

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 150551

Authorizing the Director of Neighborhoods and Housing Services to enter into a Memorandum of Agreement with Bank of America, the KC Equity Funds and Colonnades at Beacon Hill Development, LP ("Developer") for the completion of the Colonnades at Beacon Hill project at 27th Street and Tracy Avenue (the "Project"); amending the 2012 and 2014 One Year Action Plans and authorizing submittal of a Substantial Amendment to the U.S. Department of Housing and Urban Development for its consideration; estimating revenue and appropriating funds in the HOME Investment Partnerships Fund; authorizing an amendment to an agreement with the Developer in the amount of \$800,000.00; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the Project is a redevelopment project in the Beacon Hill Redevelopment Area which consists of the rehabilitation of one historically significant colonnade-style, 6-unit apartment structure, and the construction of four new 6-unit apartment structures along 27th Street at Tracy Avenue to be leased to a mix of market rate and low income Kansas City, Missouri residents; and

WHEREAS, Ordinance No. 120155, passed March 8, 2012, authorized a \$1,700,000.00 contract with the Developer from Home Investment Partnerships Program ("HOME") funding for the construction and rehabilitation of the Project; and

WHEREAS, Ordinance No. 120855, passed September 27, 2012, authorized a \$400,000.00 HOME contract amendment to help cover additional costs due to the destruction by fire of one of the historic buildings in the Project which caused the loss of historic tax credit equity; and

WHEREAS, Committee Substitute for Ordinance No. 130064, passed on January 31, 2013, authorized a \$250,000.00 contract with Community Development Block Grant ("CDBG") funds to cover predevelopment costs associated with the Project; and

WHEREAS, Ordinance No. 150082, passed on February 19, 2015, authorized a contract amendment of \$386,229.00 with CDBG funds to cover unanticipated project costs; and

WHEREAS, while 82% of all construction activities of the Project have been completed, the Project has been challenged by numerous issues including significant unforeseen site conditions; the stabilization of the remaining historic structure; the closure of the general contractor's business; the replacement of the general contractor; and numerous construction faults, all of which necessitates additional oversight and funding to complete the Project; and

WHEREAS, the Project's lenders, including Bank of America, N.A. on behalf of itself and Banc of America Public Capital Corp. (collectively, "Bank of America") and the low income housing tax credit investors including Kansas City Equity Fund 2009,

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L.L.C., St. Louis Equity Fund 2011 L.L.C., St. Louis Equity Fund 2012 L.L.C., and St. Louis Equity Fund 2013 L.L.C. (collectively, "KC Equity Funds"), propose to enter into a mutually agreeable Memorandum of Agreement to describe the actions of each party, the remaining budget, additional or revised funding requirements, and a construction and rehabilitation completion schedule; and

WHEREAS, the City has an obligation to the United States Department of Housing and Urban Development to complete the Project; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Neighborhoods and Housing Services is authorized to enter into a Memorandum of Agreement with Bank of America, N.A. on behalf of itself and Banc of America Public Capital Corp. (collectively, "Bank of America"); the low income housing tax credit investors including Kansas City Equity Fund 2009, L.L.C., St. Louis Equity Fund 2011 L.L.C., St. Louis Equity Fund 2012 L.L.C., and St. Louis Equity Fund 2013 L.L.C. (collectively, "KC Equity Funds"); and Colonnades at Beacon Hill Development, LP, which guides the completion of the Colonnades at Beacon Hill project at 27th Street and Tracy Avenue and includes additional funding as approved in this ordinance.

Section 2. That the Substantial Amendment to the 2012 and 2014 One Year Action Plans, prepared pursuant to the National Affordable Housing Act of 1990, as amended, a copy of which in substantial form is attached hereto and made a part hereof, is hereby approved.

Section 3. That the Mayor, on behalf of the City of Kansas City, Missouri, is authorized to execute and submit the aforesaid Substantial Amendment to HUD.

Section 4. That revenue in the following account of the HOME Investment Fund is hereby increased in the following amount:

16-2940-570001-476050-G57HOME14	HUD Grants	\$800,000.00
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Section 5. That the sum of \$800,000.00 is hereby appropriated from the Unappropriated Fund Balance of the HOME Investment Fund in the following amount:

16-2940-575326-B-G57HOME14	Housing Services	\$800,000.00
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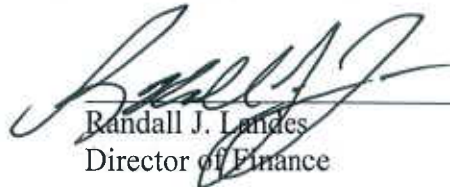
Section 6. That the Director of Neighborhoods and Housing Services Department is authorized to amend the contract with the Developer by adding \$800,000.00 of HOME funds from Account No. 16-2940-575326-B-G57HOME14 for the purpose of completing the rehabilitation, construction, and development of the Project.

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Section 7. That the City Council hereby certifies that the Substantial Amendment has been prepared and will be submitted to the U.S. Department of Housing and Urban Development pursuant to and in accordance with the Department's rules and regulations, including but not limited to Title 24 Section 570.301 through and including 570.306 of the Code of Federal Regulations.

Section 8. That this Ordinance, which appropriates money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter, and shall take effect in accordance with that section.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

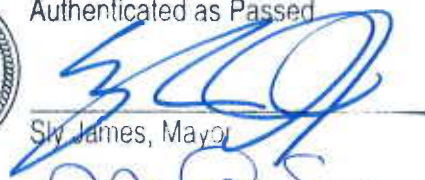

Randall J. Landes
Director of Finance

Approved as to form and legality:


Nicole Rowlette
Assistant City Attorney



Authenticated as Passed


Sly James, Mayor


Marilyn Sanders, City Clerk

JUL 9 2015

Date Passed