
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: October 27, 2021
TIME: 9:30 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

To Join Online: [Join Zoom videoconference](#)
To Join by Phone: 1-312-626-6799
Meeting ID: 825 0862 2728
Passcode: 104488

AGENDA

1. **Roll Call.**
2. **Administrative** - *Review and approval of Meeting Minutes for September 22, 2021 as presented (Ex. 2)*

*ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR SEPTEMBER 22, 2021,
AS PRESENTED*

3. **Financial** - *Review and acceptance of the Financial Reports for August and September, 2021 (Lee Brown) (Ex. 3A-3C)*

*ACTION RECOMMENDED: ACCEPTANCE OF THE FINANCIAL REPORTS FOR AUGUST
AND SEPTEMBER, 2021, AS PRESENTED*

4. **29 Belle URA – 29 Belle Townhomes** – *Approval of Redevelopment Contract with Remez Partners, LLC (Bob Long) (Ex. 4A-4G)*

Area Description: The 29 Belle Urban Renewal Area consists of one (1) parcel located within the southern portion of the Westside neighborhood.

Project Description: Remez Partners, LLC, a real estate entity affiliated with Exact Partners, is the proponent of this proposed project.

The 29 Belle Urban Renewal Plan is located within the southern portion of the Westside neighborhood, lying approximately 2.5 miles southwest of the Central Business District.

The Plan's proponents will modestly increase density in the Westside neighborhood by redeveloping the parcel on the southeast corner of W. 29th Street & Belleview Avenue into nine (9) for-sale townhomes. For-sale projects are not subject to the City's affordable housing inclusion requirement. The Plan's proponent has been working closely with the Hispanic Economic Development Corporation to promote and develop this project, as well as

to identify and utilize neighborhood-based contractors and sub-contractors in order to create more community benefits.

Financial Analysis:

NOTES: For-sale townhomes in projects with eight (8) or fewer units and which meet the FHA eligibility guidelines are eligible for administrative approval of property tax abatement; however, while these townhomes meet the FHA eligibility guidelines (see attachment), there are nine (9) units, which makes it ineligible for administrative approval of property tax abatement.

According to ZILLOW (attached), a household earning \$86,000/year (80% Jackson County Median Income), with monthly debts of \$1,200 and a \$20,000 down-payment, could afford to buy these townhouses, which have an Average Sale price of \$239,000.

The Total Project Costs of \$1,944,148 made the project eligible for an in-house financial review. Since the units are for-sale, not rental, a proforma review to calculate an Internal Rate of Return was not appropriate since there would be no on-going cash flow. With Total Projected Sales income of \$2,151,000 (with an Average Sale Price of \$239,000), this creates a Net Profit of \$206,852 or 11%. Given the risks associated with the unknown market for new townhomes in this portion of the Westside neighborhood, staff believes that an 11% Net Profit is appropriate and, further, satisfies the LCRA's Workable Program requirements.

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

Taxing Jurisdictions: This project was presented at the September 14, 2021 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF TEN (10) YEARS OF PROPERTY TAX ABATEMENT FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE URBAN RENEWAL AREA.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH REMEZ PARTNERS, LLC FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE URBAN RENEWAL AREA.

5. **33rd & Montgall URA – Palestine Gardens & Palestine Gardens North** - *Authorization to Issue Request for Proposals* (Bob Long)

Area Description: The 33rd & Montgall Urban Renewal Area generally consist of an area generally bound by E. Linwood Boulevard on the north, Montgall Avenue on the east, E. 33rd Street on the south, and Prospect Avenue on the west, in Kansas City's Eastside. The project site is within the northwestern portion of City Council's 3rd District.

Project Description: The applicant is PG PGN OWNER, LLC, a single-purpose real estate entity affiliated with Palestine Gardens North, Inc., Palestine Gardens, Inc., and Dromara Development.

The applicants' project is a \$11.1million renovation of 118 existing apartments in the Palestine Gardens and Palestine Gardens North apartment complexes in the Oak Park neighborhood. All 118 units are reserved for very low-income seniors aged 62 and up. MHDC has allocated both Federal and Missouri Low-Income Housing Tax Credits to this project. This project is transitioning from nonprofit ownership (which means no property taxes have been paid) to for-profit entity (owned by the nonprofit) in order to facilitate the low-income housing tax credits. This transition will make the property taxable, so the applicant is seeking a sale/leaseback arrangement to facilitate a sales tax exemption on construction materials. Due to the HUD 221 (d)(4) permanent financing being used, which has a 40 – year term, a 100% property tax exemption via long-term sale/leaseback of up to 50 – years has been proposed, which would match the HUD financing requirements.

In order to facilitate the proposed sale/leaseback, which will result in the Authority taking title to the property, it will be necessary issue a Request for Proposals for this project. Proposals would be due prior to the Authority's November 17th meeting, at which time staff would make a recommendation regarding selection of a developer and approval of a Sale/Leaseback and Redevelopment Contract

ACTION RECOMMENDED: AUTHORIZATION FOR THE PREPARATION AND ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE RENOVATION OF THE PALESTINE GARDENS AND PALESTINE GARDENS NORTH PROPERTIES FOR CONTINUE USE AS AFFORDABLE HOUSING FOR LOW INCOME SENIORS IN THE 33RD & MONTGALL URBAN RENEWAL AREA.

6. **Retreat Follow-up & Policy Review and Discussion** (Brian Engel) (Ex. 6)

7. **Administrative.**

- a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 7A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

- c. **Tax Abatements.** There was one (1) tax abatement approved in September, 2021

URA	Address	Applicant	Category	Type
Columbus Park	514 Gillis	Maxwell Nelson	S/f Residential	Rehab

EXECUTIVE SESSION

8. 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

9. Adjourn.