

**FUNDING AGREEMENT
BETWEEN CITY OF KANSAS, MISSOURI
AND WISER KC, LLC**

CONTRACT NO. _____

THE FUNDING AGREEMENT (hereinafter “Agreement,”) made and entered into the _____ this day of _____ 2023, by and between **CITY OF KANSAS CITY, MISSOURI**, a constitutionally chartered municipal corporation of the State of Missouri, hereinafter referred to as "**City**", acting through its Housing and Community Development Department and **WISER KC LLC**, a **Limited Liability Company**, hereinafter referred to as "**CONTRACTOR**", referred to collectively herein as the “Parties,” and consists of two parts:

PART I, SPECIAL TERMS AND CONDITIONS, AND PART II, GENERAL TERMS AND CONDITIONS.

WHEREAS, Contractor owns a complex of apartment building located at 118-146 N. Lawn in Kansas City, Missouri; and

WHEREAS, as new owner, Contractor is planning to make substantial investments to remodel and improve the apartments which have been plagued with many issues for paying tenants for quite some time; and

WHEREAS, the apartment buildings consist mainly of “affordable” housing units, with most tenants paying approximately \$400 per month in rent; and

WHEREAS, the Contractor has begun remodeling and plans to increase the rent by a large sum, which will prevent existing tenants from affording the new rent in such a short amount of time or the means to relocate to other homes; and

WHEREAS, the City of Kansas City, Missouri has been faced with an affordable housing crisis that has led to an increase in the homeless population and increased City spending on related services such as homeless prevention, social services, utility assistance, rental assistance, and mental and other health services exacerbated by the affordable housing crisis; and

WHEREAS, because City encourages Contractor to remediate the buildings to improve the quality of life for not just the tenants, but for the entire neighborhood, City is offering to subsidize eight units for a period of two years to evade evictions; and

WHEREAS, City and Contractor acknowledge and agree that Tenants are a third-party beneficiary of the terms, representations, warranties, and covenants of this Agreement, entitled to enforce the terms of the Agreement as if Tenants were an original party hereto; and

WHEREAS, this Agreement is being executed with the public municipal purpose of preventing homelessness, preventing a further strain on associated social service agencies and

shelters, preventing a further need for funding for these services, improving neighborhood quality of life, reducing blight and improving public health; **NOW, THEREFORE, the parties agree as follows:**

PART I

SPECIAL CONTRACT TERMS AND CONDITIONS

Sec. 1. Attachments/Merger. This Contract consists of **Part I**, Special Contract Terms and Conditions, **Attachment 1**, Responsibilities of Contractor, and any documents incorporated by reference; and **Part II**, Standard Terms and Conditions. This Agreement, including any Attachments and incorporated documents, constitutes the entire agreement between City and Contractor with respect to this subject matter.

Sec. 2. Conflict Between Contract Parts. In the event of any conflict or ambiguity between the Special Contract Terms and Conditions of Part I and the Standard Terms and Conditions of Part II of this Contract, Part I will be controlling.

Sec. 3. Term of Contract. This Agreement shall be for two years _____ and shall begin on April ____, 2023 and shall end no later than April ____, 2025. There shall be no renewals of this Agreement.

Sec. 4. Maximum Compensation and Total Obligation.

A. Maximum Compensation. The maximum amount that City can pay Contractor and the total obligation which may accrue to the city under this Agreement is **Eighty-Six Thousand and Four Hundred Dollars (\$86,400.00)**. The execution and implementation of this Agreement shall not create a general charge upon the General Revenues of the City, as envisioned by Section 82 of the Charter of Kansas City, Missouri.

B. Purchase orders. CITY shall order all Services to be provided by CONTRACTOR under this Contract by means of a Purchase Order issued by the CITY's Manager of Procurement Services for which funds have been certified and encumbered by the City's Director of Finance. CITY shall not have any financial obligation to CONTRACTOR under this Contract until the CITY issues a Purchase Order to CONTRACTOR. CONTRACTOR shall not provide any services in excess of the dollar amount contained in any Purchase Order and CONTRACTOR shall not be entitled to any payment in excess of the dollar amount of the Purchase Orders from CITY.

