

ORDINANCE NO. 250631, AS AMENDED

Sponsor: Director of Housing and Community Development Department

Accepting partial recommendations of the Housing Trust Fund Board; reducing existing appropriations of the Housing Trust Fund, Fund No. 2490 by \$8,530,346.00 and appropriating the same; authorizing the Director of the Housing and Community Development Department to expend up to \$8,530,346.00 from funds previously appropriated in the Housing Trust Fund; directing the City Manager to reevaluate Round 5 applications using reprogrammed funds; and authorizing the Manager of Procurement Services to execute various funding agreements in accordance with this Ordinance.

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 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 No. 210873, As Amended, the City Council established 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

WHEREAS, Section 2-1693 (C)(3) sets forth following funding minimum allocations in determining awards to applicants:

- a) A minimum of 20% of awards shall be made for Affordable Rental Preservation, at or below 30% AMFI;
- b) A minimum of 20% of awards shall be made for Affordable Rental Creation, at or below AMFI;

- c) A minimum of 10% of awards shall be made to create/support Dedicated Transitional Housing and Permanent Supportive Housing for the Homeless; and
- d) A minimum of 10% of awards shall be made for Homeownership support programs and/or retention programs for residents at income levels below 60% AMFI. Programs that provide a path for resident tenants to transition to ownership shall be eligible; and

WHEREAS, Section 2-1693 (C) (4) sets forth the following maximum awards to each project based on percent of total development costs:

- a) The maximum award given to for-profit developers is 20% of the development costs (loan) or 10% for a grant.
- b) The maximum award given to non-profit developers is 30% of the development cost (loan) or 15% for a grant; and

WHEREAS, the Housing Trust Fund (HTF) Advisory Board was to prioritize projects that maximize:

- a) Total number of months of affordability, with longer periods of guaranteed affordability given higher priority;
- b) Affordability threshold, with higher priority for projects that serve very low income (50% of Area Median Family Income (AMFI) and extremely low income (30% of Area Median Family Income) households;
- c) Number of affordable units created per HTF dollar invested;
- d) Projects which include a higher percentage of units suitable for families (2 or more bedrooms); and
- e) Social housing opportunities such as cooperatives, community land trusts, and other options that allow for long-term community affordability; and

WHEREAS, Ordinance No. 240413, passed April 25, 2024, amended Section 2-1693 of like title to provide the Housing Trust Fund Board more flexibility in scheduling proposal rounds and allocating funds by certain categories, allowing the Board to deviate from the funding minimum allocations; 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 contributions contemplated by the Funding Agreement are limited to those which have been determined to be needed for the purpose of ensuring that the project proceeds and, but for their contribution, the project would not proceed to the detriment of the public interest; and

WHEREAS, the Low-Income Housing Tax Credit (LIHTC) is administered by the Missouri Housing Development Commission, which issues tax credits to enable developers to secure financing for the acquisition, rehabilitation, or new construction of affordable rental housing; and

WHEREAS, the Housing Trust Fund Board has recommended conditional funding awards for certain projects contingent upon the receipt of additional financing, including Low-Income Housing Tax Credits (LIHTC) by a specific time; and

WHEREAS, conditioning a Housing Trust Fund award on the receipt of tax credits by a specific time provides the developer sufficient time to secure their credits while ensuring the City maintains prudent oversight of public funds; and

WHEREAS, the Housing and Community Development Department has recaptured funds previously awarded, and the City has an interest in redeploying those funds to projects in accordance with Housing Trust Fund's policies and procedures; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendations of the Housing Trust Fund Board that was issued on July 14, 2025, are hereby partially accepted.

Section 2. That, after careful consideration, the recommendation of the Housing Trust Fund Board to invest \$2,000,000.00 in the Benton Apartments project is rejected.

Section 3. That the appropriations in the following accounts of the Housing Trust Fund, Fund No. 2490, are hereby reduced by the following amounts:

26-2490-555996-619080-55MARLHTF	Marlborough Townhomes	\$ 450,000.00
26-2490-555996-619080-55WHOLEHTF	Prospect at 35th	1,000,000.00
26-2490-555996-619080-55PARADEHTF	Parade Park Homes	<u>350,000.00</u>
	TOTAL	\$1,800,000.00

Section 4. That the appropriations in the amount of \$6,730,346.00 is hereby reduced from the Housing Trust Fund, Fund No. 2490 from the following account:

