

SECOND COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 110300

Authorizing the City Manager to enter into a contract not to exceed \$583,675.00 with the Economic Development Corporation of Kansas City, the Land Clearance for Redevelopment Authority of Kansas City, the EDC Charitable Fund and the EDC Loan Corporation for management of the assets to be transferred from the Housing and Economic Development Financial Corporation; appropriating funds to the project account; appropriating funds in the amount of \$583,675.00 from the Unappropriated Fund Balance of the General Fund; and designating requisitioning authority.

WHEREAS, for nearly thirty-five years, the City contracted with the Housing and Economic Development Financial Corporation (“HEDFC”) to implement the City’s housing programs for the benefit of low and very low income persons through the use of federal funds from the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, the partnership between the City and HEDFC ended on October 31, 2004 when the contract between the parties terminated and on April 21, 2005, the City filed a complaint against HEDFC in the U.S. District Court for the Western District of Missouri, Case No. 05-00368-CV-W-GAF, requesting, among other relief, an accounting of HEDFC assets and the return of those assets to the City; and

WHEREAS, the Court appointed a receiver to manage the accounts and assets of HEDFC and after five and one-half years, the receivership is nearing an end; and

WHEREAS, on January 6, 2011, the U.S. District Court for the Western District of Missouri, issued an Order and Directions for Termination of Receivership for the transfer and disposition of HEDFC assets; and

WHEREAS, the City, the EDC, and three of the EDC’s agencies, the Land Clearance for Redevelopment Authority (“LCRA”), the EDC Charitable Fund (“EDCCF”) and the EDC Loan Corporation (“EDCLC”), desire to enter into a one-year contract, with two one-year City options to renew, for the management and maintenance of the assets formerly held at HEDFC; and

WHEREAS, the primary project areas and services described in the contract include the maintenance and management of the Beacon Hill Redevelopment Area, the Holy Temple Homes Project Area, the re-use of scattered, vacant lot sites in the Santa Fe, Washington Wheatley/Wendell Phillips, Columbus Park, and Independence Plaza neighborhoods, as well as transfer and servicing of the loan portfolio; and

WHEREAS, the transfer of the assets, and therefore the performance of this contract, is subject to the approval of the U.S. District Court for the Western District of Missouri in Case No. 05-00368-CV-W-GAF; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

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Section 1. That the City Manager is authorized, on behalf of the City of Kansas City, Missouri, to enter into a one year contract not to exceed \$583,675.00, with two one-year City options to renew, with the Economic Development Corporation of Kansas City, the Land Clearance for Redevelopment Authority of Kansas City, the EDC Charitable Fund and the EDC Loan Corporation for management of the assets to be transferred from the Housing and Economic Development Financial Corporation. Years two and three of the contract are subject to appropriation. A copy of the contract, in substantial form, is on file in the Office of the City Manager and is incorporated herein by reference.

Section 2. That the City Manager is authorized to satisfy the cost of this contract from funds appropriated to the following accounts in the General Fund:

12-1000-552266-B	HEDFC Property Maintenance	\$493,675.00
12-1000-642046-B	Beacon Hill Development	<u>90,000.00</u>
	TOTAL	\$583,675.00

Section 3. That the City Manager is designated as requisitioning authority for Account Nos.12-1000-552266 and 12-1000-642046.

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