Sec. 5. Responsibilities of Contractor.

Contractor shall perform the services listed in **Attachment 1, Responsibilities of Contractor**.

Sec. 6. Method of Payment.

A. It shall be a condition precedent to payment of any invoice from Contractor that Contractor is in compliance with, and not in breach or default of, all terms, covenants and conditions of this Agreement. If damages are sustained by City as a result of breach or default by Contractor, City may withhold payments(s) to Contractor for the purpose of set off until such time as the exact amount of damages due City from Contractor may be determined.

B. No request for payment will be processed unless:

(1) The request is in proper form, correctly computed, and is approved as payable under the terms of this Agreement; and

(2) Contractor has provided verification of fulfillment of Contractor responsibilities in terms of rental subsidies (\$450 off each month per rental unit).

C. Disbursement Schedule.

City shall pay Contractor quarterly according to the following disbursement schedule:

1. Upon execution: \$10,800 to cover the first three months of the Agreement.
2. Quarters 2-4: Up to \$10,800, paid upon receipt of request and proof of compliance during the preceding 3 months. City shall not pay for rent subsidies for any units that are no longer occupied due to tenant moving out of subsidized unit.

Sec. 7. Notices. All notices required by this Agreement shall be in writing sent by regular U.S. mail, postage prepaid or commercial overnight courier to the following:

If to City: Darrell Everette, Manager of Procurement Services
General Services Department, Procurement Services
414 E. 12th Street, 1st Floor West
Kansas City, MO 64106
Phone: (816) 513-0798
Darrell.everette@kcmo.org

If to Contractor: NAME
ADDRESS
PHONE
EMAIL

All notices are effective on the date mailed or deposited with courier.

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THIS CONTRACT CONTAINS INDEMNIFICATION PROVISIONS

CITY OF KANSAS CITY, MISSOURI

A Constitutionally Chartered Municipal
Corporation of the State of Missouri

Keely Golden, Procurement Manager (up to \$750K)
Darrell Everette, Manager of Procurement Services (over
\$750K)

WISER KC LLC

A Missouri Limited Liability Company

I hereby certify that I have authority to execute
this contract on behalf of Contractor

By: _____

Name: _____

Title: _____

Approved as to form:

Assistant City Attorney

ATTACHMENT 1

CONTRACTOR RESPONSIBILITIES

Contractor shall:

1. Relocate the tenants in eight units at 118-146 N. Lawn in Kansas City, Missouri to units of comparable size (number of bedrooms) located across the street at 135 N. Lawn, without requiring an application or security deposit to relocate;
2. Relocate the tenants to units that accommodate disability and health issues;
3. Charge no more than \$400 per month per unit to each tenant in the eight units, with City paying \$450 per month for each of those units;
4. Charge no more than a one-time \$40 late fee per month for any late rent payment;
5. Charge no arbitrary fees (pet fees, trash fees, parking fees, lease reinstatement fees, etc.);
6. Maintain the units at 135 N. Lawn in a manner that complies with state and federal law and the City Code of Ordinances, including Health Department inspections through the Healthy Homes Rental Inspection Program;
7. Initiate repairs within three business days after initial report, or within 24 hours in the event of an emergency maintenance issue;
8. Allow tenants to request and provide an interpreter before any entry into the units;
9. Guarantee mail service to the property by registering with the post office and providing all necessary outfitting (mail receptacles, labels, etc.) to the property;
10. Notify City if any of the tenants in the eight units covered under this Agreement are no longer living in the units;
11. Notify City and all tenants as soon as the property is listed as part of any attempted sale;
12. Submit a quarterly request for payment, including a report detailing the payments received from tenants during the preceding three months;
13. Enter into a lease with tenants relocating to 135 N. Lawn that will allow those tenants to remain in the relocated units for a period of one year, as long as the tenants are in compliance with the terms of the lease;
14. Guarantee all formal communications (notices, leases, etc.) must be written in and/or verbally communicated in accessible language and translated/interpreted into the native language of the tenants;
15. Guarantee that no tenant who is party to this agreement shall be evicted during a lease term or receive a lease termination, except if able to establish good cause (material lease violations, fraud, etc.); and
16. In the case of establishing good cause, notify the tenant, in their native language, of any formal eviction filing, and notify City and KC Tenants when the filing is initiated.

