

The Heartland Presbytery Council
Called Meeting Minutes
August 24, 2009

PRESENT: Tamara Miller, Jack Schrimsher, Bill Johnson, John Williams, Carla Gentry, Mary Jorgenson, Bond Faulwell, Donna Chavez, Allison Seed, Betty Miller, Terry Miller, Dan McKnight, David Cliburn, Henry Gower, Kirk Perucca, Ron Patton, Charles Spencer, David Warm, Craig Holstedt, Heidi Peterson, Bill McEachen, Mary Jane Houston and Matthew Reeves

EXCUSED: Leslie King, Seth Wheeler, Marcus Cumpton, Chad Herring, Karen Hanover, Sandra Stogsdill and Tom Thomas

GUESTS from the LAMP Board: Don Spencer, James Scott (advisor), Brian Collins (Cougar Capital); Jim Gordon and Kite Singleton

The Council convened for a special meeting on Monday, August 24, 2009, in the Conference Room of the Harold Thomas Center for Reconciliation. Moderator Tamara Miller **called the Council to order with prayer** at 4:05p.m. Since it was a called meeting, the docket was set at the call.

Presentation by LAMP Board Members

David Warm introduced the board members and consultants present. The old church was built in 1923 and the older wing was removed due to danger. HTC was built early in the church's ministry for community services. When the presbytery reclaimed the old church, the mission was to redevelop the neighborhood and provide a ministry of presence to the urban community.

James Scott, an architect and urban planning specializing in non-profits, presented a model "GrandFamilies at Linwood Place" for a low income housing project built explicitly for grandparents over age 55 raising their grandchildren and a social service approach to those who live in the housing. Family Friends of Children's Mercy program serves the needs of the grandparents in these situations raising their own grandchildren. Renovations to the 1923 building would provide space for social services and the presbytery. The HTC would become 15 apartments and a new building would provide 20 apartments. Utilizing historic tax credits and low income housing tax credits, the project could provide a revenue stream to develop the corner.

Cougar Capital partners with non-profits to provide low income housing. He shared many examples in the greater Kansas City area. Missouri receives \$38 million in affordable housing credits from the IRS. The competition for the tax credits begins this fall and the recipients are notified in the following February. Those who live in affordable housing are generally employed or are receiving Social Security benefits and their income must be less than 60% of the area's median income. The estimated total cost of the project is \$12,216,833. Low Income Housing Tax Credits could provide \$11,911,412. Eligible amount of LWHTC is \$1,072,027 plus the Federal LIHTC of \$750,000 per year and the Missouri LIHTC of \$750,000. Total Historic Tax Credit Equity could generate \$3,027,337 for a total of \$11,127,337. Delta Equity would provide \$1,089,496 and then a 6% mortgage including a 1.25 DSC of \$700,000. There would still be a gap.

Tax credit partnerships are created through a single for profit entity would be owned 99.9% by private investors and LAMP would hold the rest representing the presbytery. The property would be transferred to the new corporation. The presbytery would be relinquishing their ownership rights. The presbytery would have no liability. Cougar Capital acts as a managing general partner until all the units are filled then they step out of the process. Professional housing management companies take care of the day to day operations including determining eligibility for tenants, maintenance, etc.

After 15 years, the property and responsibilities would transfer back to the presbytery when the tax credits run out. Return of the property is optional. The presbytery could re-apply for more tax credits or sell the property. Presbytery would need to provide some finances for maintenance and operations following that 15 year period if the tax credits were not renewed. At a tentative first glance, that amount might be around \$6 per square foot. However, the presbytery is not required to have its offices in this new space.

The 15 year obligation would include a required property management company to manage the property. Their fees are paid from the rent the tenants pay. If the project failed, the presbytery is not at risk because the liability falls on the newly formed partnership entity. Consulting with legal counsel would be imperative to ensure the risk and liability does not fall to the presbytery.

If the credits are not won in the competition then the project has failed to begin. The proposal could be changed by the Missouri Housing Corporation during the application process. The LAMP board believes they will be very favorable to the grand family proposal but they are willing to compromise to senior housing only.

The motion before the council would make the trustees the representatives of the presbytery. Trustees would have the option of bringing significant changes back to the council.

There are two risks to the presbytery: (1) the past investment of \$1,000,000 into the old church and HTC to make a presence in the community and (2) giving up control of the property because once we commit to housing, it will be housing for at least 45 years.

Allison Seed requested the motion be refined by a sub-committee but a "straw poll" of the council revealed that the vast majority of the council were favorably inclined toward the project though concerned about the motion.

It was noted that the motion did not require the presbytery offices be housed in the complex.

Ron Patton moved the motion with the changes that are in italics below and it was seconded.

That the Council recommend to the Presbytery *approval of a concept of a* ~~the implementation of a~~ redevelopment plan for the Linwood Area Ministry Place project, including the former Linwood Presbyterian Church, the Harold Thomas Center and surrounding properties, for purposes of creating a campus of community services and senior housing and to authorize the Presbytery's Board of Trustees to serve as agents for the Presbytery in taking actions necessary to implement the plan. This action is taken with the following understandings:

- 1. The Trustees will work *cooperatively in consultation* with the LAMP Board and the Business Affairs Committee to complete ~~of~~ the project in a manner that serves the fiduciary, legal and mission interests of the Presbytery.**

2. **Presbytery will not be obligated to commit additional-financial resources to the redevelopment.**
3. **The project will likely involve the use of federal and state historic preservation and housing tax credits.**
4. ***The project will include transfer of ownership of current Presbytery properties at this location will be transferred to a non-profit development company in which LAMP or another Presbyteryan entity will be a minority partner.***
5. **The project will be subject to appropriate legal reviews.**

The amended motion was approved.

Terry Miller asked that an extensive rationale provided for the presbytery packet. David Warm committed the Board to providing that rationale by September 8, 5:00 p.m.

Bill McEachen asked that the council receive the amended motion via email from the Stated Clerk.

Ron Patton moved the council meeting adjourn with prayer. It was seconded and approved.

Moderator Miller led the prayer and the meeting concluded at 5:49 p.m.

Submitted by:



Rev. Maryann S. Farnsworth, Stated Clerk

Approved by Council: 10/19/2009

Approved by Presbytery: 11/17/2009

Attested by:

