

ORDINANCE NO. 110641

Authorizing the Director of Finance to pledge \$650,000.00 from the City's current time deposit with Mazuma as collateral for a line of credit issued to the Jazz District Redevelopment Corporation ("JDRC"); authorizing the Director of Finance the option of one one-year renewal term; and authorizing the Director of Housing and Community Development to enter into a development agreement with JDRC outlining the terms for the use of the City's collateral.

WHEREAS, within the Historic 18th and Vine Jazz District (the "District"), the proposed redevelopment project consists of the rehabilitation and conversion of the Rochester Hotel, located at 1821 Highland, and six residential homes, located at 1816-26 Highland, into 22 multi-family rental units to be leased to low-income Kansas City, Missouri residents (the "Project"); and

WHEREAS, the predevelopment activities of the Project have been completed, including, but not limited to: environmental studies, architectural renderings, and engineering structural analysis; and the Project is prepared for rehabilitation construction to begin; and

WHEREAS, the Project will rehabilitate and save seven (7) historic structures in the District, all constructed in the late 1800s to early 1900s, which will help to maintain the District's historic designation; and

WHEREAS, the City has established the renovation and preservation of the residential units and the related historic elements of the Project as a priority; and

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

WHEREAS, the City created and the Council approved, through Committee Substitute for Resolution No. 100903, the ReBuild KC/Neighborhoods asset transfer plan, which included the recommendation to complete the Project with proceeds coming from the Housing and Economic Development Financial Corporation's ("HEDFC") HOME program income account; and

WHEREAS, with a \$1,200,000.00 line of credit backed by \$650,000.00 of collateral from the City, the Jazz District Redevelopment Corporation ("JDRC") can obtain the interim construction financing necessary to proceed with building out the Project in a timely manner; and

WHEREAS, the City will enter into a development agreement with JDRC for the repayment by JDRC of the construction financing loan; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ORDINANCE NO. 110641

Section 1. That the Director of Finance is hereby authorized to pledge \$650,000.00 as collateral from the City's existing time deposit with Mazuma for a term equal to the term of the loan to support the line of credit between JDRC and Mazuma, which will provide working capital in support of the revitalization efforts for the Project.

Section 2. That the Director of Finance is further authorized to renew the time deposit and pledge the collateral thereof for one one-year term if he determines it necessary for the health and stability of the redevelopment efforts.

Section 3. That the Interim Director of Housing and Community Development is authorized to enter into a contract with JDRC specifying the terms and conditions surrounding the use of the City's collateral pledge. A copy of the contract, in substantial form, is on file in the office of the Interim Director of Housing and Community Development and is incorporated herein by reference.

Approved as to form and legality:

Nicole Rowlette
Assistant City Attorney