FULL TERMS AGREED TO BY WISER

LEASE AND RENEWAL

- Every Tenant who is party to this agreement shall receive a lease for a year-to-year lease, which shall automatically renew upon the expiration of each lease term for a new, year-long lease;
- No Tenant shall be asked to apply in order to qualify for units as part of this agreement;
- In the event of relocation on the same property (118-146 N Lawn) or across the street (135 N Lawn), every tenant who is party to this agreement shall be guaranteed a unit comparable to their current unit;
- Every Tenant who is party to this agreement shall receive a lease and Tenants Bill of Rights that is translated into their native language;
- The Landlord shall notify the Tenant as soon as the property is listed as a part of any attempted sale;
- Should Landlord sell the property, Landlord shall immediately provide contact information for the new owner as soon as it is available, as well as provide notice of the ownership change pursuant to § 535.081 RSMo; and,
- Upon sale, the lease for every Tenant party to this agreement shall remain effective under the new owner.

RENT

- The Landlord shall rent the unit to the every Tenant who is party to this agreement at a monthly rate of \$400, due on the 1st of each month;
- The City of Kansas City, Missouri shall subsidize the rent for the every Tenant who is party to this agreement at a monthly rate of \$450 per unit, and subject to the terms of this agreement;
- The Landlord shall not increase the rent for any Tenant who is party to this agreement during the lease term; and,
- The Landlord shall provide all Tenants with a receipt confirming that Landlord received a rent payment within one week of receiving the Tenant's payment.

DEPOSIT

- Every Tenant who is party to this agreement will be able to sign their lease without putting down a security deposit; and,
- Every Tenant who is party to this agreement who has paid a deposit to the previous Landlord shall be entitled to the return of that deposit upon move out.

FEES

- Rent payments received later than the 5th of each month, are subject to a single late fee of \$40 per month;
- Late fees must be a separate balance than rent fees, and any payment made by the Tenant must first be applied to the rent; and,
- The Landlord shall not charge any Tenant who is party to this agreement pet fees or any other arbitrary fee (pet fees, parking fees, parking fees, lease reinstatement fees, trash fees, etc.) related to the property during the lease term.

UTILITIES AND AMENITIES

- If the Landlord charges utility fees, every Tenant party to this agreement must be notified and agree to flat, fixed monthly rate upon signing of lease;
- The Landlord must guarantee mail service to the property by registering with the post office and providing all necessary outfitting (mail receptacles, labels, etc.) to the property;
- The Landlord must provide regular recycling and trash services;
- The Landlord must provide pest treatments at the Tenants' request; and,
- Shared spaces such as parking lots, hallways, community rooms, etc. shall be well-maintained by the Landlord and open to all Tenants during reasonable hours.

EVICITION

- No Tenant who is party to this agreement shall be evicted during a lease term or receive a lease termination, except in extenuating circumstances that are defensible in court; and,
- Any formal eviction filing, in the case of establishing good cause, must coincide with a notification to the Tenant, in their native language, of their right to counsel. The Landlord must also notify the City and KC Tenants when the filing is initiated.

