The City of Lee's Summit

Legislation Details (With Text)

File #:	202	1-4360	Name:		
Туре:	Pres	sentation	Status:	Agenda Ready	
File created:	9/8/	2021	In control:	City Council - Regular Session	
On agenda:	9/21	/2021	Final action:		
Title:	Request by Lee's Summit Housing Authority to Purchase City-owned Property at 25 NW Tudor Road				
Sponsors:					
Indexes:					
Code sections:					
Attachments:		oning Confirmation Letter, nty Tax Data Sheet 2021	2. Exhibit A - Pla	t showing Property, 3. Comprehensive Plan Map, 4.	
Date	Ver.	Action By	Act	ion Result	
9/21/2021	1	City Council - Regular Se	ession		

Request by Lee's Summit Housing Authority to Purchase City-owned Property at 25 NW Tudor Road

Issue/Request:

Request by Lee's Summit Housing Authority (LSHA) to purchase property owned by the City of Lee's Summit for a multi-family residential development.

Key Issues:

Sale of property to LSHA.

Background:

LSHA has requested to purchase property owned by the City at 25 NW Tudor Road. The property is Tax Parcel No. 52-900-04-39-00-0-000 which is Lot 3A of the "Plat of Lee's Summit Police and Courts Facility" containing 127,326 square feet which is approximately 2.92 acres, as illustrated on the attached Plat. The market value assigned to this parcel by Jackson County in 2021 is \$1,079,000 (2021 Market Value Assessment).

Project

The project proposed by LSHA consists of 126 multifamily residential units which will be restricted to rental by persons aged 55 and older, in two phases as follows:

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	Phase 1		
<u>Units</u>	Description		
	One Bedroom		
7	50% of Area Median Income (AMI)		
21	60% of AMI		
14	Market Rate		
42	Total		
	Two Bedroom		
04.55	FOOL FALL		
4	50% of AMI		
4 12	60% of AMI		
12	60% of AMI		
12 8	60% of AMI Market Rate		
12 8 24	60% of AMI Market Rate Total	66.7%	

Phase 2			
<u>Units</u>	Description		
40	Low-Income Restricted		
20	Market Rate		
60	Total		

LSHA and its Master Development Consultant/Partner will seek Federal and State Low-Income Housing Tax Credits with the Missouri Housing Development Commission (MHDC). The City will not participate directly in this application and no separate approvals are required by the City for this application.

Ownership Structure

The property will be transferred from LSHA to a limited liability company (LLC) that will own the property and the apartment building (the "Apartment Company") which will be a partnership with the following ownership arrangement:

51% owned by non-profit entity (the "Non-Profit Partner") that is owned, controlled and managed by LSHA
49% owned by a for-profit LLC (the "For-Profit Partner") that is owned, controlled and managed by a private company that will be selected by LSHA through an RFP process.

No member of LSHA will have a personal interest, or direct or indirect business ownership interest, in the For-

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Profit Partner.

The arrangement for this project will be formally memorialized in a Development Agreement which must be approved by the City Council. The City Council will retain normal legislative discretion when the Development Agreement is considered.

Contingencies

(1) Formation of partnership for Buyer entity.

(2) Award of low-income housing tax credits from Missouri Housing Development Commission.

(3) City Council legislative approvals for Development Agreement, Real Estate Agreement and any other related documents for the incentives.

(4) Execution of the Development Agreement and Real Estate Agreement between the City and Buyer.

(5) Approval of a preliminary development plan and rezoning for the project.

Impact/Analysis:

The City Council has requested that LSHA make a presentation to the City Council in open session about the request and the project. The City Council will evaluate the requested price in closed session and thereafter make a final decision on the request.

Timeline:

LSHA intends to make a request for low-income housing tax credits for the proposed project this year. If successful, LSHA would thereafter establish a master project schedule in coordination with its selected private partner.

Erik Berg, Lee's Summit Housing Authority Emmet Pierson, Jr., Lee's Summit Housing Authority

<u>Recommendation:</u> To be discussed in closed session.

Committee Recommendation: Not applicable.