

**RESOLUTION No. 12- - 21**

**RESOLUTION APPROVING A PROJECT FOR PG/PGN OWNER, LLC, A MISSOURI LIMITED LIABILITY COMPANY, AND DETERMINING THE INTENT OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS (PALESTINE GARDENS PROJECT), SERIES 2022, IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000 TO FINANCE THE COSTS OF SUCH PROJECT.**

**WHEREAS**, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, R.S.Mo (“LCRA Law”), and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”) on November 21, 1952; and

**WHEREAS**, the Authority approved the Oak Park Urban Renewal Plan on November 25, 1968, and determined that the portion of the City located within the Oak Park Urban Renewal Area described in the Oak Park Urban Renewal Plan is blighted and insanitary; and

**WHEREAS**, the City Council initially approved the Oak Park Urban Renewal Plan by Resolution No. 36285, dated January 1, 1969, with respect to the eligibility of the Oak Park Urban Renewal Area (as then described) for urban renewal treatment, by Ordinance No. 36827, passed January 17, 1969, approving the general urban renewal plan for the Oak Park Urban Renewal Area (as then described); and by Ordinance No. 39874, passed July 16, 1971, approving a definitive plan for the Oak Park Urban Renewal Area by Ordinance No. 39874 passed on July 16, 1971, as the Oak Park Urban Renewal Area and the Oak Park Urban Renewal Plan have been subsequently amended and modified, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Oak Park Urban Renewal Area; and

**WHEREAS**, as part of the Oak Park Urban Renewal Plan, the Authority approved the 33<sup>rd</sup> & Montgall Urban Renewal Plan on March 25, 1987, as modified by Resolution No. 88-80 dated October 26, 1988, and as modified by Resolution No. 6-03-06 dated June 28, 2006 (collectively, the “Urban Renewal Plan”), and determined that the portion of the City located within the 33<sup>rd</sup> & Montgall Urban Renewal Area (the “Urban Renewal Area”) described in the Urban Renewal Plan is blighted and insanitary; and

**WHEREAS**, the City Council initially approved the Urban Renewal Plan by Ordinance No. 61221 dated September 3, 1987, as modified by Ordinance No. 060807 dated October 26, 2006, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Urban Renewal Area; and

**WHEREAS**, pursuant to Resolution No. 10-2-21 dated October 27, 2021, the Authority issued a Request for Proposals for the acquisition and redevelopment of the Palestine Gardens North Apartments located at 3220 Montgall Avenue and the Palestine Gardens Apartments located

at 2624 E. 33<sup>rd</sup> Street within the Urban Renewal Area, as such property is legally described on the attached **Exhibit A** (the “Property”), for the preservation and rehabilitation of 118 units reserved for very low-income residents aged 62 and over and other related improvements (the “Project”); and

**WHEREAS**, pursuant to Section 99.450 of the LCRA Law, the Authority caused to be published two times in a newspaper having a general circulation in its area of operation a request for proposals for redevelopment contract proposals; and

**WHEREAS**, PG/PGN Owner, LLC, a Missouri limited liability company, timely submitted a redevelopment project application to the Authority to implement the Project; and

**WHEREAS**, the Authority selected PG/PGN Owner, LLC, (or a controlled affiliate) (the “Redeveloper”) of the project pursuant to Resolution No. 11-3-21 on November 30, 2021; and

**WHEREAS**, the Redeveloper has requested that the Authority (i) issue bonds to finance the Project; (ii) acquire the Project and the Property and lease the Property to the Redeveloper for a period of up to 50 years; (iii) grant a sales tax exemption incentive on construction materials to facilitate construction of the Project on behalf of the Authority; and (iv) grant a property tax exemption on the Property during the term of the lease, subject to completion of the Project in accordance with the redevelopment contract, all for the purpose of preserving existing affordable housing units in the Urban Renewal Area and eliminating blighting conditions found to exist in the Urban Renewal Area and in accordance with and pursuant to the LCRA Law and subject to the terms and conditions of the Project documents; and

**WHEREAS**, the Authority desires to select the Redeveloper as the redeveloper to implement the Project and to approve incentives for the Project, subject to the terms and conditions of a Redevelopment Contract, Lease, and related agreements and financing documents between or among the Authority, the Redeveloper, and other necessary parties; and

**WHEREAS**, the Redeveloper has requested the Authority (i) to issue its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 in one or more series in an aggregate principal amount not to exceed \$11,000,000 for the purpose of financing the costs of the construction, rehabilitation, installation and equipping of a multifamily senior housing project located at 3220 Montgall in the City of Kansas City, Missouri, consisting of the rehabilitation of an existing two buildings into 118 low-income senior housing units (the “Project”); and (ii) to loan the proceeds from the sale of such bonds to the Redeveloper for the purpose of financing the costs of the Project, all in accordance with and pursuant to the Act; and