26-2490-552045-619080	Housing Trust Fund – Bonds	\$6,730,346.00
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Section 5. That the amount of \$8,530,346.00 is hereby appropriated from the Unappropriated Fund Balance of the Housing Trust Fund, Fund No. 2490, to the following accounts:

26-2490-555996-619080-55SANFORDHTF	Sanford B Ladd School	\$1,500,000.00
26-2490-555996-619080-55CENTRALHTF	9th & Central Lofts	2,800,000.00

26-2490-555996-619080-55CARDINAL2HTF	Cardinal Ridge Apartments	1,200,000.00
26-2490-555996-619080-55MIDCITYHTF	Mid City Towers II	1,200,000.00
26-2490-555996-619080-55LOMAVISTAHTF	Loma Vista Apartments	1,350,000.00
26-2490-555996-619080-55HNELTHTF	HNE Land Tst/Raise New Ind Plz	360,000.00
26-2490-555996-619080-55FOURHOMESHTF	Four Homes Renovations	20,346.00
26-2490-555996-619080-55PAWSPERITY	Trns Housing for Pawsperity	100,000.00
	TOTAL	\$8,530,346.00

Section 6. That the Director of the Housing and Community Development Department is hereby authorized to expend up to \$8,530,346.00 from funds previously appropriated in the Housing Trust Fund, Fund No. 2490 and to negotiate and execute funding agreements with the following contractors:

Developer	Project Name	Award Amount	Budget Account
LCKC Ladd Development Partners, LLC	The Sanford B. Ladd School Redevelopment Project	\$1,500,000.00	26-2490-555996-619080-55SANFORDHTF
9th & Central, LLC	9th & Central Lofts	\$2,800,000.00	26-2490-555996-619080-559CENTRALHTF
The NHP Foundation	Cardinal Ridge Apartments	\$1,200,000.00	26-2490-555996-619080-55CARDINAL2HTF
Missouri Housing Partners, LLC	Mid City Towers II Rehabilitation and Preservation	\$1,200,000.00	26-2490-555996-619080-55MIDCITYHTF
Missouri Housing Partners, LLC	Loma Vista Apartments	\$1,350,000.00	26-2490-555996-619080-55LOMAVISTAHTF
Jerusalem Farm	HNE Land Trust - Raise New Independence Plaza	\$360,000.00	26-2490-555996-619080-55HNELTHTF
Life Unlimited, Inc.	Four Homes Renovations	\$20,346.00	26-2490-555996-619080-55FOURHOMESHTF
Pawsperity	Transitional Housing for Pawsperity Job Training Participants	\$100,000.00	26-2490-555996-619080-55PAWSPERITY

Section 7. That the awards for the Cardinal Ridge Apartments, the Mid-City Towers II Rehabilitation and Preservation, and the Loma Vista Apartments, are conditioned upon the project's receipt of a LIHTC award before December 31, 2025.

Section 8. That if the projects listed in Section 6 are not awarded LIHTC before December 31, 2025, the funds appropriated in Section 5 to these projects shall be reduced to zero and returned to the Unappropriated Fund Balance of the Housing Trust Fund, Fund No. 2490.

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Section 9. That the City Manager is hereby directed to work with the Housing Trust Fund Board to reevaluate unawarded Round 5 applicants using reprogrammed Round 5 dollars pursuant to Section 8, and any previously reprogrammed dollars from previous rounds. The City Manager shall provide technical assistance as necessary to applicants.

Section 10. That all contracts funded with appropriations from the Housing Trust Fund in this ordinance are to include a requirement that projects 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

Section 11. That the Manager of Procurement Services is authorized to execute Funding Agreements for Projects set forth in Section 3 as negotiated by the Director of the Housing and Community Development Department that complies, when applicable, with the Missouri Prevailing Wage Law and any applicable provisions of the City's Contracting Program Requirements set out in Article IV, Chapter 3, Code of Ordinances. Further, the Funding Agreement shall prohibit the use of any HTF funding for the repayment of any preexisting debt or repayment for services or work performed prior to the execution of the funding agreement and must require the disclosure of total funding sources and projected costs and periodic reporting of project progresses.

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.



William Choi
Interim Director of Finance

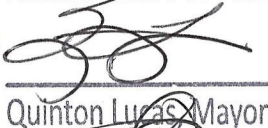
Approved as to form:



Joseph A. Guarino
Senior Associate City Attorney



Authenticated as Passed


Quinton Lucas, Mayor

Marilyn Sanders, City Clerk

SEP 11 2025

Date Passed