

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 190963

Approving the Third Amendment to the Amended and Restated Development Plan of Beacon Hill Redevelopment Corporation; finding and determining an extension of the Beacon Hill 353 Plan shall provide a public benefit by fostering the fulfillment of City obligations to the Department of Housing and Urban Development; directing the City Clerk to transmit copies of this ordinance; authorizing the Director of City Planning and Development to execute a Third Redevelopment Contract Amendment.

WHEREAS, in 1999, the City initiated planning and redevelopment activities in an area known as “Beacon Hill,” which area is generally bounded by 22nd Street on the north, 27th Street on the south, Troost on the west, and Paseo Boulevard and Vine Street on the east (the “Redevelopment Area”); and

WHEREAS, Beacon Hill Redevelopment Corporation (the “Redevelopment Corporation”), an urban redevelopment corporation of Missouri, organized under and pursuant to the Urban Redevelopment Corporations Law, Chapter 353, RSMo, as amended (the “Act”), did file with the City Clerk an application for approval of a development plan (“Original 353 Development Plan”), which was approved by the City Council by Committee Substitute for Ordinance No. 020442, passed May 23, 2002 (the “Ordinance”), and said Ordinance also authorized a redevelopment contract between the City and the Redevelopment Corporation (“Original Redevelopment Contract”); and

WHEREAS, on November 30, 2001, pursuant to the Urban Redevelopment Corporations Law, Missouri Revised Statutes Section 353.010, et seq. (the “353 Law”), Beacon Hill Redevelopment Corporation (the “Redeveloper”) filed a development plan (the “Original 353 Plan”) with the City for the redevelopment of an approximately 94-acre tract of land generally bounded by 22nd Street on the north, Bruce R. Watkins Drive and The Paseo on the east, 27th Street and approximately 100 feet south of 27th Street at Troost Avenue on the South, and Troost Avenue and approximately 150 feet west of Troost Avenue at 27th Street on the west (the “Redevelopment Area”); and

WHEREAS, on May 23, 2002, the City approved the Original 353 Plan, approved a finding of blight for the Redevelopment Area, pursuant to Committee Substitute for Ordinance No. 020442 and, pursuant to contemporaneous filings, rezoned the Redevelopment Area to District URD (Urban Redevelopment District); and

WHEREAS, subsequent to approving the Original 353 Plan, the City appropriated and committed substantial public funds to the Redevelopment Area, to implement the objectives of the Original 353 Plan; and

WHEREAS, on May 16, 2005, the Housing and Economic Development Financial Corporation (“HEDFC”), the majority property owner of the Redevelopment Area, was placed into a federal receivership (the “Receivership”) under an Order of the United States District Court for the Western District of Missouri, Western Division (the “Court”), Case No. 05-00368-CV-W-GAF; and

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WHEREAS, the Receivership effectively halted Redeveloper's and the City's ability to implement the Original 353 Plan because the majority of the Redevelopment Area was placed in limbo while the assets, debts and obligations of HEDFC were identified and amassed as a part of the Receivership; and

WHEREAS, on September 10, 2009, the City passed Ordinance No. 090770, which, among other things, renewed the blight determination of the Redevelopment Area, and on December 3, 2009, pursuant to Committee Substitute for Ordinance No. 090947, the City approved an amendment to the Original 353 Plan which, among other things, provided for a low-income housing tax credit project for the Housing Authority of Kansas City, Missouri, and extended the expiration date by which the Original 353 Plan would be performed (the "2009 Plan"); and

WHEREAS, on January 6, 2011, the Court issued an Order and Directions for Termination of Receivership for the transfer and disposition of HEDFC assets to the City (the "HEDFC Order"); and

WHEREAS, on March 21, 2013, as a requirement for complying with the HEDFC Order, the City Council approved Ordinance No. 130200 authorizing the City Manager to enter into a "Memorandum of Agreement for the Completion of Activities Under Federal Receivership and Ongoing Administration of the CDBG and HOME Programs" (the "HUD MOA") with the Department of Housing and Urban Development ("HUD"); and

WHEREAS, the HUD MOA prioritizes the City's completion of urban housing projects and activities in the "Greater Downtown Strategy Area" and, specifically, in the Redevelopment Area, and requires the time-sensitive completion of these activities to satisfy the national objective requirements set forth at 24 C.F.R. 570.208(b)(1); and