**WHEREAS**, the Redeveloper has incurred capital expenditures within the 60-day period ending on, or expects to incur capital expenditures on or after, the date of adoption of this Resolution, in connection with the Project.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, AS FOLLOWS:**

Section 1. The Board of Commissioners hereby finds and determines that the Project will preserve existing affordable housing units and eliminate blighting conditions, and that the lease of the Property to the Redeveloper and the issuance by the Authority of its negotiable revenue bonds to pay the costs of the Project are necessary to carry out its purposes and powers and in furtherance of the public purposes set forth in the Act.

Section 2. The Board of Commissioners hereby determine and declare the intent of the Authority to finance the costs of acquiring, rehabilitation and constructing the Project out of the proceeds of bonds in a principal amount not to exceed \$11,000,000 to be issued pursuant to the Act.

Section 3. Subject to the provisions of this Resolution, the Authority will (i) issue its revenue bonds in one or more series to pay the costs of financing the Project, including repayment to the Redeveloper of advances made by the Redeveloper in connection with the construction, rehabilitation, installation and equipping of the Project, with such amounts, maturities, interest rates, redemption terms and other provisions as may be determined by subsequent resolution of the Authority; (ii) loan the proceeds from the sale of such bonds to the Redeveloper to enable the Redeveloper to acquire, construct, renovate, install and equip the Project; and (iii) to effect the foregoing, adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the bonds by the Authority, and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. The closings and issuance of the bonds and the execution and delivery of any documents related to financing the Project are subject to: (i) obtaining any necessary governmental approvals; (ii) approval by the Redeveloper; and (iii) agreement by the Authority's Board of Commissioners, the Redeveloper and the purchasers of the bonds upon (a) mutually acceptable terms for the bonds and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the bonds for the Project.

Section 5. The Redeveloper expects to incur capital expenditures on and after the date of adoption of this Resolution in connection with the construction, rehabilitation, installation and equipping of the Project, including the entering of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes and, to the extent permitted by law, the Authority shall reimburse Redeveloper for all expenditures paid or incurred therefor, after a date which is no more than 60 days previous to the date of this Resolution, out of the proceeds of the bonds, when and if issued. The Redeveloper has informed the Authority that the funds to be advanced to pay expenditures are or will be available only for a temporary period and it is necessary to reimburse the Redeveloper for expenditures made on and after the date hereof. This Resolution constitutes a declaration of official intent under treasury Regulation Section 1.150-2 issued under the Internal Revenue Code of 1986, as amended.

Section 6. Counsel to the Authority and the Hardwick Law Firm, LLC, as Bond Counsel, together with the officers and employees of the Authority, are hereby authorized to work with the purchaser of the bonds, the Redeveloper and their respective counsel, and others, to prepare, for submission to and final action by the Authority, all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder in

connection with the construction, rehabilitation, installation and equipping of the Project and the lending of the proceeds of the sale of the bonds to the Redeveloper.

Section 7. The obligation of the Authority to proceed with the issuance of the bonds is subject to the Authority's receipt of any public approval for the issuance of the bonds as required under Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Act. The Authority hereby agrees that such public approval must be received prior to the issuance of the bonds.

Section 8. Each of the Chairman, Vice-Chairman and Executive Director is authorized and directed to take all further action necessary to carry out the intent of this Resolution.

Section 9. This Resolution shall inure to the benefit of the Authority and its successors and assigns.

Section 10. This Resolution shall take effect and be in full force immediately after its adoption by the Authority.

*[signatures on next page]*

**ADOPTED** by the Land Clearance for Redevelopment Authority of Kansas City, Missouri  
this 28<sup>th</sup> day of December, 2021.

LAND CLEARANCE FOR REDEVELOPMENT  
AUTHORITY OF THE CITY OF KANSAS CITY

[SEAL]

By: \_\_\_\_\_  
Rob Gardner, Chairman

ATTEST:

\_\_\_\_\_  
Daniel Moye, Secretary

## **EXHIBIT A**

### Tract 1:

3220 Montgall Avenue (28-930-16-26-00-0-00-000):

Lot 1, PALESTINE GARDENS NORTH, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

### Tract 2:

2627 E. 33<sup>rd</sup> Street (28-930-17-30-00-0-00-000):

Lot 1, PALESTINE GARDENS, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.