



Legislation Text

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COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 220642

Accepting the recommendations of the Housing Trust Fund Advisory Board; appropriating \$7,953,360 from the Unappropriated Fund Balance in the Housing Trust Fund; authorizing the Director of the Housing and Community Development Department to execute various funding agreements and expend up to \$7,953,360 from funds appropriated in the Housing Trust Fund; and requiring certain contract provisions.

WHEREAS, on December 20, 2018, by Committee Substitute for Ordinance No. 180719, the City Council established the Housing Trust Fund to implement neighborhood revitalization, housing development, and preservation projects proposed by the City and in coordination with private developers that are undertaking projects in alignment with the City's Housing policy; and

WHEREAS, on June 20, 2019, by Committee Substitute for Resolution No. 190022, the City Council adopted the Five-Year Housing Policy, which set forth five bold ideas to include the creation/preservation of 5,000 additional single family and multifamily housing units by December 2023 and to establish a \$75 million catalytic housing development (trust) fund to create and preserve units; and

WHEREAS, on May 27, 2021, by Ordinance No. 210392, the City Council adopted the City's stimulus spending plan "RecoverKC" in which the City Council allocated \$12,500,000.00 to the Housing Trust Fund; and

WHEREAS, on November 4, 2021, by Committee Substitute for Ordinance 210873, As Amended, the City Council amended Section 2-1693, "Housing Trust Fund" and replaced it with a new Section 2-1693 for the purpose of establishing the Housing Trust Fund Board to review Housing Trust Fund applications, with reporting requirements, funding allocation direction and prioritization of fund use; and

WHEREAS, Section 2-1693(c)(3) sets forth the following funding minimum allocations in determining awards to applicants:

- (a) A minimum of 20% of awards shall be made for Affordable Rental Preservation, at or below 60% AMFI.
- (b) A minimum of 20% of awards shall be made for Affordable Rental Creation, at or below 60% AMFI
- (c) A minimum of 10% of awards shall be made to create/support Dedicated Transitional Housing and Permanent Supportive Housing for the Homeless; and
- (d) A minimum of 10% of awards shall be made for Homeownership support programs and/or retention programs for residents at income levels below 60% AMFI. Programs that provide a

path for resident tenants to transition to ownership shall be eligible; and

WHEREAS, Section 2-1693(c)(4) sets forth the following maximum awards to each project based on percent of total development costs:

(a) The maximum award given to for-profit developers is 20% of the development cost (loan) or 10% for a grant.

(b) The maximum award given to non-profit developers is 30% of the development cost (loan) or 15% for a grant; and

WHEREAS, the Housing Trust Fund Advisory Board was to prioritize projects that maximize:

(a) Total number of months of affordability, with longer periods of guaranteed affordability given higher priority

(b) Affordability threshold, with higher priority for projects at that serve very low income (50% of Area Median Family Income (AMFI) and extremely low income (30% of Area Median Family Income) households;

(c) Number of affordable units created per HTF dollar invested; and

(d) Projects which include a higher percentage of units suitable for families (2 or more bedrooms); and

(e) Social housing opportunities such as cooperatives, community land trusts, and other options that allow for long-term community affordability; and

WHEREAS, 26 applications were received in response to the Housing Trust Fund RFP that was released on March 3, 2022 and closed on April 28, 2022; and

WHEREAS, the Housing Trust Fund Advisory Board met five times between April and July to review and prioritize applications, ultimately reaching a unanimous recommendation for the Council, which is reflected in this ordinance; and

WHEREAS, in addition to the priorities named in the ordinance, the Housing Trust Fund Advisory Board considered project readiness, creativity, capacity of applicant, financial feasibility, household income requirements, affordability, and the overall impact on the housing stock in their review of applications; and

WHEREAS, the allocation plan recommended by the Housing Trust Fund Advisory Board would support the creation or preservation of 456 affordable homes, for an average investment of \$23,159 from the Housing Trust Fund per unit; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the recommendations of the Housing Trust Fund Advisory Board from the Housing Trust Fund RFP that was issued on March 3, 2022 are hereby accepted.

Section 2. That the sum of \$7,953,360.00 is hereby appropriated from the Unappropriated Fund Balance in the Housing Trust Fund, Fund 2490:

23-2490-552046-B Economic Development \$7,953,360.00

Section 3. That the Director of the Housing and Community Development Department is hereby authorized to expend up to \$7,953,360 from funds appropriated to the Housing Trust Funds in Fund No. 2490, and to negotiate and execute funding agreements with the following contractors:

|   |                   |
|---|-------------------|
| Palestine Economic Development Corporation-Palestine Gardens North Rehabilitation | \$1,700,000.00    |
| Parade Park Homes-Parade Park   | 350,000.00        |
| Missouri Housing Partners, LLC-Greenwood Senior Apartments                        | 500,000.00        |
| Missouri Housing Partners, LLC-Blue Hills Townhomes                               | 600,000.00        |
| Ivanhoe Neighborhood Council-Garfield East Senior Cottages                        | 370,360.00        |
| The Lykins Neighborhood Trust-Lykins Neighborhood Trust                           | 383,000.00        |
| Amethyst Place-Amethyst Place Expansion at 2770 Tracy                             | 500,000.00        |
| Ivanhoe Neighborhood Council-Heroes Home Gate Campus                              | 725,000.00        |
| The Whole Person, Inc.-The Prospect at 35th                                       | 1,000,000.00      |
| KC MASS Services, LLC-Synergy Services Domestic Violence Housing                  | 750,000.00        |
| Community LINC-Community LINC Housing Proof of Concept                            | 161,000.00        |
| Westside Housing Organization-Health and Environmental Resiliency                 | 350,000.00        |
| Habitat for Humanity Kansas City-Revitalization Homeownership Project             | 114,000.00        |
| Marlborough Community Land Trust-Marlborough Townhomes                            | <u>450,000.00</u> |
| TOTAL   | \$7,953,360.00    |

Section 4. That all Housing Trust Fund contracts are to include a requirement that:

(a) projects (and associated spending of Housing Trust Fund dollars) must start within 12 months of contract execution, or else the funds must be returned to the City to be used in future Housing Trust Fund allocations.

(b) Contractors are to provide a monthly status report and narrative on the challenges, if any, on the status of the project due to the requirements in the American Rescue Plan.

Section 5. That the Housing Trust Fund contract with Parade Park Homes is only authorized if the Director of Housing and Community Development determines that Parade Park Homes has entered into a contractual relationship with a developer, consistent with the direction provided in Ordinance No. 220184, which previously authorized funds for the redevelopment of affordable units at Parade Park Homes and included the same contingency.

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.

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Tammy L. Queen  
Director of Finance

Approved as to form and legality:

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Joseph Guarino  
Assistant City Attorney