

CITY OF FOUNTAINS  
HEART OF THE NATION



KANSAS CITY  
MISSOURI

QUINTON D. LUCAS  
Mayor

May 20, 2020

The Honorable Frank White, Jr., County Executive  
Honorable Members of the Jackson County Legislature  
Jackson County Courthouse  
415 East 12th Street  
Kansas City, Missouri

**Re: Request for Accelerated Partial COVID-19 Relief for Kansas City**

Dear County Executive White, Chairperson Galvin, and Members of the Legislature,

I appreciate your inviting me to speak with you on Monday of this week. No other counties with which we work have thus far arranged such a visit and it exemplifies the Jackson County Legislature's clear and committed effort to work with cities in the County as we collaboratively address the devastating health and economic effects of the COVID-19 pandemic. Thank you.

In the following letter, Kansas City lays out a fair and efficient path for disbursement of funds, recognizing directions and concerns from the Jackson County Legislature on Monday and prioritizing funding for our first responders in the Health, Fire, and Police Departments. We propose the following:

- (A) An accelerated funding request of \$27.1 million for clear and immediate "hard costs" that are health, fire, police, and sanitization expenses of urgent need for Kansas Citizens in Jackson County;
- (B) Indemnification of the County for any and all funds provided to the City;
- (C) Expenditure of all Jackson County funds only in the Jackson County portions of Kansas City; and
- (D) Further collaboration on social and economic relief funds essential to Kansas City and Jackson County's ongoing response to the COVID-19 pandemic.

**A. Kansas City Respectfully Requests Initial and Accelerated Funding of \$27.1 Million for “Hard Costs” of COVID-19 Relief for the Kansas City Health Department, the Kansas City Fire Department, the Kansas City Police Department, and Facilities Sanitation.**

On Monday, I heard many legislators express a willingness to fund relief for Kansas City for certain clear and articulable hard costs of our COVID-19 relief efforts related to funding for the Kansas City Health Department, including testing and contact tracing, and COVID-related support for our first responders, including protective equipment and pay for our fire fighters, EMTs, police officers, and laborers with responsibility to sanitize all city facilities.

Based on the Legislature’s discussion, I write to request initial and quick funding of a \$27.1 million portion of *CARES Act* funds for the hard costs of our COVID-19 relief efforts in the City of Kansas City. The \$27.1 million in eligible expenses that we are requesting funding for here are based on expenses already incurred and recent projections by our Health Department, Fire Department, Police Department, and Finance Department, and include the following:

- **\$11.3 million in spending by our Health Department**, including \$1,381,396 incurred through May 6, and an anticipated \$9.9 million in additional expenses to support increased testing, particularly for asymptomatic persons, contact tracing, compliance, and community outreach regarding COVID-19.
- **\$12.5 million in Kansas City Fire and Kansas City Police spending**, including \$2,639,029 incurred through May 6. The majority of this funding is needed to purchase protective equipment and to pay additional staff wages made necessary by changed protocols, and for overtime related to quarantines among fire and police department personnel exposed to COVID-19 (requiring other workers to cover shifts), which unfortunately, may continue.
- **\$3.3 million in Facilities Sanitation**, equipment purchasing, and staffing expenses for City departments and staff subject to quarantines, workforce changes, and overtime relating to preparing City buildings and operations to be safer, including \$662,337 already incurred through the first week of May to protect our City workforce.

The expenses detailed above will all qualify as necessary expenditures incurred due to the public health emergency and meet the other criteria of section 601(d) of the *Social Security Act*, as directed by The United States Department of the Treasury.

**B. Kansas City Will Indemnify Jackson County for All Funds Received and Will Spend All Funds Received from Jackson County in the Jackson County Portion of Kansas City.**

In pursuit of Legislator Finley’s request for indemnification and to further alleviate any concerns regarding the proper use of funds and the County’s financial responsibilities under such

circumstances, the City Council is expected to approve on Thursday Resolution 200381, which yesterday passed unanimously out of our Special Committee for Legal Review. The Resolution confirms in law what I shared with the Jackson County Legislature on Monday, stating:

- (1) **All CARES Act funds that are distributed by Cass, Clay, Jackson, and Platte Counties to the City**, except for costs that are administrative in nature or not otherwise readily divisible based on geographic boundaries, **shall be allocated to the specific projects and activities occurring only within the corporate boundaries of the City of Kansas City, Missouri and the specific county providing funds**, except for costs that are administrative in nature or not otherwise readily divisible based on geographic boundaries.
- (2) If it is determined by the Inspector General of the United States or the Treasurer of the State of Missouri (collectively “Government Authorities”) **that any expenditure, in whole or in part, by the City was ineligible for reimbursement** and the recoupment of such funds are demanded of Cass, Clay, Jackson, or Platte County by a Government Authority, **then the City shall**, to the extent allowed by law and subject to appropriation, **reimburse the County to the full extent of the disallowance.**

Furthermore and at the request of the Jackson County Legislature, I have directed our City Manager to prepare weekly reports on the expenditures made from this corpus and provide them to members of the Jackson County Legislature and the Jackson County Executive.

