City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250713
Submitted Department/Preparer: Mayor/Council's Office
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 City Manager to execute the First Amendment to the Revolving Loan Fund Agreement with the Kansas City EDC Loan Corporation (the "EDCLC") to provide $400,000.00 in funding for a multifamily project at 9th and Central; estimating City Surplus Tax Increment Financing (TIF) revenue in the amount of $2,400,000.00 in the General Fund and appropriating same; authorizing the City Manager to enter into a Cooperative Agreement with EDCLC to provide funding to the Project in the amount of $2,400,000.00; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

Discussion

EDC Loan Corporation ("EDCLC") is a nonprofit corporation specializing in the origination and underwriting loans for development projects in Kansas City. The City is supportive of the mixed-use development including mixed-income housing and renovation of historic properties in the downtown loop. 9th and Central, LLC ("Developer") is working to redevelop two vacant historic office buildings at 9th and Central to create 192 units with 49% of units being committed to serve residents at 30%-80% area median income, amenity space, and non-profit commercial office space ("Project").

The Project serves a public purpose through its creation of affordable mixed-income housing, renovation of historic buildings, and non-profit commercial office space. The Developer is requesting a 15-year loan of $2,800,000.00 to secure the property and complete the Project. The City entered into a Revolving Loan Fund Agreement with EDLC for the purposes of providing funds for certain development and redevelopment activities and the City Council desires to authorize an amendmen to the agreement to provide for assistance to the Project in the amount of $400,000.00. The EDLC is uniquely positioned to provide much needed gap financing to unlock this impactful Project. The City Council desires to use City Surplus Tax Increment Financing (TIF) revenue pursuant to Section 2-1972, Code of Ordinances, to provide assistance to the Project.

The 1200 Main TIF Plan (Projects 4, 5, and 6) has been approved for termination by the TIF Commission but is pending City Council approval. The Judicial Square TIF Plan (Project 1) has been has been terminated and all funds on deposit in the TIF Special Allocation Fund declared surplus. Surplus funds are pending distribution by the TIF Commission. Receipt of City Surplus TIF Revenue is dependent upon the aforementioned actions by the TIF Commission and City Council.

Fiscal Impact

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

2. What is the funding source?
   General Fund

   Revenue:

26-1000-120000-480560-10_9THCENTRAL	Contr TIF District – Midtown	$323,891.20
26-1000-120000-480560-10_9THCENTRAL	Contr TIF District - Summit	302,742.33
26-1000-120000-480560-10_9THCENTRAL	Contr TIF District -1200 Main	1,735,450.00
26-1000-120000-480560-10_9THCENTRAL	Contr TIF District - Judicial Square	37,916.47
	TOTAL	$2,400,000.00

   Expense:

26-1000-105013-B-10_9THCENTRAL	9th and Central	$2,400,000.00

3. How does the legislation affect the current fiscal year?
   This legislation estimates $2,400,000 in revenue and appropriates the same for the purpose of executing an agreement with EDCLC.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   There is no direct fiscal impact on future fiscal years.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   Yes, this ordinance proposes the use of surplus TIF revenue

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)
This ordinance estimates revenue and appropriates the same amount for the purpose of executing an agreement with EDCLC.

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

230889, 250596

Service Level Impacts

The project will create 192 new units.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   Click or tap here to enter text.

2. How have those groups been engaged and involved in the development of this ordinance?
   Click or tap here to enter text.

3. How does this legislation contribute to a sustainable Kansas City?
   Click or tap here to enter text.

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

   Click or tap here to enter text.
   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.

   Please Select (Press tab after selecting)

   Click or tap here to enter text.

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)