
**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON OCTOBER 27, 2021**

MINUTES

1. **Roll Call.**

- Present:** Andrea Bough
Rob Gardner
Melissa Hazley
- Absent:** Tammy Henderson
- Staff:** Susan Tumey, LCRA
Lee Brown, EDC
David Leader, EDC
Bob Long, EDC
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

- Guests:** Jan Bolin, KCMO Public Library
Ron Clark, KC Tenants
Brian Collins, Palestine Economic Development Corporation
Daniel Ferguson – Leon, UMKC
Joey Flickner, IUPAT DC
Kevin Hardy
Bob Mayer
Kathleen Pointer
Pat Sterrett
Ruby Watson
Pedro Zamora

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 9:30 a.m. when Mr. Gardner declared quorum as Commissioners Bough and Hazley were present. *[All Board members, staff, and guests participated in the meeting via videoconference.]*

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

ACTION TAKEN: APPROVED THE MINUTES FOR SEPTEMBER 22, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

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

(All statements made by Mr. Brown unless otherwise noted.)

- August and September financials were standard
- Tax abatement applications tend to increase during the latter part of every year, resulting in a simultaneous upsurge in abatement fees
- LCRA no longer has the insurance expense for 401 Charlotte, as the property was sold last year
- Only thing expected to be a large expense before the end of this fiscal year would be the cost for the audit
- Recent EDC financial transactions, as reported in a recent news article, had no effect on LCRA's financials

ACTION TAKEN: ACCEPTED THE FINANCIAL REPORTS FOR AUGUST AND SEPTEMBER, 2021, AS PRESENTED. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY

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

(All statements made by Mr. Long unless otherwise noted.)

➤ **Project Overview**

- Project has evolved and changed since it was discussed at a previous meeting
 - Initially designed as 11 rental units with 23 bedrooms
 - After several discussions with the neighborhood, the project was ultimately changed to a for sale project of 9- townhomes
- All units have off-street parking spaces or parking garages because parking was of particular concern to the neighborhood
- These units meet FHA guidelines but cannot be administratively approved for abatement, as the cutoff for doing so is capped at 8
- Staff performed a very basic in-house financial analysis, usually reserved for rental projects, to determine the project's need for incentives
- Developer worked closely with the Hispanic Economic Development Council to ensure the project was geared toward Hispanic families and seniors (*Mayer*)
- Developer will not benefit from the tax benefits, going instead to those who purchase the homes (*Mayer*)
- Project will help low-to-moderate income individuals to stay in place in the West side (*Zamora*)

ACTION TAKEN: APPROVED TEN (10) YEARS OF PROPERTY TAX ABATEMENT FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE

URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

APPROVED A REDEVELOPMENT CONTRACT WITH REMEZ PARTNERS, LLC FOR THE 29 BELLE TOWNHOMES PROJECT IN THE 29 BELLE URBAN RENEWAL AREA. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.

(RES. NO. 10-1-21)

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

(All statements made by Mr. Long unless otherwise noted.)

➤ **Tax Incentive Request**

- Project is \$11.1 Million renovation of 118 apartments, occupied by very low-income senior citizens
- Developer is seeking a sales tax exemption on construction materials and property tax exemption to match the HUD financing requirements
 - HUD financing requirements stipulate that the project is owned by a for-profit entity, which makes the project taxable
- Certain issues regarding the project's incentive request were discussed at last month's meeting, which can be addressed in the sale leaseback and redevelopment contract
 - Extending the tax incentive period longer than 10 years
 - Whether or not the developer could sell the project after the LIHTC compliance period
 - If the developer could change property management without the LCRA's knowledge or consent
 - The 22nd & Montgall URA would need to be amended to extend its term beyond the term of the sale/leaseback
 - Project is eligible for 100% abatement since it is in a continually distressed census tract

➤ **Request for Proposals (RFP)**

- LCRA is required to issue the RFP because it will technically hold title to the property

ACTION TAKEN: AUTHORIZED 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. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HAZLEY, AND CARRIED UNANIMOUSLY.
(RES. NO. 10-2-21)

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

(All statements made by Mr. Engel unless otherwise noted.)

➤ **Blight Definition**

- Missouri legislature amended the definition in 2021 by removing some of the prior factors
 - Same blight definition now applies to all incentive agencies, including PIEA and TIF
 - Created in 1952, the State approved the LCRA statute as it deemed private enterprise unable to handle blighted areas on its own
- Four factors for blight
 - Endanger life or property by fire and other causes
 - Constitutes an economic or social liability
 - Menace to public health, safety, morals, or welfare in its present condition and use
 - Illegal use of property
- Insanitary area
 - Similarly defined but differs notably in that it must be both an economic or social liability **and** a detriment to public health, safety, morals or welfare

➤ **Workable Program**

- Created in 2000 by the LCRA Board, as the statute did not include a financial but/for analysis requirement
 - LCRA benefits would be granted only to the extent necessary to fill in the gap in financing
 - Exceptions to the financial requirement include for owner-occupied or investor-owned single-family housing and projects on the East side

➤ **Inherent Racism**

- Application of the Statute to clear primarily low-income from slum areas in heavily minority populated areas shows the inequalities in its use rather than its actual language (*Long/Clark*)
- The Board has amended the Workable Program to make it easier for incentives to be granted in certain areas
- The City has adopted several resolutions and ordinances geared towards remedying past policies.
 - Priority goals of the City are affordable housing, stabilizing neighborhoods and to use development in a way that is beneficial to areas that have not seen investment (*Bough*)

7. **Administrative.**

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

ACTION TAKEN: NONE; INFORMATIONAL ONLY

Mr. Long initiated discussion on the following administrative matter which was not on the agenda, when he demonstrated how to use the City's parcel viewer mapping system. He advised that staff was working with the City to remedy any incorrect mapping issues.

Mr. Long noted that the Federal Government gave millions of dollars for several decades to cities' urban renewal area projects, when much of the racially motivated damage was done to local communities. He added that, for many years, Federal and State monies for urban renewal have largely been replaced by private investment.

Mr. Engel corrected his statement that the LCRA statute was approved by the State in 1951, with the City Council giving its approval in 1952.

Mr. Gardner noted a question asking if the LCRA published some kind of annual report on all existing URAs. Mr. Long replied that an annual report was not published but that a data chart could probably be created and disseminated. Ms. Watson asked that the dates urban renewal areas were created be included in the data. Mr. Long asked that anyone interested send an e-mail to him to request such information.

Mr. Long reminded the Board about the open house at the Waldo Ice House. He said he expected the 2600 Independence project to be the next project to be completed and have a ribbon cutting within the next few months.

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

Ms. Rayford advised that the City's Human Relations Department had changed its name to the Civil Rights and Equal Opportunity Dept. She said that CREO was still in the process of reorganizing and had not yet provided any reports.

ACTION TAKEN: NONE; INFORMATIONAL ONLY

8. **Adjourn.**

There being no further business, the meeting was adjourned at approximately 10:35 a.m.

Daniel Moye, Secretary