

(Published at www.mcpcity.com beginning on _____, 2025.)

ORDINANCE NO. 3450

AN ORDINANCE OF THE CITY OF MCPHERSON, KANSAS (THE "CITY"), AUTHORIZING A PROGRAM FOR CASH PAYMENTS TO HOMEOWNERS PURCHASING A HOME IN MCPHERSON PAID ON QUALIFYING HOMES, SUBJECT TO CERTAIN LIMITATIONS, CONDITIONS AND RESTRICTIONS; AUTHORIZING STAFF TO PREPARE APPROPRIATE APPLICATION FORMS AND AGREEMENTS TO BE EXECUTED BETWEEN THE CITY AND HOMEOWNERS PARTICIPATING IN THE PROGRAM; AND, AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE SUCH AGREEMENTS ON BEHALF OF THE CITY.

WHEREAS, Article 12, Section 5 of the Kansas Constitution empowers cities to determine their local affairs and government; and

WHEREAS, the Governing Body of the City of McPherson, Kansas (the "City"), in furtherance of its objectives to build stronger communities, create jobs and provide a more stable tax base, desires to stimulate relocation to and homeownership within the City's corporate limits; and

WHEREAS, as a means of stimulating relocation and home ownership, the Governing Body of the City finds it necessary and desirable to establish a program to be known as the Homebuyer Cash Assistance Program which will provide cash payments on eligible properties, subject to certain limitations, conditions and restrictions.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MCPHERSON, KANSAS:

Section 1. Authorization of Homebuyer Cash Assistance Program. Pursuant to the authority of Article 12, Section 5 of the Kansas Constitution, the Governing Body of the City hereby authorizes the creation of the Homebuyer Cash Assistance Program (hereinafter referred to as "HCAP"), which will provide a cash payment at closing, subject to certain limitations, conditions and restrictions as hereinafter described. Each year, the governing body will be required to appropriate and reserve funds to pay HCAP for that year. New applicants to the program shall be deferred in any year that funds are depleted or not allocated.

Section 2. Eligibility to Apply for Payments. Homebuyers may apply for HCAP on single-family, owner-occupied homes, whether stand-alone housing or part of a multi-unit structure if fee title to the residence is acquired, with the closing of the sale on or after the effective date of this ordinance, if the applicant(s), satisfy the following eligibility criteria:

- a. The property is located in a platted development, within the City's corporate limits, and all special assessment and general tax obligations on all buildable lots (meaning platted lots currently served by existing street, utility and drainage infrastructure sufficient to support residential structures that could be constructed thereon) within such development are paid current;
- b. All special assessment and general tax obligations on the property for which application is made must have been paid current as of the date the applicant home owner closed the purchase of the property, and must still be current as of the date of application;
- c. The property must not be located within a tax increment finance district or receive any other City incentive whether existing now or in the future or be participating in the New Construction Homebuyer Incentive Program, Rural Housing Incentive District or have received any Relocation Cash Assistance Payments (RCAP) or HCAP assistance from the City previously;
- d. The Homebuyer does not currently own a residence in the City of McPherson and must not have owned a home within the McPherson City Limits for at least thirty of the thirty-six months prior to applying for HCAP or the homebuyer is relocating from another location not within the City of McPherson and has not owned a home in McPherson City Limits for at least thirty of the thirty-six months prior to applying for HCAP. City staff shall develop policy for acceptable proof of prior residency;
- e. As part of the application process, the applicant(s) must furnish a properly completed Form W-9 and must enter into an Agreement to be developed by City staff, which will provide evidence satisfactory to the City of HCAP eligibility; and
- f. The original builder/developer of an otherwise qualified house or any "related party" to such original builder/developer shall not be eligible to receive any benefits under this program. For purposes of this Program, "related party" shall include any entity in which an applicant has a ten percent (10%) or greater ownership interest or any family member of the original builder/developer, or owner thereof, if related as spouse, parent or child.

Section 3. Applications and Application Period. Application for participation in HCAP shall be made on forms to be developed by City staff, and applications will be received from and after November 1, 2025.

Section 4. Payments. Once an application is approved for an eligible property, and the homeowner(s) have entered into the Program Agreement with the City, the City, subject to the limitations and restrictions of the Kansas Cash Basis and Budget Laws and the further conditions, limitations and restrictions referenced in Section 5, below, will pay five thousand dollars

(\$5,000.00) for a home at closing by check made payable to the closing agent, as reasonably determined by the City, on behalf of the Buyer for delivery at closing.

Section 5. Suspension and Early Termination of HCAP. The City Administrator or designee shall have the authority to suspend HCAP at any time if funds allocated for the program are insufficient to meet anticipated needs as long as such suspension is reported at the next regularly scheduled City Commission Meeting. HCAP may be terminated early in the event that the homeowners of the property; a) fail to close; or b) fail to comply with any other obligation or condition of the Program Agreement.

Section 6. Authorization Program Agreement. City staff are authorized and directed to develop forms consistent with the requirements, conditions, limitations and restrictions of this Ordinance, and the City Administrator is hereby authorized to execute and deliver such Program Agreements with potential homeowners whose applications have been approved, on behalf of the City.

Section 7. Further Authority. The City shall, and the officers, agents and employees of the City are hereby authorized and directed to take such further actions as may be from time to time necessary for administration of the HCAP and to carry out and give effect to the transactions contemplated by this Ordinance.

Section 8. Repeal. Ordinance Number 3285 and all or parts of the Code conflicting with the provisions of this Ordinance are hereby repealed.

Section 9. Effective Date. This ordinance shall take effect on and be in full force and effect after November 1, 2025, and from and after its passage, signature and publication of the full text of the ordinance on the City's website in compliance with K.S.A. 12-3007(b).

PASSED BY THE GOVERNING BODY this 28th day of October 2025 for the City of McPherson, Kansas.

CITY OF MCPHERSON, KANSAS

Thomas A. Brown, Mayor

[SEAL]

Attest:

Leah Kawanguzi, City Clerk