WHEREAS, the HUD MOA requires the City to complete these time-sensitive urban housing projects and activities by 2023 or such later date on which HUD determines the City may be released from the HUD MOA (the "MOA Termination Date"); and

WHEREAS, since executing the HUD MOA, the City, in cooperation with other public agencies, the Redeveloper and other third-parties, has made impressive strides toward achieving the performance measures and milestones delineated in the HUD MOA, however, despite these efforts and the reduction of blighting influences from the Redevelopment Area, the City's work and the performance measures must continue until the MOA Termination Date; and

WHEREAS, the Original 353 Plan, as amended by the 2009 Plan, sets forth a phasing schedule to complete the blight removal and other requirements of the 353 Plan which terminates in a period of years following the termination of the HEDFC Receivership; and

WHEREAS, the Original 353 Plan, as amended by the 2009 Plan, was again amended in 2014, to allow for the development of student housing by the University of

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Missouri – Kansas City, and in 2017, to allow for the construction of a limited service hotel (collectively, the “353 Plan”), however, the phasing schedule to complete the 353 Plan was not extended in the amendments; and

WHEREAS, the 353 Plan, which serves a public benefit to the City and is a critical tool in the City’s efforts to comply with performance objectives of the HUD MOA, will expire prior to the MOA Termination Date; and

WHEREAS, so the expiration date of the 353 Plan may be extended to correspond to the MOA Termination Date and to incorporate various underlying UR development plan amendments, the Beacon Hill Redevelopment Corporation, in partnership with the City, appeared before the Kansas City Chapter Advisory Board (the “Advisory Board”) on October 23, 2019, to informally present a request for a recommendation in support of the Third Amendment to the Amended and Restated Development Plan of Beacon Hill Redevelopment Corporation (the “Third Amendment”) so that the expiration of the 353 Plan may be extended to correspond to the MOA Termination Date and to bring the 353 Plan in line with the underlying Urban Redevelopment Plan; and

WHEREAS, the Advisory Board expressed unanimous support for the proposed Third Amendment; and

WHEREAS, the Third Amendment, prepared in accordance with Urban Redevelopment Corporations Law of the Revised Statutes of Missouri, as amended (the "Act") and Chapter 74, Code of Ordinances, was considered by the Advisory Board on November 20, 2019, at a meeting duly noticed; and

WHEREAS, the Advisory Board, after fully considering the Third Amendment, recommended approval of the Third Amendment, and transmitted its recommendation to the City Council; and

WHEREAS, in furtherance of fulfilling its obligations under the HUD MOA, avoiding the possibility of financial penalties to the City if such performance obligations are not achieved, and to ensure the City has all necessary resources available to fully achieve the performance measures and milestones for the Redevelopment Area which are delineated in the HUD MOA, the City desires, subject to the Advisory Board’s consideration, to approve the Third Amendment and extend the expiration date of the 353 Plan, to correspond with the MOA Termination Date; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY, MISSOURI:

Section 1. The Third Amendment to the Amended and Restated Development Plan of Beacon Hill Redevelopment Corporation, in the form submitted to the Chapter 353 Advisory Board and incorporated herein by reference, is hereby approved.

Section 2. The Council finds and determines that approval of the Third Amendment to the Amended and Restated Development Plan of Beacon Hill Redevelopment Corporation shall provide a public benefit by (a) fostering the fulfillment of City obligations to the Department of Housing and Urban Development set forth in the

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Memorandum of Agreement for the Completion of Activities Under Federal Receivership and Ongoing Administration of the CDBG and HOME Programs dated April 1, 2013, (b) removing blight from the Redevelopment Area, and (c) otherwise fulfilling the objectives set forth in the Third Amendment and the overall 353 Plan.

Section 3. The City Clerk is directed to transmit copies of this ordinance to the County Clerk and County Executive of Jackson County, Missouri.

Section 4. The Director of City Planning and Development is directed to execute an amendment to the Chapter 353 Redevelopment Contract with the Beacon Hill Redevelopment Corporation for the purposes of implementing the foregoing Third Amendment.

Approved as to form and legality:

Katherine Chandler
Associate City Attorney