

Legislation Text

File #: 2021-4360, **Version:** 1

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. 52-900-04-39-00-0-00-000 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:

Phase 1		
<u>Units</u>	<u>Description</u>	
	One Bedroom	
7	50% of Area Median Income (AMI)	
21	60% of AMI	
14	Market Rate	
42	Total	
	Two Bedroom	
4	50% of AMI	
12	60% of AMI	
8	Market Rate	
24	Total	
66	Total Units	
44	Low-Income Housing Units	66.7%
22	Market Rate Units	33.3%

Phase 2		
<u>Units</u>	<u>Description</u>	
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-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

Recommendation: To be discussed in closed session.

Committee Recommendation: Not applicable.