

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 240277

Directing the City Manager to establish an Employee Homeownership Assistance Program ("the Program"); appropriating \$750,000.00 from the Unappropriated Fund Balance of the Development Services Fund; authorizing the Director of the Housing and Community Development Department to execute necessary contracts and expend up to \$750,000.00 from funds appropriated in the Development Services Fund; directing the City Manager to report back to the Council in one year; and recognizing this ordinance to have an accelerated effective date.

WHEREAS, access to affordable and reliable housing opportunities inside the city limits remains an obstacle for employees and potential employees; and

WHEREAS, on July 13, 2023, the City Council passed Resolution No. 230569 that directed the City Manager to investigate and develop a homeownership assistance program for City employees; and

WHEREAS, the Program is a partial forgiveness loan for down payment and closing costs, providing a long-term reliable ownership opportunity through combined education, support and financing to make first-time homebuyer ownership of a single-family residence located within city limits sustainable and affordable for City employees; and

WHEREAS, the initial \$750,000.00 from funds appropriated in the Employee Homeownership Assistance Program will be first to kick off the Program, with further funding needing to be identified for future years; and

WHEREAS, the City Manager shall set out the details of the Program that shall include specifics for qualification, such as minimum housing to income (HTI) and debt-to-income minimums, loan terms, a 60% forgiveness rate after a certain number of years of employment, maximum lender fees, a requirement that the property be a single-family residence (condos and townhomes included), closing cost allowances, claw back provisions, and required pre- and post-closing education and coaching; and

WHEREAS, the City will be required to execute contracts with financial institutions and others to effectuate the purpose of the Program; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby directed to establish an Employee Homeownership Assistance Program (EHAP), including program and application specifics, with priority to creating employee homeownership opportunities for employees locating to a severely distressed census tract that has continuously maintained such status for not less than ten (10) years immediately prior to the effective date of the request.

Section 2. That the Director of the Housing and Community Development Department is hereby authorized to execute necessary contracts and expend up to \$750,000.00 from funds appropriated in the Employee Homeownership Assistance Program.

240277

Section 3. That the sum of \$750,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Development Services Fund to the following accounts for the Employee Homeownership Assistance Program:

24-2210-552155-B	EHAP Down Payment Assistance	\$650,000.00
24-2210-552156-B	EHAP Closing Cost Assistance	<u>100,000.00</u>
	TOTAL	\$750,000.00

Section 4. That the City Manager is hereby directed to give an Employee Homeownership Assistance Program status report to the City Council in one year.

Section 5. That the Director of Housing and Community Development Department is designated requisitioning authority for Account Nos. 24-2210-552155-B and 24-2210-552156-B.

Section 6. That this ordinance, because it appropriates money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with Section 503(a)(1) of the City Charter.

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



Authenticated as Passed

Quintory Lucas, Mayor

Marilyn Sanders, City Clerk

MAR 21 2024

Date Passed