

This Housing Rehabilitation Plan and all related attachments was approved and adopted by the City Commission of the City of Arkansas City on the _____ day of _____, 2025.

City of: Arkansas City, Kansas

BY: _____

Chad Beeson, Mayor

ATTEST: _____

Tiffany Parsons, City Clerk

Attachment A

**City of Arkansas City
Repayment Agreement**

THIS AGREEMENT made this _____ day of _____, _____ by and between the CITY OF ARKANSAS CITY (hereinafter the "CITY") and

(Hereinafter referred to as HOMEOWNER (S),

WHEREAS, the CITY is authorized to administer CDBG rehabilitation grants utilizing dollars authorized and provided through the State of Kansas and the Department of Housing and Urban Development; and

WHEREAS, the HOMEOWNER(s) has applied to the CITY to be provided funding through the CDBG grant program; and

WHEREAS, the CITY has determined that the HOMEOWNER(s) qualified for receipt of a homeowner rehabilitation grant in accordance with all program rules; and

WHEREAS, the CITY has the responsibility as the disbursing agent for the proper expenditure of certain federal dollars; and

WHEREAS, the HOMEOWNER(s) desire that the CITY disburse CDBG grant dollars in accordance with the grant application; and

WHEREAS, the CITY has disbursed \$ _____ in CDBG rehabilitation dollars on behalf of HOMEOWNER(s), the HOMEOWNER(s) agree:

1. That the correct legal description for the real property is as follows:
2. To continue to own, occupy and maintain insurance on the structure repaired with CDBG funds for a period of three (3) years after the issuance of a Certificate of Completion; and
3. To maintain the rehabilitated property in a "standard condition" so as to prevent substantial destruction of the improvements due to the negligence of the HOMEOWNER(s); and upon breach of any of the aforesaid covenants, the HOMEOWNER(s) agrees to repay the CITY, 1/36 of the rehabilitation cost for every month prior to the expiration of the repayment agreement
4. The HOMEOWNER(s) further covenants and agrees that if the structure is totally destroyed by fire, natural disaster, public condemnation or through other causes within three (3) years after the issuance of a Certificate of Completion, the HOMEOWNER(s) should repay to the CITY, out of any insurance proceeds or other compensation received, a sum of money to be computed according to the schedule set forth above; provided, however, if the HOMEOWNER(s) received insurance proceeds or other compensation in

an amount less than the fair market value of the structure after CDBG funded improvements, then the amount to be repaid shall be limited to the total insurance proceeds or other compensation received which is in excess of the fair market value of the structure prior to the CDBG funded improvements.

5. That in the event the HOMEOWNER(s) reside in and retain the real property for three (3) years from the date of the signed Certificate of Completion, this agreement shall expire and become null and void.

WHEREAS; the CITY and HOMEOWNER(s) agree and acknowledge this agreement will be filed as a public record with the Register of Deeds in the County where the real property is located and is intended to provide full public notice of the existence of this security instrument.

IT IS SO AGREED

City of Arkansas City

By: _____

Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.
Notary Public: _____

My appointment expires: _____

HOMEOWNER(s)

Signed:

Date: _____

Signed:

Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.
Notary Public: _____

My appointment expires: _____

Attachment B

**City of Arkansas City
Property Owner Rental Agreement**

THIS AGREEMENT, entered into on this _____ day of _____, 20____, by and between the City of Arkansas City (hereinafter referred to as the Local Public Body) and _____ Landlord/Owner (hereinafter referred to as the Owner),

WITNESSETH:

WHEREAS, the Local Public Body has provided the Owner financial assistance for the repair and rehabilitation of property located at _____; and

WHEREAS, the Owner, at the time of receipt of financial assistance from the Local Public Body was renting or had plans to rent the aforementioned property to persons of low- and moderate- income, as defined by the Local Public Body on data from the U.S. Department of Housing & Urban Development.

NOW THEREFORE, the parties hereto do mutually agree as follows:

TERM: This Agreement shall be in effect for a period of three (3) years after the issuance of a Certificate of Completion.

In the event the property is sold during the term of this Agreement, the Owner shall compensate the Local Public Body in an amount as set forth in the Repayment Agreement dated _____. Provided, however, that should the purchaser agree, in writing, to all of the terms and conditions herein, the City Commission may allow the purchaser to assume the obligations set forth herein and defer payment.

1. Whereas, the Owner further agrees that any subsequent tenants renting this property within three (3) years from the date of this agreement will have an income that does not exceed the most recently published Department of Housing & Urban Development Section 8 low- to moderate- income guidelines. Also, the monthly rental payment may not exceed the current monthly payment of \$_____ (an annual Federal cost of living increase is allowed), or the Fair Market Rents (FMR) as published annually by HUD, for the county where the real property is located, whichever is less.
2. The homeowner of any rental unit receiving CDBG grant funds for rehabilitation also agrees to allow the City of Arkansas City or its appointed representative access to the property to perform an annual HQS inspection, for a minimum of the 3 years after the rehab work is finished. Any HQS deficiencies discovered during the annual inspection will need to be brought into compliance at the landlord's expense.

4. The Owner shall not discriminate against a person or persons on the basis of race, creed, color, sex, age, or national origin in the renting or leasing of property repaired with financial assistance provided by the Local Public Body.

Further, any default by the Owner on the above conditions will result in the Owner repaying the grant according to the Repayment Agreement dated _____.

IN WITNESS WHEREOF, the Local Public Body and Owner have executed this Agreement as of the date first above written.

City of Arkansas City

By: _____ Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

Owner(s)

Signed: _____ Date: _____

Signed: _____ Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____