

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI**

RESOLUTION NO. 3- -24

**RESOLUTION OF THE LAND CLEARANCE FOR
REDEVELOPMENT AUTHORITY OF KANSAS CITY,
MISSOURI APPROVING AND AUTHORIZING THE ISSUANCE
OF ITS TAXABLE INDUSTRIAL REVENUE BONDS (ST.
MICHAEL'S HOUSING INVESTORS III, LP PHASE III
PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT
TO EXCEED \$17,000,000, TO PROVIDE FUNDS TO FINANCE
CERTAIN PROJECT COSTS; AND AUTHORIZING AND
APPROVING CERTAIN DOCUMENTS AND ACTIONS IN
CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

WHEREAS, the Land Clearance for Redevelopment Authority of Kansas City, Missouri ("Authority") is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, RSMo ("LCRA Act"), is transacting business and exercising the powers granted by the LCRA Act by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council ("City Council") of the City of Kansas City, Missouri ("City"), on November 21, 1952, and is authorized and empowered under the LCRA Act and for the purposes set forth in the LCRA Act to issue revenue bonds for the purpose of providing funds to pay the costs of projects, and to lease or sell such projects to others upon such terms and conditions as the Authority shall deem advisable; and

WHEREAS, the Authority, on July 25, 2012, found the Seven Oaks Urban Renewal Area ("Urban Renewal Area") is a blighted area and in need of redevelopment and is appropriate for an urban renewal project and approved the Seven Oaks Urban Renewal Plan ("Urban Renewal Plan"); and

WHEREAS, the City Council approved the Urban Renewal Plan by Ordinance No. 120740 adopted on September 13, 2012, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted conditions within the Urban Renewal Area; and

WHEREAS, following a Request for Proposals process, the Authority and St. Michael's Veterans Center, Inc., a Missouri non-profit corporation ("Company"), entered into the Redevelopment Contract dated as of May 16, 2012 and recorded as Document No. 2012E0063449, as amended by the Amended and Restated Redevelopment Contract dated as of September 6, 2012 and recorded as Document No. 2012E0106473, as amended and restated by the Second Amended and Restated Redevelopment Contract dated as of May 3, 2013 and recorded as Document No. 2013E0049446, as amended by the Amendment to Second Amended and Restated Redevelopment Contract dated as of February 25, 2015 and recorded as Document No. 2015E0106279 (collectively, "Redevelopment Contract"), pursuant to which the Authority and the Company set forth their respective rights and obligations regarding the transfer of property and redevelopment of the St. Michael's Veterans Center project (formerly known as the Holy Temple Homes site) to provide affordable housing and supportive services to veterans ("Project"); and

WHEREAS, the Project property ("Property") was owned by the Housing and Economic Development Financial Corporation and conveyed to the Authority to facilitate the Project in accordance

with the Order issued by the U.S. District Court for the Western District of Missouri in receivership Case No. 05-00368-CV-W-GAF; and

WHEREAS, pursuant to the Redevelopment Contract, the Authority conveyed a portion of the Property, defined as the Phase I Property in the Redevelopment Contract, to the Company by that Special Warranty Deed recorded on July 12, 2013 as Document No. 2013E0072500 to facilitate development of the first phase of the Project, consisting of 58 units of affordable veterans housing and related improvements (“Phase I”); and

WHEREAS, pursuant to the Redevelopment Contract, the Authority conveyed a portion of the Property, defined as the Phase II Property in the Redevelopment Contract, to the Company by that Special Warranty Deed recorded on November 25, 2015 as Document No. 2015E0106280 to facilitate development of the second phase of the Project, consisting of 59 units of affordable veterans housing and related improvements (“Phase II”); and

WHEREAS, the Company conveyed certain portions of the Phase II Property to: (a) St. Michael’s Housing Partners Investors II, L.P. (defined as the “Phase II Housing Property” in the Redevelopment Contract) by that Special Warranty Deed recorded on November 25, 2015 as Document No. 2015E0106281; and (b) St. Michael’s Veterans Center Owners’ Association, Inc. (defined as the “Phase II Common Area Property” in the Redevelopment Contract) by that Special Warranty Deed recorded on November 25, 2015 as Document No. 2015E0106282; and

WHEREAS, Phase I and Phase II of the Project are complete and the Company has submitted a request to transfer the remaining Property owned by the Authority (“Phase III Property”) to facilitate development of the third phase of the Project consisting of approximately 62 units of affordable veterans housing and related improvements (“Phase III”); and

