

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 170358

Finding and determining the Emanuel Cleaver II Senior Living Facility at 7620 East 79th Street shall provide a public benefit to the City by meeting a demonstrated affordable housing need, providing housing for low-income persons and families, and leveraging tax credit funding from the State of Missouri; and authorizing one hundred percent, real property tax abatement for a period of twenty-five years, subject to payments-in-lieu of taxes as set forth herein, pursuant to Section 9 of Second Committee Substitute for Ordinance No. 160383, as amended.

WHEREAS, on October 6, 2016, the City did pass Second Committee Substitute for Ordinance No. 160383, as amended, which Ordinance No. 160383, as amended, enacted guidelines on the City's use of abated and exempted real property taxes in funding economic development projects, and established the Shared Success Fund to further economic development in severely distressed census tracts within the City; and

WHEREAS, Section 9 of Ordinance No. 160383, as amended, provides that notwithstanding the guidelines set forth therein, the Council retains its discretion to authorize the capture and redirection, or abatement or exemption, in whole or in part, of ad valorem real property taxes to the full extent authorized by any provision of law; and

WHEREAS, the City is committed to supporting economic development projects which (a) meet a demonstrated affordable housing need; (b) provide housing for low-income persons and families; and (c) leverage tax credit funding with other financing and/or rental assistance from the state or federal government; and

WHEREAS, the Emanuel Cleaver II Senior Living Facility, to be developed east of Troost at 7620 East 79th Street, is being financed, in part, with an award of nine percent low-income housing tax credits from the Missouri Housing Development Commission, and is subject to a state-mandated tax credit compliance period and debt service coverage requirements; and

WHEREAS, the developers of the Emanuel Cleaver II Senior Living Facility, St. James United Methodist Church, Inc., and Dalmark Development, LC, filed an application with AdvanceKC and requested one hundred percent, real property tax abatement for a period of twenty-five years, in order to obtain the maximum local financial support for the project authorized by law, to financially stabilize the project during the state-mandated compliance period, and to achieve required debt service coverage for the project; and

WHEREAS, for the purpose of demonstrating local financial support for an affordable housing project for low-income persons which leverages tax credit funding, to financially stabilize the project during the state-mandated compliance period, and to assist the project in achieving required debt service coverage, the Council wishes, in this instance, to exercise its discretion under Section 9 of Ordinance No. 160383, as amended, and authorize the approval of one hundred percent real property tax abatement

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for a period not to exceed twenty-five years for the Emanuel Cleaver II Senior Living Facility, subject to payments-in-lieu-of-taxes (PILOTS) by the developers to the affected taxing jurisdictions, such PILOTS commencing the first year during the term of abatement which follows the expiration of the state tax credit compliance period; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF KANSAS CITY:

Section 1. The City Council hereby finds and determines that the Emanuel Cleaver II Senior Living Facility which is subject to a state-mandated tax compliance period and debt service coverage requirements will provide a public benefit to the City by meeting a demonstrated affordable housing need, providing housing for low-income persons and families, and leveraging tax credit funding from the State of Missouri.

Section 2. That pursuant to Section 9 of Second Committee Substitute for Ordinance No. 160383, as amended, the City Council hereby authorizes one hundred percent real property tax abatement for a period of twenty-five years for the Emanuel Cleaver II Senior Living Facility, subject to the payment of PILOTS by the developers to the affected taxing jurisdictions, such PILOTS commencing the first year of the term of abatement which follows the expiration of the state tax credit compliance period, in an amount of not more than fifty percent of the taxes that would have been paid on the assessed value of the project.

Section 3. That in the event any provision of this Ordinance is deemed unenforceable by reason that it conflicts with a provision of state law providing for a differing level of abatement for all or any portion of the term of any tax abatement for the Emanuel Cleaver II Senior Living Facility, or providing that the assessed valuation be determined by some other measure than is set forth therein, then the City and the applicable incentive agency shall, to the maximum extent permitted by law, contractually require payments in lieu of taxes structured to achieve the objectives of this ordinance. Such requirement shall be included within the body of the Emanuel Cleaver II Senior Living Facility redevelopment plan, plan or development plan, as applicable, and shall be regarded as a substantial, material element of the plan so approved.

Approved as to form and legality:

Brian T. Rabineau
Associate City Attorney