



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250290

Submitted Department/Preparer: Housing

Revised 6/10/24

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 Manager of Procurement Services to execute a contract extension and funding agreement with Santa Fe Area Council for the continued rehabilitation of existing homes previously approved by council; authorizing the Director of Housing and Community Development Department to execute this contract in the amount of \$454,754.19 funded from previously expended city funds on account with a disbursement agent in the amounts of \$273,437.74 of Central City Economic Development Fund dollars and \$181,316.85 of Maintenance Reserve Fund dollars.

Discussion

Section 67.1305 of the Revised Statutes of Missouri authorizes the City to impose a retail sales tax not to exceed one-half of one percent if the imposition of such a retail sales tax is submitted to, and then approved by, a majority of votes cast; and

On April 4, 2017, pursuant to authority granted by Section 67.1304, RSMo, a majority of Kansas City, Missouri voters approved a new 1/8 of one percent retail sales tax for funding economic development projects within the area bounded by 9th Street on the north, Gregory Boulevard on the south, Paseo Boulevard on the west and Indiana Avenue on the east; and

The project serves a predominantly public municipal purpose because, without limitation, completion of the project (i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; and (vi) furthers the City's policy of encouraging economic stability and growth; and

The City desires to encourage the Developer to carry out the project for the purpose of realizing these predominantly public purposes by entering into an agreement to contribute certain revenues in an amount needed to cause the project to be undertaken and attract the necessary private investment; and

On December 17, 2020, the City Council passed Ordinance No. 200997 which accepted the Board's recommendation to negotiate and execute a Funding Agreement with Santa Fe Neighborhood Council in the amount of \$610,000.00 for the purpose of rehabilitation of existing homes including administrative fees and liaison expenses to be paid from funds previously appropriated to Account No. 21-2200-578998-B-57Fe, the Central City Economic Development Sales Tax fund; and

On May 6, 2021, the City Council passed Ordinance No. 210379 which: (1) authorized the Santa Fe Neighborhood Council's housing rehabilitation program using \$300,000.00 of Maintenance Reserve Corporation Funds to support eligible rehabilitation expenses for low-to-moderate income homeowners in the Santa Fe Neighborhood and (2) authorized the Director of Neighborhoods and Housing Services Department to enter into a contract with Santa Fe Neighborhood Council (in partnership with Arvest Bank) using funds previously appropriated to Account No. AL-6930-572127-B, the Maintenance Reserve Fund; and

Previously appropriated funds from the Central City Economic Development Fund and Maintenance Reserve Fund were unexpended prior to contract end date on or before December 17, 2023; and

The unique rehab grant faced the following challenges, including City-staff turnover at the beginning of the project that made adherence to city processes and rules more difficult, and challenges with securing a general contractor; and

The rehabilitation of ten houses has been completed, with five more houses yet to be completed; and

The new contract will allow for \$40,000.00 to be used for support program management rather than an inspector budget line item; and

Contract expiration necessitates the execution of a new funding agreement for use of remaining dollars.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?

Central City Economic Development Sales Tax Fund 2200
Maintenance Reserve Fund 6930

3. How does the legislation affect the current fiscal year?

There is no affect to the current fiscal year

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

There is no affect on the future fiscal years

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

NO

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 housing, and improve resident wellbeing and cultural diversity.
- Maintain and increase affordable 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.

- Foster an inclusive environment and regional approach to spur innovative solutions to housing challenges.
- 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

Ordinance 200997 and 210379

Service Level Impacts

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Other Impacts

1. What will be the potential health impacts to any affected groups?
NA
2. How have those groups been engaged and involved in the development of this ordinance?
NA
3. How does this legislation contribute to a sustainable Kansas City?
(i) enhances the tax base of the Project Site; (ii) retains and generates jobs; (iii) promotes economic development in the area of the City in which the Project

Site is located, and promotes consideration of areas of the City that the City Council has determined to be blighted as a location for business operations; (iv) results in generation of tax revenues to the City from the conduct of business and other activities in the City that would otherwise occur; (v) serves as a catalyst for additional investment in and further redevelopment and rehabilitation of the area of the City in which the Project Site is located; and (vi) furthers the City's policy of encouraging economic stability and growth

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

Total Number of Units 20
Number of Affordable Units 20

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:
N/A

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

No (Press tab after selecting)

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