## COMPARED VERSION COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

## COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 230962

Accepting the recommendations of the Housing Trust Fund Advisory Board; appropriating \$9,000,000.00 from the Unappropriated Fund Balance in the Housing Trust Fund with modifications; authorizing the Director of the Housing and Community Development Department to execute various HTF Round III funding agreements and expend up to \$9,000,000840,999,00 from funds appropriated in the Housing Trust Fund; and requiring certain contract provisions.

WHEREAS, on December 20, 2018, by Committee Substitute for Ordinance No. 180719, the City Council established the Housing Trust Fund to implement neighborhood revitalization, housing development, and preservation projects proposed by the City and in coordination with private developers that are undertaking projects in alignment with the City's Housing policy; and

WHEREAS, on June 20, 2019, by Committee Substitute for Resolution No. 190022, the City Council adopted the Five-Year Housing Policy, which set forth five bold ideas to include the creation/preservation of 5,000 additional single family and multifamily housing units by December 2023 and to establish a \$75 million catalytic housing development (trust) fund to create and preserve units; and

WHEREAS, on May 27, 2021, by Ordinance No. 210392, the City Council adopted the City's stimulus spending plan "RecoverKC" in which the City Council allocated \$12,500,000.00 to the Housing Trust Fund; and

WHEREAS, on November 4, 2021, by Committee Substitute for Ordinance 210873, As Amended, the City Council amended Section 2-1693, "Housing Trust Fund" and replaced it with a new Section 2-1693 for the purpose of establishing the Housing Trust Fund Board to review Housing Trust Fund applications, with reporting requirements, funding allocation direction and prioritization of fund use; and

WHEREAS, a special election was also duly held in the City on Tuesday, November 8, 2022 (the "2022 Election"), on the question of whether to issue general obligation bonds of the City in an amount not to exceed \$50,000,000.00 for the purpose of affordable housing through the rehabilitation, renovation, and construction of houses and buildings, including blight removal, to provide affordable housing for very low-to moderate-income households and the question was approved by voters; and

WHEREAS, the City Council adopted Resolution No. 220902 on October 13, 2022, expressing its intent that any sums from the General Obligation Bonds Question No. 2 would be appropriated from the bond fund into the Housing Trust Fund; and

WHEREAS, Ordinance No. 230371, passed on May 11, 2023, estimated bond proceeds and appropriated a transfer to the Housing Trust Fund for the purposes outlined herein; and

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WHEREAS, Section 2-1693(c)(3) sets forth the following funding minimum allocations	///,	Formatted	
in determining awards to applicants:	///	Formatted	
(a) -(a) A minimum of 20% of awards shall be made for Affordable Rental	///.	Formatted	
Preservation, at or below 60% AMFI.	///		
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(b) A minimum of 20% of awards shall be made for Affordable Rental	///	Formatted	
Creation, at or below 60% AMFI	///	Formatted	
(c) A minimum of 10% of awards shall be made to create/support Dedicated	//	Formatted	
Transitional Housing and Permanent Supportive Housing for the Homeless; and	//	Formatted	
Transference Transference Supportive Transferences, and	//	Formatted	
(d) A minimum of 10% of awards shall be made for Homeownership support		Formatted	[]
programs and/or retention programs for residents at income levels below 60% AMFI.	///	Formatted	
Programs that provide a path for resident tenants to transition to ownership shall be	$/\!/$	Formatted	
eligible; and		Formatted	
WHEREAS, Section 2-1693(c)(4) sets forth the following maximum awards to each	//,	Formatted	
project based on percent of total development costs:	//,	Formatted	
	//.		
(a)— The maximum award given to for-profit developers is 20% of the	//	Formatted	
development cost (loan) or 10% for a grant;	//	Formatted	
(b)— The maximum award given to non-profit developers is 30% of the	//	Formatted	
development cost (loan) or 15% for a grant; and	//	Formatted	
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WHEREAS, the Housing Trust Fund Advisory Board was to prioritize projects that	//	Formatted	
maximize:	//	Formatted	
(a) Total number of months of affordability, with longer periods of		Formatted	
guaranteed affordability given higher priority:		Formatted	
		Formatted	
(b) Affordability threshold, with higher priority for projects at that serve very		Formatted	
low income (50% of Area Median Family Income (AMFI) and extremely low income (30% of Area Median Family Income) households;		Formatted	
(30% of Area Median Family Income) nouseholds;		Formatted	
(c) Number of affordable units created per HTF dollar invested; and		Formatted	
(d) Projects which include a higher percentage of units suitable for families (2)		Formatted	[]
or more bedrooms); and		Formatted	
(e) Social housing opportunities such as cooperatives, community land trusts,	\	Formatted	
and other options that allow for long-term community affordability; and	Ϊ,	Formatted	
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WHEREAS, 32 applications were received in response to the Housing Trust Fund RFP	//	Formatted	
that was released on July 24, 2023 and closed on August 30, 2023; and	//	Formatted	
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WHEREAS, the Housing Trust Fund Advisory Board met three times between September and October to review and prioritize applications, ultimately reaching a unanimous recommendation for the Council, which is reflected in this ordinance; and