Having moved swiftly and in good faith to take this additional step to indemnify Jackson County, we respectfully request quick disbursement of \$27.1 million for the expenses described above to allow our public health and public safety officials to continue their immediate and rapid response to this global health crisis. Given our needs now for more testing, contact tracing, and support for our first responders, and to adequately sanitize City facilities before the public returns in the days and weeks ahead, Kansas City would respectfully request such action be taken at the next regular meeting of the Jackson County Legislature.

**C. Kansas City Will Work Collaboratively with the County Legislature and Executive to Fund “Soft Costs” of Economic Relief to Support Small Businesses, Arts Organizations, and Tenants and Landlords Adversely Impacted During the COVID-19 Pandemic.**

While the City has submitted its modified, accelerated request of \$27.1 million to meet our immediate health and safety challenges, we respectfully request that the remaining \$27.49 million be disbursed in the near future to bolster efforts to support economic relief for residents and businesses impacted by COVID-19. These efforts were described in my memorandum to this body sent on May 18, and are described below. Per U.S. Department of Treasury guidance issued on May 4, 2020, all of these uses qualify for reimbursement:

- **\$18 million in Small Business Assistance** to reimburse the costs of business interruptions caused by required closures and other necessary public health measures.
  - Kansas City has already allocated \$1 million for small business relief through the Economic Development Corporation (EDC) Loan Corp and the Central City Economic Development (CCED) Board.
  - The Kansas City small business support office, KC BizCare, is expected to expend \$3.5 million to provide technical assistance to businesses shifting to an increased use of online and telework methods since the onset of the pandemic, particularly those in the urban core of our city.
  - We expect to allocate an additional \$13.5 million in grants through the Economic Development Corporation to support small businesses citywide to reimburse the costs of business interruption and disruptions.
- **\$10 million in Housing (rental, mortgage) assistance**, support for landlords who have cancelled, suspended, or modified rent obligations during the pandemic, and legal aid support for low and moderate-income households directly threatened by eviction or foreclosure due to a loss of income from COVID-19.
  - The city proposes to allocate \$500,000 to hire temporary tenant advocates and expand existing contracts to offer legal assistance and mediation support for tenant-landlord disputes.
  - An additional \$9.5 million will be allocated for direct financial assistance to assist with the payment of overdue rent or mortgage payments to avoid eviction or foreclosure.
- **\$5.5 million in social service assistance** (food banks, utility assistance, support for homeless shelters, and other temporary housing providers for individuals facing economic hardship due to COVID-19).
  - The city has already allocated \$500,000 in funding from the CCED to provide social assistance for impacted residents.
- **\$1.5 million in business relief for arts-based organizations**, including support for local artists deprived of work during the pandemic and since the beginning of stay-at-home orders.
  - The city expects to allocate support to arts-based businesses and non-profits in Kansas City, including performers, galleries, and collectives, to assist those with severe business interruptions due to COVID-19 and event cancellation.

The economic and social relief efforts described in this second tranche of funds also would be subject to Kansas City City Council Resolution 200381, so will be geographically restricted to use within Jackson County, and the city will indemnify Jackson County for their use.

Kansas City stands ready to work with the County Legislature and County Executive in whatever manner the County deems necessary to ensure an efficient and effective disbursement

of very necessary funds for our community. I plan to continue efforts as we build up our economic and social relief.

**D. In Conclusion, Kansas City Offers a Path Forward for Fair and Efficient Distribution of Funds that Protects the County's Interests and Allows for Future Collaboration.**

While Kansas City would certainly still welcome expedited full funding of \$54.59 million based both on our county population and Missouri Treasurer Scott Fitzpatrick's pledge to double indemnify Jackson County from any harms based on City expenditures,<sup>1</sup> I believe Kansas City lays out an alternative, fair, and reasonable path in this letter with the best interests of Kansas Citizens in Jackson County in mind:

- (A) Funding for clear and immediate "hard costs" that are health, public safety, and sanitization expenses of urgent need for Kansas Citizens;
- (B) Indemnification of the County for any funds provided to the City;
- (C) Expenditure of all Jackson County funds in Jackson County portions of Kansas City; and
- (D) Further collaboration on social and economic relief funds essential to Kansas City and Jackson County's ongoing response to the COVID-19 pandemic.

I appreciate your time and support. If you ever have any questions for me of this request for \$27.1 million, the uses of the second tranche of \$27.49 million, or entering the MOU, please feel free to call me at 816-679-1662. You also can contact my General Counsel, Jane Brown, Esq., at 816-985-8941 to discuss this matter or any other issues.

I thank you for your time Monday and for your commitment to our community.

---

<sup>1</sup> As shared in my May 18 letter, Kansas City earlier asked, and maintains its request in the alternative, for direct funding from the portion of the County's *CARES Act* funds set aside for local units of government based on our 44.5% of our Jackson County population, equivalent to \$54.59 million (\$54,588,149) of the total Jackson County disbursement. The request is based on the guidance provided by the U.S. Department of Treasury and our own State Treasurer, and is based on Kansas City's unique position as a city with its own health department with a charge that spans four counties. The request could be effectuated by Jackson County signing an MOU issued by the State Treasurer, which would alleviate any concerns that the County will be held responsible for funds provided to the City from its federal allocation because it will be "double indemnified" by both the State of Missouri and the City of Kansas City.

Sincerely,

A handwritten signature in black ink, appearing to read 'Q. Lucas', with a long horizontal flourish extending to the right.

Quinton D. Lucas