

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO CONFERENCE AMENDED MEETING AGENDA

DATE: April 28, 2021 **TIME**: 9:30 a.m.

PLACE: 300 Wyandotte, 4th Floor

Kansas City, Missouri

Meeting ID: 952 7762 5772 (https://zoom.us/j/95277625772)

Passcode: 648893

Teleconference: 1-312-626-6799

1. Roll Call.

2. <u>Administrative</u> - Review and approval of Meeting Minutes for March 24, 2021 and April 19, 2021 (Ex. 2A - 2B)

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR MARCH 24, 2021

AND APRIL 19, 2021, AS PRESENTED

3. <u>Financial</u> - Review and acceptance of the Financial Report for March, 2021 (Lee Brown) (Ex. 3)

ACTION RECOMMENDED: ACCEPTANCE OF THE FINANCIAL REPORT FOR

MARCH, 2021, AS PRESENTED

4. <u>Hospital Hill II URA – 27th & Troost</u> – *Project Status Update* (Bob Long/Brian Engel) (Ex. 4A-4B)

LCRA approved last month a multi-family project at 27th and Troost. The developer has re-submitted its application in response to a request for redevelopment project proposals notice published by LCRA.

ACTION RECOMMENDED: RATIFY, APPROVE AND CONFIRM: (1) PROPERTY

TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR 27 + TROOST PROJECT; AND (2) AUTHORIZATION FOR PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT WITH EMUNAH PARTNERS, LLC FOR THE 27 + TROOST PROJECT IN THE HOSPITAL HILL II

URBAN RENEWAL AREA.

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5. <u>3400 - 3408 Campbell Street URA</u> –Consideration of Proposed Urban Renewal Plan (Bob Long) (Ex. 5A-5B)

<u>Area Description</u>: The proposed 3400 - 3408 Campbell Street Urban Renewal Area consists of one (1) parcel located on the southwestern corner of E. 34th Street & Campbell Street in the Hyde Park neighborhood.

<u>Plan Description</u>: Melrose Rentals, LLC, a real estate entity affiliated with Johnny Yousef, is the proponent of this proposed Urban Renewal Plan.

The 3400 - 3408 Campbell Street Urban Renewal Plan is located within the northeastern portion of the Hyde Park neighborhood, lying approximately 3 miles south of the Central Business District.

Real estate speculation was rampant in Kansas City and Westport during the mid -The original Hyde Park subdivision was platted in 1886 and additional subdivisions in the area were platted soon after. There was a sharp market drop in 1888 and development activity essentially stopped for a decade. Housing development eventually picked up and, by 1907, the number of houses had risen from fewer than 50 to more than five times that number. By the early 1920's, most of the houses in the area had been built. The original houses in the Hyde Park neighborhood were built in the Victorian and Queen Anne styles, but Dutch Colonial, Colonial Revival, Neo-Georgian, Craftsman, and American Four-Square houses, among other styles, had also been built. The neighborhood remained relatively stable throughout the Great Depression. There was, however, a massive housing shortage after World War II, so almost all of Kansas City was rezoned to allow for multi-family uses. Eventually, some of these larger homes, including 3400 Campbell Street, were converted for other uses; in fact, 3400 Campbell Street served as the Bra – Ton Nursing Home and Carrol Manor Nursing Home for many years. Unfortunately, the nursing home at 3400 Campbell Street stopped operations and the formerly grand house sat vacant and deteriorating for a number of years.

Single family homes are the predominant housing type in the Hyde Park neighborhood, although there are numerous examples of duplexes and other forms of multifamily residential uses. The Plan's proponents seek to remove blight and modestly increase housing density in this portion of the Hyde Park neighborhood by rehabilitating the long-vacant single-family home, last used as a nursing home, into a residential duplex and by building a new residential duplex immediately to the south. The Plan's proponent has already received Certificate of Appropriateness from Kansas City's Historic Preservation Commission for this proposed rehabilitation and construction project, which is located within the City's Hyde Park Historic District.

