

## COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 250208

Fully capitalizing Parade Park Homes Phase 1; authorizing the City Manager to negotiate and execute a contract with FC Parade Park LLC containing terms substantially similar to the attached Memorandum of Understanding; directing the Housing Trust Fund to provide a loan to FC Parade Park LLC for development of affordable housing; expressing the City Council's support for an award of funds, through the normal application process, from the Central City Economic Development sales tax; reappropriating previously appropriated funds; recognizing this ordinance as having an accelerated effective date; and waiving code provisions that would disrupt the directives of this Ordinance.

WHEREAS, Kansas City is facing an affordable housing crisis that requires innovative financing solutions to address the needs of its residents; and

WHEREAS, fully capitalizing the Parade Park Homes Phase 1 development is essential to creating quality affordable housing and revitalizing a historic neighborhood; and

WHEREAS, the Housing Trust Fund ("HTF") was established to provide financing for the preservation and production of affordable housing for very low-income to moderate-income households; and

WHEREAS, pursuant to Committee Substitute for Ordinance No. 231038, in March of 2024, the City obtained from the Department of Housing and Urban Development and then conveyed to FC Parade Park LLC the properties known as Parade Park Homes; and

WHEREAS, FC Parade Park LLC has undertaken extensive efforts to secure financing for the redevelopment of Parade Park Homes, including private equity, tax credits, private debt, philanthropic contributions, and other governmental sources; and

WHEREAS, FC Parade Park LLC intends to develop Parade Park Homes Phase 1 to include 240 units serving households below 60% of Area Median Income and 240 units serving households below 80% of Area Median Income; and

WHEREAS, the provision of a loan from the HTF will make possible the development of affordable housing at Parade Park Homes and will ultimately result in the replenishment of the HTF for future affordable housing projects; and

WHEREAS, the City has an obligation to the Department of Housing and Urban Development to ensure the successful redevelopment of Parade Park Homes as part of the terms of acquisition and subsequent transfer; and

WHEREAS, the residents of Parade Park Homes have a right to return to the revitalized development, but are currently in the midst of relocation, making it essential to proceed expeditiously to provide them with stable, long-term housing; and

WHEREAS, the City wishes to establish a mechanism to provide ongoing financial support for FC Parade Park LLC while incentivizing other jurisdictions and private philanthropic entities to contribute to the project; and

WHEREAS, the City wishes to establish a fund for future phases of the Parade Park Homes development; and

WHEREAS, the City previously appropriated \$2,000,000.00, which remains unspent, for the demolition of dangerous structures at Parade Park Homes; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is authorized to negotiate and execute a contract with FC Parade Park LLC or an affiliated entity to fully fill the financing gap for Phase 1 of the Parade Park Homes revitalization and redevelopment while mitigating the upfront cost to the City's General Fund and ensuring substantial, long-term City investment in other affordable housing projects by replenishing the Housing Trust Fund. The contract authorized by this section shall contain terms substantially similar to those contained in the Memorandum of Understanding attached hereto as Exhibit A, which establishes: (i) a structure for City payments to FC Parade Park LLC; (ii) a mechanism for reducing City payments when outside contributions are received; and (iii) provisions for funding future phases of the Parade Park Homes development.

Section 2. That from existing and unallocated FY25 resources (estimated at \$7.68 million) and yet to be appropriated FY26 bond proceeds (\$12.5 million), the City Manager, in consultation with the Housing Trust Fund Board, is hereby directed to negotiate and execute a loan agreement with FC Parade Park LLC or an affiliated entity for the revitalization and redevelopment of Parade Park Homes Phase 1 which shall include the following terms:

- a. The loan shall be in the amount of \$12,000,000.00 (twelve million dollars);
- b. The loan shall bear no interest;
- c. The loan shall be repayable over a period of six (6) years in annual installments of \$2,000,000.00 (two million dollars);
- d. Such other terms as are necessary to effectuate the purposes of this ordinance.

Section 3. That the City Council hereby expresses its strong support for an award of \$5,000,000.00 from the Central City Economic Development sales tax fund during FY26 to FC Parade Park LLC or an affiliated entity for the development of Parade Park Homes Phase 1, provided that an application is submitted and reviewed by the CCED Board.

Section 4. That the City Manager is hereby directed to determine an appropriate tax-exempt financing mechanism to be repaid annually for a ten (10) year period with a five hundred thousand dollars (\$500,000.00) appropriation from the Shared Success Fund, with an expected present value



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of three million and nine hundred thousand dollars (\$3,900,000.00) with proceeds of the financing provided in FY26.

Section 5. That the sum of \$2,000,000.00 is hereby reduced from the following account:

25-1000-572340-B	Dangerous Building Demolition	\$2,000,000.00
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Section 6. That the sum of \$2,000,000.00 is hereby appropriated from the Unappropriated Fund Balance of the General Fund to the following account:

25-1000-575333-B-57PARADE	Parade Park Homes	\$2,000,000.00
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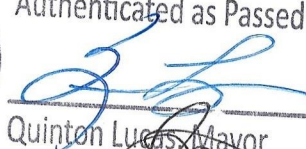
Section 7. That this ordinance, appropriating money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with that section.

Section 8. That the Council hereby waives all code provisions that would frustrate its directives in this Ordinance.

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.



Authenticated as Passed

  
Quinton Lucas, Mayor

  
Marilyn Sanders, City Clerk

MAR 06 2025

Date Passed

  
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Tammy L. Queen

Director of Finance

Approved as to form:

  
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Joseph A. Guarino  
Senior Associate City Attorney