
**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD
VIDEO-CONFERENCE MEETING ON JULY 26, 2022**

MINUTES

1. **Roll Call.**

Present: Andrea Bough
Melissa Hazley
Tammy Henderson
David Kemper

Absent: Rob Gardner

Staff: Dan Moye, LCRA
Bob Long, LCRA
Susan Tumey, LCRA
David Leader, EDC (*via Zoom*)
Sandra Rayford, EDC

LCRA Legal Counsel: Brian Engel, Rouse Frets

Guests: Janice Bolin, Kansas City Public Library (*via Zoom*)
Tiana Caldwell, Gabriel Tenants (*via Zoom*)
Lance Carlton, 6410 Paseo Blvd, LLC (*via Zoom*)
Melissa Curl (*via Zoom*)
Joey Flickner, IUPAT DC (*via Zoom*)
Gabriel Tower Tenants (*via Zoom*)
Kevin Hardy (*via Zoom*)
Anne Jordan, Policy Director, Mayor's Office (*via Zoom*)

The monthly meeting of the Board of Commissioners of the Land Clearance for Redevelopment Authority began at approximately 10:50 a.m. when Mr. Moye declared quorum as four (4) of the five (5) Commissioners were present.

2. **Oak Park URA –3855 Woodland Avenue** - *Amendment of Redevelopment Contract with HMC Holdings, LLC (Bob Long) (Ex. 2A-2B)*

➤ **Project Overview**

- Project was approved in 2019 by the prior LCRA Board (*Long*)
- Project consists of two vacant buildings on one parcel owned by the three-person developer HMC Holdings (*Long*)
 - HMC Holdings is not a traditional developer as their plans are to build an office for their own use (*Moye*)

- Third-party financial analysis for the initial project was not required per LCRA policy (*Long*)
 - Financial analysis performed by staff showed a need for the abatement (*Long*)

➤ **Board Considerations**

- Construction financing
 - Construction budget increase from \$400,000 in 2019 to about \$600,000 in 2022 seems insufficient (*Hazley/Long*)
 - Current costs have significantly increased because of covid and supply chain issues, so Developer is seeking additional funding (*Long*)
- Extension of Redevelopment Contract
 - Current agreement expired on June 30, 2021 (*Long*)
 - Staff believes that Developer should be able to obtain additional financing and complete the project (*Kemper/Long*)
 - Staff will provide more information on each individual comprising HMC Holdings and their initial application for abatement (*Hazley/Kemper/Long*)
 - City has not yet implemented a clawback process for developer agreements (*Lewis/Moye*)
 - LCRA has terminated previous redevelopment contracts for lack of progress (*Long*)
 - Granting extensions carries risks of developers abandoning half-finished projects which then become eyesores (*Lewis*)
 - Board could either approve the extension today, given the deadline is over a year old, or continue the matter to next month's meeting (*Moye/Engel*)

ACTION TAKEN: CONTINUED CONSIDERATION OF THE AMENDMENT OF THE REDEVELOPMENT CONTRACT WITH HMC HOLDINGS, LLC TO EXTEND THE PROJECT COMPLETION DEADLINE FOR ONE (1) MONTH TO THE BOARD'S SCHEDULED MONTHLY MEETING ON AUGUST 23, 2022. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 7-1-22*)

Mr. Moye asked that the Board consider the following item out of order.

3. **6434 Paseo URA – Brookside East Apartments (also known as BLVD 64 Apartments)** – *Consideration of Approval of Estoppel Certificate (Brian Engel) (Ex. 4A-4B)*

➤ **Estoppel Certificate**

- Sunflower Bank, developer's new lender requested the Estoppel Certificate to ensure that no defaults existed under the Redevelopment Contract (*Engel*)
 - Lender's attorney has approved the Certificate (*Engel*)
 - Request by a lender is fairly standard (*Engel*)
- Previous developer construction loan, which matured August 1, 2022, was refinanced with Sunflower Bank (*Carlton*)

ACTION TAKEN: APPROVED ESTOPPEL CERTIFICATE TO FACILITATE REDEVELOPER'S LOAN REFINANCING FOR THE PROJECT. MOTION MADE BY MS. BOUGH, SECONDED BY MS. HENDERSON, AND CARRIED UNANIMOUSLY. (*RES. NO. 7-2-22*)

4. **Administrative.**

a. **Executive Director's Report** - *Active Projects Tracking System Report* (Dan Moye) (**Ex. 3A**)

➤ **Gabriel Towers Update**

- Air Conditioning
 - Board previously found Developer in default based on claims of substandard conditions from the City and tenants (*Moye*)
 - Week-long air conditioning outages occurred again this summer so the City finally ordered Developer to purchase individual apartment units (*Moye*)
- MHDC
 - Developer hopes to receive MHDC tax credits by the end of this year to finance the project's renovation process in the third quarter (*Moye*)
 - MHDC approved funding to allow for a complete renovation of the property (*Moye/Lewis*)
- Developer Accountability
 - Healthy Homes should be notified if Developer refuses responsibility to fix existing maintenance issues (*Moye/Caldwell*)
 - Developer pays fines but refuses to make repairs so tenants must live with issues such as mold and rats (*Caldwell*)
 - LCRA should be provided with copies of Healthy Homes' reports and will also ask Developer to update the Board at next month's meeting (*Moye*)
 - LCRA enforcement options for breach of contract are essentially limited to returning title of the property to the Developer (*Moye*)
 - Staff will contact MHDC to determine if it has any influential power over the Developer (*Moye/Lewis*)
 - Forcing the Developer to sell the property would be a much slower process than exerting imminent financial influence (*Kemper/Lewis*)

ACTION TAKEN: NONE; INFORMATIONAL ONLY

➤ **Presentation by Anne Jordan** (*continued from June 28, 2022 LCRA Board meeting*)

- Mayor's policy director to speak with the Board about how the LCRA can sync with the Mayor's office on forthcoming initiatives (*Moye*)
- One of main directives is advancing housing affordability (*Jordan*)
 - Housing Trust Fund aids in subsidizing deeper affordability (*Jordan*)
 - LCRA and Chapter 353 tools can be used to supplement and incentivize affordability (*Jordan*)

- Standardization of policies across the different agencies can help to alleviate incentive shopping (*Kemper/Jordan*)
 - Definitions of and reasons for incentive stacking should be clear throughout the agencies (*Moye*)
- Super Board / By Right
 - Goal is for agencies to become more coordinated, direct, consistent, and equitable when awarding incentives (*Hazley/Jordan*)
 - Attempting to determine a good baseline incentive package should take into consideration where the project is located (*Jordan*)
 - Developers have no rights to incentives but could have an easier pathway for approval if they complied with certain requirements (*Jordan*)
 - Local buyers should be favored over non-local buyers (*Hazley/Jordan*)
 - Northland affordable housing issues include prices exceeding the incomes of younger buyers as well as an influx of institutional purchases (*Henderson*)
 - International investors buying American properties are a problem throughout the country and help to increase home values (*Lewis*)

5. **Adjourn.**

There being no further business, the meeting adjourned at approximately 11:40 a.m.

Daniel Moye, Secretary