Blight Study: Staff believes that, as of January and February 2021, the proposed 3400 - 3408 Campbell Street Urban Renewal Area of Kansas City, Missouri, is a "blighted area" according to the definition provided in Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99) and is a menace to the health, safety, morals, and welfare of the city. An excerpt from the blight study:

The LCRA staff conducted site visits to the plan area in January and February 2021 to document existing physical conditions within the Plan Area. The Plan Area consists of a single parcel, which will be split or subdivided at a later date. The existing former single-family home had been experiencing significant deterioration, including broken and missing windows, deteriorating window and door frames, deteriorating wood siding, water-damaged soffits and eaves, roof damage, and missing or damaged gutters and downspouts. The owner has had to correct many of these issues in order to be in compliance with various City codes. Many of these problems resulted in interior water damage to ceilings, walls, and floors. Much of interior mechanical systems, including plumbing, electrical, and HVAC were inoperable due to deterioration or vandalism and theft of metal components. The parcel is, in general, overgrown with weeds, brush and trees, strewn with trash, and also has failing stairs, retaining walls, and sidewalks. These physical and economic conditions are examples of insanitary or unsafe conditions, deterioration of site improvements, existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, and which retards the provision of housing accommodations or which constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

Because most of the components of the Chapter 99 criteria are present in the proposed 3400 - 3408 Campbell Street Urban Renewal Area of Kansas City, Missouri, in March 2020, staff concluded that the Study Area is a "blighted area" consistent with the definition provided by Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99), and is a menace to the health, safety and welfare of the city. The blight study can be found in Exhibit F of the draft Plan. Staff believes that blighting conditions exist.

To revitalize the 3400 - 3408 Campbell Street Plan Area as two residential duplexes, Melrose Rentals, LLC believes that assistance from the Land Clearance for Redevelopment Authority (the "Authority"), consisting of real property tax abatement, will present opportunities to stabilize this portion of the Hyde Park neighborhood by stimulating and facilitating private investment in the rehabilitation of the historic home at 3400 Campbell Street into a duplex and the construction of a new duplex on the vacant portion of the parcel.

Affirmative Action Policy and MBE/WBE Participation: Project proponents will be required to comply with MHDC's MBE/WBE requirements.

<u>Taxing Jurisdictions</u>: Not Applicable.

Other government/statutory agency action: The City Planning Commission will need to consider the proposed Urban Renewal Plan at an upcoming meeting. City Council will need to approve the Finding of Blight and the proposed 3400 - 3408 Campbell Street Urban Renewal Plan.

ACTION RECOMMENDED: APPROVAL OF THE FINDING OF BLIGHT IN THE

PROPOSED 3400 - 3408 CAMPBELL STREET URBAN

RENEWAL PLAN.

APPROVAL OF THE 3400 - 3408 CAMPBELL STREET URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF

APPROVAL.

6. Wheatley - Provident Hospital URA - Consideration of Proposed Urban Renewal Plan (Bob Long) (Ex. 6A-6B)

<u>Area Description</u>: The proposed Wheatley - Provident Hospital Urban Renewal Area consists of one (1) parcel located within the southeastern quadrant of E. 18th Street & Troost Avenue.

Plan Description: 1826 Forest RE Holdings, LLC, a real estate entity affiliated with local developers, Shomari Benton, Erika Brice, and Michael Edmundson, is the proponent of this proposed Urban Renewal Plan.

The Wheatley - Provident Hospital Urban Renewal Plan is located near E. 18th Street & Troost Avenue, lying between the Crossroads neighborhood to the west and the 18th & Vine neighborhood to the east, approximately 1 mile southeast of the Central Business District.

The Plan Area consists of the historic Wheatley – Provident Hospital, which was started by Kansas City's African - American medical professionals in 1918 to serve Kansas City's African-American residents, who could not get medical attention at other Kansas City hospitals due to segregation. Wheatley – Provident Hospital provided high-quality medical care for Kansas City's African-American residents for many years, but eventually fell victim to the demographic changes brought on by the Civil Rights movement and the end of legal segregation, closing in 1972. The building was later used as a haunted house for many years, but the continuing deterioration of the building eventually caused even the haunted house to stop using the building. The Wheatley – Provident Hospital was unoccupied and unprotected for many years, resulting in it being placed on the City's Dangerous Building List. The Plan's proponent acquired the property and recently made the necessary improvements needed to get the historic building removed from the City's Dangerous Buildings List.

