COMPARED VERSION
COMMITTEE SUBSTITUTE TO ORIGINAL ORDINANCE

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 260836

Accepting the recommendation of the Housing Trust Fund Advisory Board for additional funding in the amount of $1,345,000.00 to the Mohawk at 15th Street project; appropriating $1,345,000.00 from the Unappropriated Fund Balance of the Housing Trust Fund, Fund No. 2490; authorizing the Manager of Procurement Services to execute the necessary documents to amend the funding agreements and expend up to $1,345,000.00 from the funds appropriated in the Housing Trust Fund; ~~and designating requisitioning authority.~~reducing the existing appropriation for the 29th & Belleview Townhomes project by $652,186.00 and returning said funds to the Unappropriated Fund Balance of the Housing Trust Fund, Fund No. 2490; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, on December 16, 2024, the Housing Trust Fund Board adopted a Budget Modification Policy in response to increased construction costs, materials and trade labor with no change to scope and design allowing previously awarded projects to make additional funds requests; and

WHEREAS, Grayson Capital, LLC, proposed the development of Mohawk at 15th Street, located at 1531 Holmes Road, for the new construction of one-hundred ninety (190) total units, of which thirty-eight (38) will be low-income; and

WHEREAS, Mohawk at 15th was awarded $925,000.00 through Ordinance No. 240811 under Round 4 of the Housing Trust Fund program to support the development of Mohawk at 15th Street; and

WHEREAS, the Developer subsequently identified a need for additional funding due to increases in construction costs, materials and trade labor and the Housing Trust Fund Board voted unanimously on August 24, 2026, to grant this additional funding request to the Developer; and

WHEREAS, the Mohawk at 15th project submitted a subsequent Budget Modification Request under the established Board policy to offset construction costs, materials and trade labor with the project; and

WHEREAS, the Housing Trust Fund Board unanimously recommended the approval of the Budget Modification request, providing an additional $1,345,000.00 for the project; and

WHEREAS, the Housing Trust Fund Board desires to encourage the Developer to carry out the project;

WHEREAS, Hispanic Economic Development Corporation ("HEDC") was awarded $360,000.00 for the 29th & Belleview Townhomes project through Ordinance No. 230084 under

Round 2 of the Housing Trust Fund program to support a downpayment assistance program for nine affordable townhomes; and

WHEREAS, by Ordinance No. 250869, HEDC was granted an additional $292,186.00 for the 29th & Belleview Townhomes project due to increased construction costs and inflationary pressures, bringing the total Housing Trust Fund award for the project to $652,186.00; and

WHEREAS, HEDC subsequently submitted a Budget Modification Request seeking to convert the original downpayment assistance grant to a loan, eliminate the downpayment assistance component of the project, redirect the funds to construction costs, and increase the total award by an additional $292,186.00; and

WHEREAS, the Housing Trust Fund Board considered the request and unanimously voted to deny it, finding that the request would fundamentally change the scope of the originally funded project, that the resulting per-affordable-unit investment would substantially exceed comparable Housing Trust Fund investments, and that the project's financial projections raised significant concerns regarding the likelihood of repayment; and

WHEREAS, HEDC has not drawn down any of the $292,186.00 previously appropriated to the project by Ordinance No. 250869; and

WHEREAS, the Housing Trust Fund Board recommends that the $652,186.00 previously appropriated to the 29th & Belleview Townhomes project be returned to the Unappropriated Fund Balance of the Housing Trust Fund for future allocation; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the budget modification recommendation of the Housing Trust Fund Advisory Board, regarding the Mohawk at 15th project, that was issued August 24, 2026, is hereby accepted.

Section 2. That the amount of $1,345,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Housing Trust Fund, Fund No. 2490 to the following account:

27-2490-555996-619080-55MOHAWK —— Mohawk at 15th St—_____ $1,345,000.00

Section 3. That the Manager of Procurement Services is authorized to execute the necessary documents to amend the aforementioned funding agreements and expend up to $1,345,000.00 from the funds appropriated in Unappropriated Fund Balance of the Housing Trust Fund herein.

Section 4. That the Director of the Housing and Community Development Department is designated requisitioning authority for Account No. 27-2490-555996.

Section 5. That the Housing Trust Fund Advisory Board's denial of the Budget Modification Request submitted by Hispanic Economic Development Corporation for the 29th &

Belleview Townhomes project is hereby accepted, and that the appropriation in the following account of the Housing Trust Fund, Fund No. 2490, is hereby reduced by the following amount, with said amount returned to the Unappropriated Fund Balance of the Housing Trust Fund, Fund No. 2490:

27-2490-555996-619080-55BELLEHTF HEDC 29th Belleview Townhomes $652,186.00

Section 6. That this ordinance, relating to the appropriation of 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, 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.

_____
Brenton Siverly
Director of Finance

Approved as to form:

_____
Joseph A. Guarino
Senior Associate City Attorney