City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250402
Submitted Department/Preparer: Finance
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

Estimating and appropriating revenue in the amount of $4,166,667.00 for the purpose of providing funds for the Olive Street / Promise Place housing project; designating requisitioning authority; authorizing the Director of Finance to close project accounts upon completion; declaring the intent of the City to reimburse itself from the bond proceeds for certain expenditures; and recognizing this ordinance as having an accelerated effective date.

Discussion

The funding previously allocated for Forest Street Housing is no longer needed and the City Council desires to reallocate $1.5 million previously committed to Forest Street Housing to Olive Street Housing/Promise Place. The gap in funding for the Olive Street/Promise Place housing project persists and the City Council desires to issue taxable special obligation bonds in Fiscal Year 2026 to fund up to $4,166,667.00 of project costs so long as the developer has applied for tax abatement/incentives pursuant to the requirements of Committee Substitute for Ordinance No. 210696. That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in Section 2, (the "Appropriation") with the proceeds of bonds expected to be issued by the City.

Fiscal Impact

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

2. What is the funding source?
   Shared Success Fund over a 20-year life to be used for repayment of taxable special obligation bonds up to $4,166,667.00

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

This legislation estimates revenues in the 2026A Taxable Special Obligation Bond Fund and appropriates it towards Promise Place-Olive Street Housing in the amount of $4,166,667.00.

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

This will be a recurring costs. In the event that the Shared Success Fund does not have sufficient funds to repay the 20-year debt service, then any legally available revenue source of the City will be used.

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

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 No. 210695
Ordinance No. 210696

Service Level Impacts

In the event the debt service repayment source, in this case the Shared Success Fund, does not have sufficient funding to repay the 20-year debt service then any legally available revenue source of the City could be used for repayment. If this were to happen, this could impact the service levels impacts of the funds that would be used as a repayment source.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   This ordinance would provide affordable housing and would help fulfill the goals of the City's adopted Housing Plan.

2. How have those groups been engaged and involved in the development of this ordinance?
   No

3. How does this legislation contribute to a sustainable Kansas City?
   This ordinance would provide affordable housing and would help fulfill the goals of the City's adopted Housing Plan.

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

   Total Number of Units This ordinance would provide affordable housing and would help fulfill the goals of the City's adopted Housing Plan.
   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:

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)