The Plan's proponents have proposed the historic rehabilitation and adaptive reuse of the deteriorated former hospital into commercial spaces. The Plan's proponents believe that this proposed project is well-positioned to meet some of the commercial space needs of Kansas City's proposed Keystone Innovation District, which is focused around E. 18th Street and Troost Avenue

<u>Blight Study</u>: Staff believes that, as of April 2021, the proposed Wheatley - Provident Hospital Urban Renewal Area of Kansas City, Missouri, is a "blighted area" according to the definition provided in Missouri's Land Clearance for Redevelopment Law in the

Missouri Revised Statutes (RSMo. Ch. 99) and is a menace to the health, safety, morals, and welfare of the city. An excerpt from the blight study:

The LCRA staff conducted a site inspection of the Plan Area on April 15, 2021. The Plan Area consists of the historic former Wheatley - Provident Hospital. The building has been vacant for some time and has been boarded up to prevent access. The exterior of the historic Wheatley - Provident Hospital exhibits deferred maintenance, damaged roof, missing or deteriorated gutters and downspouts, deteriorated soffits and eaves, deteriorated window and door frames, graffiti, and deteriorating masonry. These exterior conditions have created interior deterioration or the collapse of ceilings, walls, and floors, as well as damaged or missing electrical, plumbing, and heating, ventilating and air-conditioning systems. These physical and economic conditions are examples of insanitary or unsafe conditions, deterioration of site improvements, existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, and which retards the provision of housing accommodations or which constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

Because most of the components of the Chapter 99 criteria are present in the proposed Wheatley - Provident Hospital Urban Renewal Area of Kansas City, Missouri, in March 2020, staff concluded that the Study Area is a "blighted area" consistent with the definition provided by Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99), and is a menace to the health, safety and welfare of the city. The blight study can be found in Exhibit F of the draft Plan. Staff believes that blighting conditions exist.

To revitalize the Wheatley - Provident Hospital Plan Area as commercial office space, 1826 Forest RE Holdings, LLC believes that assistance from the Land Clearance for Redevelopment Authority (the "Authority"), consisting of real property tax abatement, will present opportunities to preserve the historic Wheatley – Provident Hospital and return it to productive use.

<u>Affirmative Action Policy and MBE/WBE Participation</u>: Project proponents will be required to comply with MHDC's MBE/WBE requirements.

<u>Taxing Jurisdictions</u>: Not Applicable.

Other government/statutory agency action: The City Planning Commission will need to consider the proposed Urban Renewal Plan at an upcoming meeting. City Council will need to approve the Finding of Blight and the proposed Wheatley - Provident Hospital Urban Renewal Plan.

ACTION RECOMMENDED: APPROVAL OF THE FINDING OF BLIGHT IN THE PROPOSED WHEATLEY - PROVIDENT HOSPITAL URBAN RENEWAL PLAN.

APPROVAL OF THE WHEATLEY - PROVIDENT HOSPITAL URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

7. <u>The Cleveland Duplexes URA</u> – Consideration of Proposed Urban Renewal Plan (Bob Long) (Ex. 7A-7C)

<u>Area Description</u>: The proposed The Cleveland Duplexes Urban Renewal Area consists of several parcels located within the northwestern portion of the Mount Cleveland neighborhood.

<u>Plan Description</u>: RCG II, LLC, a real estate entity affiliated with Community Builders of Kansas City, Inc., is the proponent of this proposed Urban Renewal Plan.

The Cleveland Duplexes Urban Renewal Plan is located within the northwestern portion of the Mount Cleveland neighborhood, lying approximately 6.5 miles southeast of the Central Business District.

The Plan Area is located along the Cleveland Avenue corridor and is part of the Mount Cleveland neighborhood. The Mount Cleveland neighborhood is a mixture of older single-family homes, an affordable senior multifamily project, vacant homes, and numerous vacant, overgrown lots. The parcels included within the Plan Area contain forty duplex structures with a total of eighty housing units, as well as a proposed community building. The Plan's proponent controls the property needed for redevelopment.

The Plan's proponents have proposed the renovation of the existing duplexes into 72 units of affordable housing, along with a related social services use, and 8 units of market-rate housing. A community building will be developed to house the social service provider for residents. The Plan's proponents believe that this proposed project is well-positioned to continue meeting the affordable housing needs of this portion of Kansas City's Eastside.

