City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250237
Submitted Department/Preparer: Finance
Revised 01/30/25

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in Administrative Regulation (AR) 4-1.

Executive Summary

Authorizing the issuance of Taxable General Obligation Bonds, Series 2026B, in a principal amount not to exceed $15,000,000; prescribing the form and details; providing for levy and annual collection of an annual tax for paying the principal and interest, authorizing certain other documents and actions connected with issuance, and recognizing this ordinance having an accelerated effective date.

Discussion

On November 8, 2022, qualified voters authorized $50 million of general obligation bonds for the rehabilitation, renovation, and construction of houses and buildings, including blight removal, to provide affordable housing for very low-to-moderate-income households (the " Affordable Housing Question ").

This will be the third issuance to provide funds to undertake activities pertaining to this question. The City has previously issued $24,955,000 aggregate principal amount of general obligation bonds so authorized at the 2022 Election by approval of the Affordable Housing Question to finance a portion of the Affordable House Project

The Series 2026B Bonds are being issued in the aggregate principal amount not to exceed $15,000,000 for the purpose of providing $12.5 million in accordance with the guidelines set forth in the Affordable Housing Trust Fund.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☒ Yes ☒ No

2. What is the funding source?
   Proceeds from the sale of Taxable General Obligation Bonds, Series 2026B.

3. How does the legislation affect the current fiscal year?
   Passage of this ordinance will authorize a bond issuance to reimburse the City for previously appropriated funds. Debt service payments on the bonds will begin in FY 2027 from ad valorem taxes. Bond issuance costs will be paid with bond proceeds.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

   Yes. At an interest rate of 6.92% and the aggregate principal amount of $12,500,000, debt service is expected to average $1.18 million per year for 20 years

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   Yes, bond proceeds are transferred to the Housing Trust Fund which provides additional funding for Affordable Housing projects.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No

2. This fund has a structural imbalance. ☐ Yes ☒ No

3. Account string has been verified/confirmed. ☒ Yes ☐ No

Additional Discussion (if needed)
Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the [Adopted 2025-2029 Citywide Business Plan]

2. Which CWBP goal is most impacted by this legislation?
   Housing and Healthy Communities (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

- ☒ Utilize planning approaches in neighborhoods to reduce blight, ensure sustainable, affordable housing, and improve resident wellbeing and cultural diversity.
- ☒ Maintain and increase housing supply to meet the demands of a diverse population.
- ☐ Address the various needs of the City's most vulnerable population by working to reduce disparities.
- ☐ Promote healthy residents by ensuring basic sanitation and living needs are met.
- ☒ Ensure all residents have safe, accessible, quality housing by reducing barriers.
- ☐ Protect and promote healthy, active amenities such as parks and trails, play spaces, and green spaces.

Prior Legislation

Committee Substitute for Ordinance 220663 authorized the election in which voters approved the issuance of $50,000,000 for the rehabilitation, renovation, and construction of houses and buildings, including blight removal, to provide affordable housing for very low-to-moderate-income households

Ordinance 240227 approved $12.5 million issuance of Taxable General Obligation Bonds, Series 2024B for funding of Question 2 (Affordable Housing) purposes.

Ordinance 250174 approved $12.5 million issuance of Taxable General Obligation Bonds, Series 2025B for funding of Question 2 (Affordable Housing) purposes.

Service Level Impacts

This ordinance will provide authorization to issue bonds to fund projects that promote affordable housing in Kansas City, Missouri.

Staff Recommendation

Click or tap here to enter department.

Select One: ☐ Sponsored
☐ Directive: Res/Ord # Click to enter Res/Ord. No.

Select One: ☒ Recommend
☐ Do Not Recommend
☐ Not Applicable

Click or tap here to provide reasoning.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   The removal of blight and substandard properties directly remove hazardous housing and neighborhood conditions from local environments, while access to quality housing is integral in safely meeting the basic human need for shelter.

2. How have those groups been engaged and involved in the development of this ordinance?
   Voters approved the general bond authorization in 2022.

3. How does this legislation contribute to a sustainable Kansas City?
   Providing neighborhood stabilization, revitalization, and community investment promotes long-term economic sustainability and housing as a human right and as part of holistic neighborhood reinvestment.

4. Does this legislation create or preserve new housing units?
   Yes (Press tab after selecting)

   Total Number of Units This is part of a larger effort to to promote, preserve and create long term affordable housing for extremely low, very low and moderate income households, to pre-serve the affordability of neighborhoods by preventing large scale displacement of residents, providing homeownership opportunities, preservation of affordable housing through the rehabilitation of small and large rental housing develop-ments, removing blight and substandard properties through the renovation of va-cant properties and structures, tenant/landlord initiatives that help keep housing affordable, rental assistance and/or capacity grants for the purpose of creating ad preserving housing.
   Number of Affordable Units Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and

Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)
Please provide reasoning why not:
The process is now performed by Procurement of the General Services Department

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

   No(Press tab after selecting)

   Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
   No(Press tab after selecting)