

East Kansas City URA – 3136 Flora Avenue – *Selection of Developer and Approval of Sale/Leaseback and Redevelopment Contract with MCT2, LP (Bob Long) (Ex. 1)*

Area Description: The East Kansas City Urban Renewal Area is generally bound by the Cliff Drive on the north, I-435 on the east, Bannister Road on the south, and Troost Avenue on the west. The project location is 3136 Flora Avenue, located on the northwest corner of Flora Avenue and E. Linwood Boulevard. The project site is within the City Council's 3rd District.

Project Description: The applicant is MCT2, LP, which is affiliated with Fulson Housing, an experienced affordable housing developer.

The project is a \$18.6 Million substantial renovation of a 80 – unit affordable housing development originally built in 1981. The property will be completely renovated, thus retaining the 80 units of existing affordable housing. This project is expected to retain 2 existing jobs and generate approximately 50 construction jobs.

Since this is a low income housing tax credit project, the project will not be subject to the City's affordable housing inclusion requirement.

Since this project is a low-income housing tax credit project, it is not subject to the City's reduced abatement and prevailing wage requirements. It is eligible for a 10-year abatement of 100% of the increased property taxes; however, the developer is seeking a longer tax abatement to match their lihtc compliance period. The developer has requested a Sales Tax Exemption on Construction Materials (STECM) and a long-term sale/leaseback arrangement to align with the project's other financing terms.

Financial Review: Per the Authority's policy regarding projects adjacent to or east of Troost Avenue and located within continuously distressed census tracts, a financial analysis was not required. The staff's review of the Universal Application revealed that the applicant has also secured a Housing Trust Fund grant from the City of Kansas City, secured private debt financing, and will also use existing reserves, construction period income, and a deferred developer fee to complete the financing for the project costs. The project is not likely to proceed without the requested tax abatement through a sale/leaseback arrangement and sales tax exemption on construction materials.

EDC staff believe this satisfies the requirements of the City's AdvanceKC policy.

EDC staff believes, therefore, that the proposed project is in conformance with East Kansas City Urban Renewal Plan.

Since the Authority would take possession of the property as part of the sale/leaseback arrangement, staff prepared and issued a Request For Proposals for the proposed affordable housing renovation project. One proposal was received prior to the submittal deadline.

AdvanceKC: The proposed affordable housing renovation project achieved a score of 68 on the AdvanceKC Scorecard; this is in the Standard Impact category for residential projects.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to the LCRA's MBE/WBE participation goals and reporting process.

Taxing Jurisdictions: The project was presented for review at the June 12th, 2026 Agency Directors meeting.

Other government/statutory agency action: N/A

Action Recommended: Selection of MCT2, LP (or related affiliate) as the Developer for the Affordable Housing Redevelopment Project at 3136 Flora Avenue in the East Kansas City Urban Renewal Area.

APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 25 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR THE AFFORDABLE SENIOR HOUSING REDEVELOPMENT PROJECT AT 3136 Flora Avenue.

AUTHORIZE PREPARATION OF A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH MCT2, LP (OR AFFILIATE) FOR THE AFFORDABLE SENIOR HOUSING REDEVELOPMENT PROJECT AT 3136 Flora Avenue IN THE EAST KANSAS CITY URBAN RENEWAL AREA.