

East Kansas City URA – Acquisition and Renovation of 47 – units of affordable multifamily units in The Grand on Beason Hill at 2625 W. Paseo Boulevard – *Approval of Property Tax Abatement and Sales Tax Exemption on Construction Materials and a Redevelopment Contract with Merak Development, LLC (Bob Long) (Ex. __)*

Area Description: The East Kansas City Urban Renewal Area is generally Cliff Drive on the north, I-435 on the east, Bannister Road on the south, and Troost Avenue on the west. The project site is 2625 W. Paseo Boulevard and is within the City Council’s 3rd District.

Project Description: The applicant is Merak Development, LLC, an experienced regional affordable housing developer based in Springfield, Missouri.

The applicant has proposed a \$13.3 Million acquisition and renovation of the historic Robinson Hospital with a total of 47 deeply affordable senior and veteran housing units. The six-story former Robinson Hospital Building was previously rehabilitated as affordable housing, but is no longer enrolled in the program and has suffered considerable deterioration since leaving the program. The project will preserve 47 units of housing for households at 30% of Area Median Income. The applicant has an MHDC federal and state lihtc allocation, Federal and State historic tax credits, an allocation from the City’s Housing Trust Fund, and has permanent financing in-place. The developer is requesting both LCRA property tax abatement and a sales tax exemption on construction materials to maintain long-term affordability for the project.

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.

Ordinance Policy Factors:

Since the project is a low-income housing tax credit project, it is not subject to the City’s prevailing wage requirement; however, the City’s Housing Trust Fund does trigger prevailing wage. It is not subject to the reduced level and terms of assistance established by Ordinance No. 220700 since low-income housing tax credit (lihtc) projects, historic tax credit projects, and projects in continuously distressed census tracts are eligible for full assistance.

Financial Review:

Staff conducted an in-house review of the project’s MHDC application and determined that the costs and projected expenses appeared reasonable in comparison to MHDC’s standards. The staff review also determined that, with assistance, the project achieves a 1.36 DCR. EDC staff believes the project meets the City’s AdvanceKC “but for” financial analysis requirement.

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

AdvanceKC: The Grand on Beason Hill low-income housing tax credit project achieved a score of 85 on the AdvanceKC Scorecard, which puts it in the High Impact category.

Affirmative Action Policy and MBE/WBE Participation: The developer will be subject to the City's MBE/WBE participation goals since it is receiving assistance through the Housing Trust Fund..

Taxing Jurisdictions: The project was presented for review at the July 31, 2026 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: SELECTION OF Merak Development, LLC (OR RELATED AFFILIATE) AS THE DEVELOPER FOR THE AFFORDABLE HOUSING REDEVELOPMENT PROJECT AT 2625 W. Paseo Boulevard 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 PROJECT AT 2625 W. Paseo in the East Kansas City Urban Renewal Area.

AUTHORIZE PREPARATION OF A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH Merak Development, LLC (OR AFFILIATE) FOR THE AFFORDABLE SENIOR HOUSING REDEVELOPMENT PROJECT AT 2625 W. Paseo Boulevard IN THE EAST KANSAS CITY URBAN RENEWAL AREA.