



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 250208

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

Fully capitalizing Parade Park Homes Phase 1; authorizing the City Manager to negotiate and execute a contract with FC Parade Park LLC substantially similar to the attached Memorandum of Understanding; directing the Housing Trust Fund to provide a loan to FC Parade Park LLC for development of affordable housing; directing the City Manager to execute a contract providing funds from the Central City Economic Development sales tax; reappropriating previously appropriated funds; and recognizing this ordinance as having an accelerated effective date.

### Discussion

Kansas City is facing an affordable housing crisis that requires innovative financing solutions to address the needs of its residents. Fully capitalizing the Parade Park Homes Phase 1 development is essential to creating quality affordable housing and revitalizing a historic neighborhood.

The Housing Trust Fund (“HTF”) was established to provide financing for the preservation and production of affordable housing for very low-income to moderate-income households.

Pursuant to Committee Substitute for Ordinance No. 231038, in March of 2024, the City obtained from the Department of Housing and Urban Development and then conveyed to FC Parade Park LLC the properties known as Parade Park Homes. FC Parade Park LLC has undertaken extensive efforts to secure financing for the redevelopment of Parade Park Homes, including private equity, tax credits, private debt, philanthropic contributions, and other governmental sources. FC Parade Park LLC intends to develop Parade Park Homes Phase 1 to include 240 units serving households below 60% of Area Median Income and 240 units serving households below 80% of Area Median Income.

The provision of a loan from the HTF will make possible the development of affordable housing at Parade Park Homes and will ultimately result in the replenishment of the HTF for future affordable housing projects.

The City has an obligation to the Department of Housing and Urban Development to ensure the successful redevelopment of Parade Park Homes as part of the terms of acquisition and subsequent transfer. The residents of Parade Park Homes have a right to return to the revitalized development, but are currently in the midst of relocation, making it essential to proceed expeditiously to provide them with stable, long-term housing.

The City wishes to establish a mechanism to provide ongoing financial support for FC Parade Park LLC while incentivizing other jurisdictions and private philanthropic entities to contribute to the project. The City wishes to establish a fund for future phases of the Parade Park Homes development. The City previously appropriated \$2,000,000.00, which remains unspent, for the demolition of dangerous structures at Parade Park Homes.

## Fiscal Impact

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

2. What is the funding source?

Housing Trust Fund (2490)

This ordinance directes the negotiation and execution of a no-interest loan agreement in the amount of \$12,000,000 from existing unallocated appropriations and appropriations from FY 2025-26 bond proceeds

25-2490-552045-B

25-2490-555996-B-55BUDGET

Central City Economic Development Fund (2200)

This ordinance expresses the Council's support for an award of \$5,000,000 from the CCED sales tax in FY 2025-26

25-2200-555998-B-55BUDGET

Genearl Fund (1000)

25-1000-572340-B Dangerous Building Demolition (\$2,000,000)

25-1000-575333-B-57PARADE Parade Park Homes

\$2,000,000

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

This legislation reduces an existing appropriation in the General Fund by \$2,000,000 and appropriates the same from the Unappropriated Fund Balance of the General Fund

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

Yes, it proposes using appropriations from FY 2025-26 Bond Proceeds in the Housing Trust Fund, and expresses the Council's support for \$5,000,000 in

funding from the Central City Economic Development Sales Tax Fund. This is a one-time allocation for Phase I of this project but the City wishes to establish a fund for future phases of this development project.

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

This funding will be used to leverage of the gap of the Parade Park redevelopment project for Phase I.

**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 would appropriate from the Unassigned General Fund balance, which currently has \$276.0 million available as of 03/03/2025. The three-month reserve target for Assigned General Fund balance is \$197.6 million. The two-month reserve target for Committed General Fund balance is \$134.4 million. Since this ordinance reduces an existing appropriation by \$2,000,000 and appropriates the same, the net impact to the General Fund fund balance is \$0. The Housing Trust Fund will have unexpended and unencumbered appropriations sufficient to fulfill the loan amount proposed in Section 2 through the use of existing appropriations and future appropriations consistent with FY 2025-26 Bond Proceeds.

**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

Committee Substitute for Ordinance No. 231038

## Service Level Impacts

Development of Parade Park Homes with 240 units serving households below 60% of Ara Median Income and 240 units serving below 80% of Area Median Income.

## Other Impacts

1. What will be the potential health impacts to any affected groups?  
Improved and affordable housing will impact the health and wellbeing of all residents
2. How have those groups been engaged and involved in the development of this ordinance?  
Parade Park has given notice and engaged with all residents.
3. How does this legislation contribute to a sustainable Kansas City?  
This contributes to the city's affordable housing infrastructure.
4. Does this legislation create or preserve new housing units?  
No (Press tab after selecting)

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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:

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)