WHEREAS, the Phase III Property is comprised of two separate parcels (i) the housing property, which is legally described as Tract A, ST. MICHAEL’S VETERANS CENTER II, a re-plat of Tracts A and F of St. Michael’s Veterans Center, a subdivision in Kansas City, Jackson County, Missouri (“Phase III Housing Property”) upon which the Phase III improvements will be constructed and (ii) the common area property, which is legally described as Tract D, ST. MICHAEL’S VETERANS CENTER II, a re-plat of Tracts A and F of St. Michael’s Veterans Center, a subdivision in Kansas City, Jackson County, Missouri (“Phase III Common Area Property”) upon no improvements are planned; and

WHEREAS, the financing for Phase III includes funding from (i) MHDC reserving 9% federal and state low-income housing tax credits to the Company, (ii) MHDC HOME funds, (iii) MHDC NHTF funds, (iv) Horizon Bank construction loan, and (v) Redeveloper equity for Phase III; and

WHEREAS, to further assist with Project financing, the Company submitted an application for a sales tax exemption on construction materials pursuant to a sale/leaseback transaction for Phase III; and

WHEREAS, by Resolution No. 9-1-22 dated September 27, 2022, the Authority approved a sales tax exemption on construction materials pursuant to a sale/leaseback transaction for Phase III as permitted under the LCRA Law and the Authority reviewed a copy of the Company’s MHDC tax credit application in lieu of an independent financial analysis; and

WHEREAS, St. Michael’s Housing Investors III, LP, a Missouri limited partnership (“Phase III Company”) and an affiliate of the Redeveloper, has been formed in connection with the financing for Phase III and the Phase III Company will be the purchaser of the Bonds (as defined below), the tenant

under the Lease Agreement (as defined below), and undertake construction of Phase III as the redeveloper; and

WHEREAS, the Phase III Company has requested that the Authority (i) convey title to the Phase III Common Area Property to the St. Michael's Veterans Center Owners' Association, Inc., a Missouri non-profit corporation ("Association"), (ii) convey title to the Phase III Housing Property to the Phase III Company to allow the Phase III Company to record certain financing documents and then immediately reacquire the Phase III Housing Property, (iii) issue its taxable industrial revenue bonds in a principal amount not to exceed \$17,000,000 to finance Phase III, (iv) lease the Phase III Housing Property to the Phase III Company during the construction period, (v) grant a sales tax exemption incentive on construction materials to facilitate construction of Phase III on behalf of the Authority, and (vi) transfer title to Phase III and the Phase III Housing Property to the Phase III Company and grant tax abatement for the benefit of the Phase III Housing Property upon completion of Phase III as provided in the Redevelopment Contract, all for the purpose of eliminating blighting conditions found to exist in the Project Area and in accordance with and pursuant to the LCRA Act and subject to the terms and conditions of the Authority Documents (defined below); and

WHEREAS, the Authority desires to finance the costs of acquiring and constructing Phase III by the issuance of its taxable industrial revenue bonds in one or more series under the LCRA Act in a principal amount not to exceed \$17,000,000 (the "Bonds"), said Bonds to be payable solely out of payments, revenues and receipts derived by the Authority pursuant to the Lease Agreement for Phase III; and

WHEREAS, the Authority desires that the purchase and construction of Phase III commence as soon as practicable.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, AS FOLLOWS:

Section 1. Findings and Determinations. The Board of Commissioners of the Authority hereby finds and determines that issuance of the Bonds by the Authority to pay the costs of Phase III will be in furtherance of the public purposes set forth in the LCRA Act. The Board authorizes a public sale of the Bonds in accordance with the LCRA Act and authorizes the Executive Director to accept the lowest and best bid for the purchase of the Bonds from the purchaser (the "Purchaser").

Section 2. Authorization of the Bonds. In order to obtain funds to be used for the purposes aforesaid, the Authority is hereby authorized to issue the Bonds in an aggregate principal amount not to exceed \$17,000,000, which shall be issued under and secured by and shall have the terms and provisions set forth in the hereinafter referred to Indenture. The Bonds shall be sold at public sale in accordance with the LCRA Act. Each of the Chairman, Vice Chairman and Executive Director is authorized to accept the final terms of the Bonds and to award the Bond to the purchasers. The final terms of the Bonds shall be specified in the Indenture (defined herein), upon the execution thereof, and the signatures of the officers of the Authority executing the Indenture and Purchase Contract (defined herein) shall constitute conclusive evidence of their approval and the Authority's approval thereof. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman, Vice Chairman or Executive Director and attested by the manual or facsimile signature of its Secretary or Assistant Secretary and shall have the corporate seal of the Authority affixed thereto or imprinted thereon.