WHEREAS, in addition to the priorities named in the ordinance, the Housing Trust Fund Advisory Board considered project readiness, creativity, capacity of applicant, financial feasibility, household income requirements, affordability, and the overall impact on the housing stock in their review of applications; and

WHEREAS, the Round III allocation plan recommended by the Housing Trust Fund Advisory Board would support the creation and preservation of 893776 affordable homes, for an average investment of \$11,598.00 from the Housing Trust Fund per unit; and

WHEREAS, funding modifications made by the City Council will result in an average investment of \$12,681.70 from the Housing Trust Fund per unit those 776 affordable homes; NOW, THEREFORE,

## BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY;

Section 1. That the recommendations of the Housing Trust Fund Advisory Board from the Housing Trust Fund Round III RFP that was issued on July 24, 2023, are hereby accepted, with two modifications to the Prospect at 35<sup>th</sup> St and Jazz Hill Homes projects.

Section 2. That the <u>sumDirector</u> of \$9,000,000.00 is hereby appropriated from the <u>Unappropriated Fund Balance in the Housing Trust Fund, Fund No. 2490:</u>

23 2490 552046 B Economicthe Housing and Community Development \$9,000,000,000

Section 3. That the Mayor Department is hereby authorized to expend up to \$9,000,000840,999.00 from funds previously appropriated to Account No. 24-2490-552045-B in the Housing Trust Funds in Fund No. 2490; and to negotiate and execute funding agreements with the following contractors:

Applicant	Project Name	Funding Award	
Pedcor Investments, LLC	Trails at Bannister Apartment	\$ 1,000,000.00	
	Homes		
Taliaferro & Browne,	Prospect Summit Townhomes	\$ 750,000.00	
Inc./Fulson Housing Group			
Metro Lutheran Ministry &	Prospect at 35th	\$	
Consolidated Housing		<del>859,001</del> 1,000,000.00	
Solutions			
McCormack Baron Salazar,	Jazz District III	\$ 1,850,000.00	
Inc.			
By Purpose Productions	KC Urban Core Homeownership	\$ 400,000.00	

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	Fund	
Jerusalem Farm	Northeast Community Land Trust	\$ 230,000.00
Arnold Development Group, LLC	Historic Northeast Lofts	\$ 1,575,000.00
Flaherty & Collins Development, LLC	Jazz Hill Homes	\$ <del>300</del> 1,000,000.00
Synergy Services, Inc.	Forest Hill Village	\$ 800,000.00
KCPS	DeLano Youth Housing and Supportive Services Redevelopment	\$ 1,235,999.00
TOTAL		\$ 9, <del>000,000</del> <u>840,999</u> .00

(a) projects (and associated spending of Housing Trust Fund dollars) must start within 12 months of contract execution, or else the funds must be returned to the City to be used in future Housing Trust Fund allocations.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form:

Joseph A. Guarino Senior Associate City Attorney Formatted: Font: +Body (Calibri), 11 pt

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