

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180719

Amending Chapter 2, Article XI, Finances, Division 4, Manual of Accounting, of the Code of Ordinances by enacting a new Section 2-1693 entitled Housing Trust Fund.

WHEREAS, in November, 2017, the City Council passed unanimously Resolution No. 170825 that directed the City Manager to provide information on the overall state of housing policy at the federal, state and local levels; and

WHEREAS, Resolution No. 170825 also directed the development of a report on the overall state of housing resources, housing policy, programs and funding options for the City, including the role of affordable housing in the development of the City; and

WHEREAS, this funding source would be leveraged with both private funds and existing public resources to implement the recommendations of the proposed Housing Policy; and

WHEREAS; the Housing Trust Fund shall help 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; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 2, Article XI, Finances, Division 4, Manual of Accounting, of the Code of Ordinances is hereby amended by enacting a new Section 2-1693 entitled "Housing Trust Fund," with intents and purposes as follows:

- (a) To promote, preserve, and create long-term affordable housing for very low, low, and moderate income households;
- (b) To abate large scale displacement of low-and moderate-income persons caused by gentrification, historical trends, or other development;
- (c) To provide opportunities for tenants and/or public entities to purchase rental housing in order to maintain perpetual affordability of that housing;
- (d) To provide broad opportunities for persons to transition from rental to ownership of housing;
- (e) To promote the rehabilitation and avoid, where possible, demolition of housing for low-and moderate-income persons;
- (f) To distribute grants or loans to organizations that promote, retain, or create long-term affordable housing;

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180719

- (g) To distribute “capacity grants” to community development corporations (CDC) and other nonprofit entities exempt from federal income tax obligations under 501(c)(3) of the Title 26 of the United States for the purpose of creating or preserving housing for very low, low, and moderate income households;
- (h) To distribute grants or loans to nonprofit organizations that provide representation in court to the public in housing-related issues, including but not limited to matters involving evictions and the Abandoned Housing Act;
- (i) To promote the general welfare by providing a direct and immediate benefit to the public through aiding low- and moderate-income persons by offering methods to acquire safe and healthy affordable housing benefits as the need is ever present and the federal funding source on which the City has relied for several decades is depleting;
- (j) To promote the general welfare by removing, where possible, blighted, dilapidated and substandard properties from the City’s inventory and offering rehabilitation opportunities, thus reducing the City’s ongoing maintenance costs and adding additional tax revenue for the City;
- (k) To promote the general welfare by stabilizing and improving property values in those areas where property rehabilitation and occupancy of vacant housing occurs and through the creation of jobs through housing rehabilitation and expanding opportunities to leverage additional public and private investments; and
- (l) To aid in blight remediation through the rehabilitation and construction of safe and viable housing for low- and moderate-income persons and to reduce the number of dilapidated and substandard housing.

Section 2. The City shall establish a special revenue account, Fund No. 2490, under the name of the “Kansas City Housing Trust Fund.”

- (a) Into the account shall be deposited amounts generated from the following sources as permitted by the individual funding sources:
 - 1. In-lieu cash payments paid by project developers electing not to build on-site affordable housing units complying with City requirements;
 - 2. Bequests and donations from public and private sources;
 - 3. Upon the recommendation of the Central City Economic Development Sales Tax Board and approval by the City Council,

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180719

funds designated to the “Central City Economic Development Sales Tax” fund and for use only within the geographic boundaries of the tax area, not to exceed more than thirty-three (33) percent of funds collected by the tax;

4. Funds designated to the “Shared Success Fund” and for use only within the geographic boundaries of the fund area;
 5. Funds designated to the “Love Thy Neighbor” fund and for use as designated by the City Manager or his designee;
 6. Funds received through any relevant bond proceeds; and
 7. Any other revenues specifically directed by the City Council to the Housing Trust Fund or to affordable housing efforts.
- (b) Funds collected in the Housing Trust fund may be leveraged with other public and private resources to implement designated housing projects.

Section 3. The responsibilities of the City Manager or her designee, subject to the direction of City Council, shall include:

- (a) Maintaining the financial and other records of the Housing Trust Fund;
- (b) Assisting prospective applicants for Housing Trust Fund support in the preparation and presentation of applications;
- (c) Disbursing and collecting Housing Trust Fund dollars;
- (d) Monitoring the use of monies distributed to successful applicants for Housing Trust Fund support to assure on-going compliance with the purposes of the Fund and the conditions under which the monies were granted or loaned; and
- (e) Reporting periodically, but not less than every six (6) months to the City Council regarding the operation and activity of the Housing Trust Fund.

Section 4. Priority in all disbursements intended for use in acquiring, constructing, rehabilitating, preserving or financing housing units shall be given to projects that guarantee the longest terms of affordability for units created or creation of the greatest total number of affordable units and units that permit long-term residents to remain within the area of the project.

Section 5. The establishment of the Housing Trust Fund shall include a funding leverage strategy to attract private sector development and philanthropic investment dollars.

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180719

Section 6. The Housing Trust Fund shall be subject, by the direction of City Council or at the discretion of the City Auditor, to an audit by the Office of the City Auditor.

Approved as to form and legality:

Nicole Rowlette
Assistant City Attorney