HOUSING CONDITIONS, REPAIRS, AND MAINTENANCE

- The Landlord must pass a health inspection for all units that will be rented per this agreement;
- The Landlord must not retaliate in any way against a Tenant for reporting a maintenance issue;
- The Landlord must provide Tenant written or verbal acknowledgement of received maintenance request within 24 business hours;
- Maintenance must initiate repair within three business days after initial report; 24 hours in the event of an emergency maintenance issue (heat loss, etc.) or sooner if necessitated by the circumstances;
- Tenants may be given the option to self-repair for a fair reduction in rent, including reimbursement for materials with receipts provided and labor;
- In the event of a hazardous or life-threatening maintenance issue, Landlord must provide Tenant with safe, healthy lodging within 3 miles of and suited with comparable amenities to original leased unit until resolved or until end of lease term. Tenant has the option of:
 - Replacement unit or property owned or managed by Landlord;
 - Hotel or other temporary lodging with reimbursement of Tenants' expenses or deduction from Tenant rent;
 - Landlord must provide parking and laundry per diem, if temporary lodging does not.
- Tenants shall not be financially responsible for things they have no control over or damage due to extreme weather or Landlord's neglect;
- Tenants must be reimbursed for any damage or lost property in the event of a pest infestation, Landlord's renovations or repairs, leaks, or any other building-wide or unit-level condition causing damage to a Tenant's property, regardless of Tenant's rental insurance; and,
- Every Tenant who is party to this agreement shall have the option to transfer their subsidy to another unit in the event of a move initiated by conditions on the property.

LANDLORD ENTRY

- The Landlord, Property Manager, and any personnel representing Landlord/Property Manager shall provide 24 hours notice before entry into any unit;
- The Landlord, Property Manager, and any personnel representing Landlord/Property Manager must provide proof of identity and affiliation prior to entry;
- The Landlord, Property Manager, and any personnel representing Landlord/Property Manager must respect Tenants' request for an interpreter (to be provided by Tenant), prior to entry;
- The Landlord, Property Manager, and any personnel representing Landlord/Property Manager must be given explicit consent for entry from the resident, except in the case of life-threatening, extreme cases; and,
- The Landlord, Property Manager, and any personnel representing Landlord/Property Manager must provide Tenant notice of who, why and what occurred in their unit within 24 hours of each entry, even if Tenant was present at the time.

ACCESSIBILITY

- All formal communications (notices, notices of ownership change, leases, etc.) must be written in accessible, transparent, easy to understand language. The Landlord shall be responsible for all expenses related to translation and interpretation of these formal notices, and to ensuring that all communication about the lease and accompanying materials can be understood by the Tenant, which may include verbal communication of in their native language;
- Every Tenant who is party to this agreement shall have the ability to request accommodations related to disability and health issues if/when they are relocated to another unit on the property per the terms of this agreement; and,
- Unit must comply with FHA accessibility requirements and is subject to reasonable accommodation requests by Tenant at the Landlord's expense.

ORGANIZING

- Tenants have a right to organize to address concerns with their housing and to foster a community of support, solidarity, and accountability among neighbors free from retaliation by Landlord or any employee or representative;
- Landlord may not make any attempt to disorganize a Tenant Union or campaign against Tenants' efforts to organize; and,
- In the event of any in-person meeting, phone call, or visit that could result in a Tenant being fined, found in violation of the lease, or otherwise at risk of discipline, Tenant must be given the explicit option to withdraw from the meeting, phone call, or visit until another member of the Tenant Union and/or an attorney is present as witness and to assert their rights under law and within this agreement.

LEASE TERMINATION AND VIOLATION

- Every Tenant who is party to this agreement shall have option of early lease termination without penalty if:
 - Property is uninhabitable or unsafe; and,
 - Tenant finds acceptable replacement Tenant;
- Every Tenant who is party to this agreement shall have the right to switch to a new, comparable unit or back out of the lease after move-in for free within the first 14 days if the original unit is unacceptable; and,

- In the event that the Landlord violates this agreement, the Landlord must pay the Tenant's attorney's fees and court costs if the Tenant needs to enforce the agreement.