The Plan's proponents believe that assistance from the Land Clearance for Redevelopment Authority (the "Authority"), consisting of real property tax abatement, will present opportunities to renovate these existing duplexes

<u>Blight Study</u>: Staff believes that, as of April 2021, the proposed The Cleveland Duplexes Urban Renewal Area of Kansas City, Missouri, is a "blighted area" according to the definition provided in Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99) and is a menace to the health, safety, morals, and welfare of the city. An excerpt from the blight study:

The LCRA staff conducted a site inspection of the Plan Area on April 12, 2021. The Cleveland Duplexes were built in two phases, the first phase, built in 1997, contained 35 duplexes, while the second phase, built in 2004, contains 5 units. The exteriors of many of The Cleveland Duplexes exhibit deferred maintenance, damaged or deteriorating roof shingles, missing or deteriorated gutters and

downspouts, deteriorated soffits and eaves, deteriorated window and door frames, graffiti, and deteriorating wall surfaces. A number of concrete driveways do not drain properly away from the buildings, resulting in ponding of stormwater and water damage to adjacent wall surfaces. The interiors typically require significant plumbing, electrical, and HVAC repairs, along with the repair or replacement of bathroom and kitchen fixtures, along with wall, floor, and ceiling repairs. These physical and economic conditions are examples of insanitary or unsafe conditions, deterioration of site improvements, existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, and which retards the provision of housing accommodations or which constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

Because most of the components of the Chapter 99 criteria are present in the proposed The Cleveland Duplexes Urban Renewal Area of Kansas City, Missouri, in March 2020, staff concluded that the Study Area is a "blighted area" consistent with the definition provided by Missouri's Land Clearance for Redevelopment Law in the Missouri Revised Statutes (RSMo. Ch. 99), and is a menace to the health, safety and welfare of the city. The blight study can be found in Exhibit F of the draft Plan. Staff believes that blighting conditions exist.

To revitalize The Cleveland Duplexes Plan Area for continued use as forty duplexes, 72 of which will be affordable and 8 of which will be market-rate, RCG II, LLC believes that assistance from the Land Clearance for Redevelopment Authority (the "Authority"), consisting of real property tax abatement and a sales tax exemption on construction materials, will present opportunities to retain eighty units of housing, 72 of which are affordable, within the Mount Cleveland neighborhood.

<u>Affirmative Action Policy and MBE/WBE Participation</u>: Project proponents will be required to comply with MHDC's MBE/WBE requirements.

Taxing Jurisdictions: Not Applicable.

<u>Other government/statutory agency action</u>: The City Planning Commission will need to consider the proposed Urban Renewal Plan at an upcoming meeting. City Council will need to approve the Finding of Blight and the proposed The Cleveland Duplexes Urban Renewal Plan.

ACTION RECOMMENDED:

APPROVAL OF THE FINDING OF BLIGHT IN THE PROPOSED THE CLEVELAND DUPLEXES URBAN RENEWAL PLAN.

APPROVAL OF THE CLEVELAND DUPLEXES URBAN RENEWAL PLAN AND FORWARDING IT TO CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL.

RATIFY, APPROVE AND CONFIRM: (1) PROPERTY TAX ABATEMENT AT 100% FOR 20 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR A DUPLEX REHABILITATION PROJECT; AND (2) AUTHORIZATION FOR PREPARATION OF A REDEVELOPMENT AND SALE/LEASEBACK CONTRACT AND LEASE WITH RCG II, LLC FOR THE PROJECT IN THE PROPOSED CLEVELAND DUPLEXES URBAN RENEWAL AREA; SUBJECT TO CITY COUNCIL APPROVAL OF THE PROPOSED CLEVELAND DUPLEXES URBAN RENEWAL PLAN.

8. Administrative.

a. <u>Executive Director's Report</u> - Active Projects Tracking System Report (Dan Moye) (Ex. 8A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

b. <u>Administrative</u> – *Affirmative Action Report* (Sandra Rayford) (Ex. 8B)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

c. <u>Tax Abatements</u> – There were six (6) tax abatements approved in March, 2021.

URA	Address	Applicant	Category	Type
Garfield	510 Montgall	JPC Property Holdings	S/f Residential	Rehab
Hospital Hill II	2624 Tracy	Eric Hill & Victoria Campbell	S/f Residential	Rehab
Indian Mound-Lykins	108 N. Van Brunt	JPC Property Holdings	S/f Residential	Rehab
Indian Mound-Lykins	5200 Gladstone	JPC Property Holdings	S/f Residential	Rehab
Longfellow Dutch Hill	2826 Campbell	RCR Developers	S/f Residential	Rehab
Oak Park	3300 Michigan	Triple Threat Investment Group	S/f Residential	Rehab

9. <u>E. 23rd Street Urban Renewal Area – 1600 Jackson</u> – *Project Status Update* (Dan Moye/Brian Engel) (Ex. 9)

ACTION RECOMMENDED: EXECUTIVE SESSION

EXECUTIVE SESSION

10. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.

RESUME BUSINESS SESSION

11. Adjourn.