Section 3. Limited Obligations. The Bonds shall be limited obligations of the Authority payable solely from the sources and in the manner as provided in the Indenture, and shall be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Bond Trustee (herein defined) and in favor of the holders of the Bonds, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri (the “State”), the City or of any political subdivision thereof within the meaning of any State constitutional provision or statutory debt limitation or restriction and shall not constitute a pledge of the full faith and credit of the State, the City or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Lease Agreement and the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the City nor the State shall be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority.

Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the Authority at this meeting and attached to this Resolution (copies of which documents shall be filed in the records of the Authority), and the Authority is hereby authorized to execute and deliver each of such documents (the “Authority Documents”) with such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Authority's approval thereof:

(a) Trust Indenture (the “Indenture”) between the Authority and the trustee named therein, as corporate trustee (the “Bond Trustee”), dated the date set forth therein, providing for the issuance thereunder of the Bonds and setting forth the terms and provisions applicable to the Bonds, including a pledge and assignment by the Authority of the Trust Estate to the Bond Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Indenture.

(b) Lease Agreement (the “Lease Agreement”) between the Authority and the Phase III Company, dated as of the date set forth therein, under which the Authority will make the proceeds from the sale of the Bonds available to the Phase III Company for the purposes herein described in consideration of payments which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as set forth in the Lease Agreement.

(c) Lease Rider (the “Lease Rider”) between the Authority and the Phase III Company adding provisions to the Lease Agreement relating to the tax credit financing for Phase III.

(d) Bond Purchase Agreement (the “Purchase Contract”) among the Authority, the Phase III Company and the Purchaser, under which the Authority agrees to sell the Bonds to the Purchaser upon the terms and conditions as set forth in the Purchase Contract.

(e) Second Amendment to Second Amended and Restated Redevelopment Contract (collectively, the Redevelopment Contract and the Second Amendment to Second Amended and Restated Redevelopment Contract will be referred to as the “Redevelopment Contract”), between the Authority and the Phase III Company dated as of the date set forth therein under which the

Phase III Company will implement Phase III and the Authority will provide certain assistance and incentives to facilitate Phase III.

Section 5. Execution of Bonds and Authority Documents. Each of the Chairman, the Vice Chairman and the Executive Director of the Authority is hereby authorized and directed to execute the Bonds by manual or facsimile signature and to deliver the Bonds to the Bond Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the Indenture. Each of the Chairman, the Vice Chairman and the Executive Director of the Authority is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary, Assistant Secretary, or other officer of the Authority is hereby authorized and directed to attest to the Bonds by manual or facsimile signature, to the Authority Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 6. Limited Liability. Any provision hereof to the contrary notwithstanding, nothing herein contained shall be construed to impose a charge against the general credit of the Authority or to impose any pecuniary liability upon the Authority except with respect to the proper application of the proceeds to be derived by the Authority from the sale of the Bonds and of the revenues and receipts to be derived by the Authority from any financing, leasing or sale of Phase III. Nothing herein shall be deemed to restrict the Authority or the State of Missouri or any agency or any political subdivision thereof in determining the order or priority of the issuance of bonds by the Authority or to require the Authority to give the Bonds priority as to issuance or as to the time of issuance over any other bonds previously or subsequently approved by the Authority for issue.

Section 7. Conveyance of Phase III Property. The Authority is authorized to the convey title to the Phase III Common Area Property to the Association and to convey title to the Phase III Housing Property to the Phase III Housing Partnership at such times and upon such terms as provided in the Redevelopment Contract and the Lease.

Section 8. Further Authority. Counsel to the Authority, together with the officers and employees of the Authority, are hereby authorized to work with the purchaser or purchasers of the Bonds, their respective counsel and others, to prepare for submission to and final action by the Authority all documents necessary to effect the authorization, issuance and sale of the Bonds. The officers, agents and employees of the Authority are hereby authorized and directed to take such further actions contemplated hereunder in connection with the financing of Phase III, and to execute and deliver such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including, without limitation, documents required by the Phase III Company's lender (such as a deed of trust encumbering the Phase III Housing Property and related property and other financing documents), and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents, the signatures of the officers and employees of the Authority executing such documents, upon the advice of legal counsel, shall constitute conclusive evidence of their approval and the Authority's approval thereof. The Executive Director is hereby authorized to publish notice of public sale and any further notices for the Bonds and Phase III in accordance with the LCRA Act and any actions previously taken by the Executive Director regarding the same is hereby ratified and approved.

Section 9. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Board of Commissioners of the Land Clearance for Redevelopment Authority of Kansas City, Missouri.

ADOPTED by the Board of Commissioners this 26th day of March, 2024.

**LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI**

By: _____
Chad Grittman, Chairman

ATTEST:

Daniel Moye, Secretary