

ORDINANCE NO. 200815

Accepting the recommendation of the Central City Economic Development Sales Tax Board and authorizing the Director of Neighborhoods and Housing Services to enter into a contract with Community Capital Fund (CCF) in the amount of \$500,000.00 to provide immediate relief within the Central City Economic Development (CCED) Sales Tax District from extreme economic hardship as a result of the COVID-19 pandemic.

WHEREAS, 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 the votes cast; and

WHEREAS, on April 4, 2017, pursuant to authority granted by Section 67.1305, 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, Martin Luther King, Jr. Boulevard on the west and Indiana Avenue of the east, known as the Central City Economic District (“CCED District”); and

WHEREAS, on March 12, 2020, a proclamation of a state of emergency (the “Proclamation”) was issued by Mayor Quinton Lucas to allow the City of Kansas City to take measures to reduce the possibility of exposure to COVID-19 and promote the health and safety of Kansas City residents, along with an accompanying order which has been amended numerous times; and

WHEREAS, these orders, while necessary to promote the health and safety of residents, have impacted the financial stability of community members of the CCED District within the City; and

WHEREAS, after issuing an RFP and considering all submitted proposals, the Central City Economic Development Sales Tax District Board (“Board”) selected CCF to establish an Essential Services Program with \$500,000.00 from the Central City Economic Development Sales Tax Fund to provide CCED funds to preserve neighborhoods within the CCED District (the "Program"), ensuring that residents hit hardest by the pandemic are less likely to be displaced due to COVID-19 Pandemic

WHEREAS, Council believe that stabilizing neighborhoods and providing resources for residents to stay in their homes stabilizes and contributes to the economic development in an area, by preserving the tax base in the region, fostering spending within its boundaries, and reducing vacant residences; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Neighborhood and Housing Services is authorized to enter into a contract with CCF to establish an Essential Services Program for residents

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in the CCED District in the amount of \$500,000.00 from funds appropriated to Account No. 21-2200-572047-B for the purpose of preserving the tax base of the district, fostering spending within its boundaries, and preserving economic development (“Essential Services Fund”). A copy of the contract in substantial form is attached as Exhibit A.

Section 2. That the contract authorized by Section 1 shall require, at a minimum, the following elements:

- a. Contractor will administer the Essential Services Program marketing, application, selection, award, and evaluation processes in connection with the Essential Services Fund and will deploy CCED Funds to selected residents who meet the following eligibility requirements:
 1. Be a resident within the CCED Sales Tax District, as evidenced by two forms of proof of residence.
 2. Submit necessary supporting documents to demonstrate financial hardship, including an unemployment letter or dated letter from employer stating furlough/layoff/termination/reduction of hours and/or a notice of eviction/foreclosure.
 3. Priority will be given to applicants who are unemployed and currently not receiving unemployment benefits and can demonstrate great potential of being displaced.
- b. The program Fund will be used to provide immediate relief, such as assistance with rent and mortgage expenses, utility payments, access to food, and/or hotel and transportation expenses, for residents within the CCED District that are experiencing economic hardship caused by the COVID-19 pandemic and who may not qualify for other forms of financial relief. Funding allocated to the Essential Services Fund will also be utilized to support neighborhood preservation efforts to prevent codes violations for residents unable to address necessary upkeep of homes and property.
- c. Applications will be accepted in written, hardcopy form and electronically. In the event the applicant is not capable of submitting an electronic application, Contractor will provide alternative options.
- d. Recipients must have a physical residence within the CCED District boundaries.
- e. Recipients must demonstrate a hardship related to reduction of income and/or increase of expenses directly related to the COVID-19 pandemic.

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- f. Household income of the recipient cannot exceed 80% of Area Median Income as set by the Department of Housing and Urban Development.
- g. Priority will be given to residents who are:
 - 1. unemployed and currently not receiving unemployment benefits,
 - 2. able to prove past employment in industries hit hardest by the COVID-19 pandemic.
- h. Contractor will also administer a portion of funds from the Essential Services Fund to manage an effort to facilitate activities to retain residents, preserve neighborhoods, and foster economic development within the CCED District (the “Community Stabilization Fund”) to be utilized by neighborhood associations registered with the City who have:
 - 1. Certificate of Good Standing with the Secretary of State of Missouri,
 - 2. Capacity to manage project for at-risk residents.

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.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Katherine Chandler
Associate City Attorney