

Meservey School Reuse Public Meeting – 11/3/2025

Q&A/Comments

Proposal: Historic adaptive reuse of the school building to create 56 affordable housing units

Development Team: Parker Communities LLC & Petra LLC

Questions/Comments for Parker Communities LLC & Petra LLC

1. Are you going to spread out all these housing units on this site or are they just within the school building?

1. All the proposed housing units will be contained within the existing school building.

2. You mentioned wanting something out of Kansas City. What do you want? A vote?

2. The City of KCMO has already set aside several million dollars to help the development of affordable housing. They allocate the funds to developments they deem worthy. This project aims to be successful without having to rely on the City. So, we don't have those contingencies, aside from historic tax credits. That being said, it would be great to have those City funds available for this project.

3. Once people move in places like this, the rent is raised. Is there anything in place to grandfather folks in or keep rents low?

3. It really gets down to who is developing each project. All these projects rely upon tax credits to be successful, and they are sold. PCN Bank buys and sells billions of dollars in tax credits to corporations. The corporation buys them for \$0.93 on the dollar and reduces their tax obligation. That's why we have affordable housing in America. It comes back to the developers. If folks tear up the building, it will require more money for operations and maintenance. If we make \$6,300 per unit in terms of maintenance, that goes back into maintaining the facility. We can have the building fall apart because we can't redo it. There is no more debt. We are required to stay at 60% AMI for 30 years, so the rents won't go above that. At the same time, we are the developers responsible for selecting a management team (that the community signs off on). We want to collect enough rent to just maintain the property.

We can't go above 60% AMI that is Federal law. We can't put a restrictive covenant on the property to keep rents down. We have no desire to let it go above 30-50% AMI because we are not allowed to make profit from the rents. Management companies can make money. We don't want to extract the maximum amount for management, we want to keep the property in good condition.

4. You could also apply for LCRA tax abatement, which will keep those property taxes stable for 10 years.

4. Yes, surrounding residents can apply so it doesn't raise the property tax on surrounding homes.

5. As far as partnership goes, my main concern is making sure Vineyard stays stabilized. After 30 years, you all are going to sell and go somewhere else. Will you be willing to partner with the neighborhood association and provide a 10-30% fee? Just like a developer fee.

5. I would suggest we figure out a way to have the Vineyard NA in the office of the complex and access to community spaces. In addition, annually you have an expense bracket to meet our debt service of about \$5,500 x 54 units. In Wichita, we take a percentage of that goes toward administrative assistance. Long-term, we could invite Vineyard to be in the facility as an independent community subcontractor for \$15-20K and assist with community engagement. If you do it that way, over time you end up with approximately \$165-185K. This helps us to offset administrative services and provide a place to meet/office space rent free.

6. We want equity in the project.

6. When it comes to LIHTC, unless you sell it off, at the end, the project will be torn up. It will not be a nice facility with less money to invest in upkeep. You have to be able to flip it every 15 years and re-invest. Even if there were to be a cut of the developer fee, I believe the better deal for the neighborhood is \$15-20K per year and space in the building.

7. What happens if you sell the building in 15 years and the new owners don't want us in the space?

7. You sign a long-term lease.

8. How will the neighborhood benefit from the project?

8. We will enter into a Community Benefit Agreement. The school district already requires this agreement on building sales.

9. Are you willing to negotiate with future tenants in terms of rent?

9. Our aim is to get this as low as possible, 30-50% AMI.

10. Are you going to have someone who lives onsite to take care of issues?

10. I would suggest yes, but we will need to figure this out with potential management companies when we interview and select one. I agree that we need someone on the property.

11. Who is going to vet the future tenants?

11. That is one reason why I want Vineyard in the complex, to assist with issues like this.

12. We are worried about the type of people. This is a senior neighborhood.

12. We want everyone from Vineyard to be able to access this project, senior or not. We want seniors to want to live there.

13. In terms of MBE/WEB, I would like to ensure that the contractors you hire on the project, look like the people in this room.

13. I'm partners with RK Construction. They are based out of Pendleton Heights. His entire mission is to employ people looking for a second chance. Everyone in his operation is a person of color.

14. I'm concerned about the proximity to the daycare. We need a nice facility with people living onsite committed to the area.

14. My goal would be that Vineyard in an office in the building to field complaints, then complaints proceed up to the property management team for enforcement. I can't promise that, but that is my goal. I know that if the neighborhood deals with tenants' complaints and has a voice in how maintenance funds are spent, then the project will be better.

Questions/Comments for KCPS

15. This developer has submitted a proposal for the Askew school site. Is that correct? How does this affect this project.

15. This development has submitted a proposal for senior housing at Askew and received support from the Blue Valley NA. We are proceeding in negotiations. Most of our projects have been 9% LITHC, which are more competitive, and obviously this proposal is for 4% so it is different. However, based upon our work with MHDC and 9% projects, they have wanted to see a project completed by a developer before approving another by the same developer. We have not gotten clear direction from MHDC regarding if this is also true for 4% or if the developers could submit sites together or before one is finished.

16. They need to have a track record to submit with MHDC. If they haven't, this could be a problem. For an award, you can be awarded multiple times, but you need a track record. I don't want them to take on too much. We can grab another developer.

16. We can follow up with the development and MHDC regarding how they plan to proceed with submitting for 4%, perhaps submitting two projects at once. MHDC could approve two, we just don't know. For Askew, the next round they could realistically submit would be March. So, we would know by May if they were successful in their submission for Askew. You could potentially tie this to Askew, making it contingent on getting the allocation for Askew.

4% projects in former schools are possible but they are difficult. They often require additional funding sources to be viable.

They have also proposed more units inside the building than we have seen at other sites which could jeopardize a historic tax credit allocation, but we just don't know until they submit.

17. Is it too late for another developer to come in?

17. This is our first proposal for Meservey since 2018. We've had some interest after this latest team submitted their proposal, but it's hard to tell if it was real interest. Our process is to honor the proposal deadlines set by the district and decide. If the decision is nay, we open it back up to others.

18. Have you considered demolition?

18. Demolition is an option. You could potentially get more development interest with a cleared site. If we don't move forward with this team and we want to solicit proposals again, I would suggest soliciting proposals with and without the building.

We have proactively taken buildings down when neighborhoods have requested it. For example, the McCoy school site was closed, experienced a fire, and the neighborhood requested demolition. Now the site is a city park.

19. We are worried about safety and the type of people in there.

19. That really depends upon getting a good property management company.

20. Thank you for bringing the proposal to the neighborhood.

20. Thank you for attending. Please share this information with your neighbors. The meeting notes and proposal will be on our webpage: www.kcpublicschools.org/repurposing. Folks can also complete the survey online: <https://www.surveymonkey.com/r/mesurveyreuse>.