



## Quartet of Tax Credits Brings Historic Kansas City, Mo., School Back to Life as Affordable Senior Housing

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**B**By preserving history, Sunflower Development Group is creating affordable senior housing in the Tri-Blenheim neighborhood of Kansas City, Mo.

“There are very limited options for rental apartments in the neighborhood,” said Mark Moberly, director of development at Sunflower Development Group, which has completed 15 historic tax credit (HTC) developments, with three more under construction. “This is a very heavy residential neighborhood. There are a lot of folks who want to move out of their single-family homes because of the burden of maintaining it.”

Blenheim School, an elementary school built in 1924, is being transformed into 52 affordable apartments for seniors 55 and older. The development—Blenheim School Apartments—will include three studios, 35 one-bedroom and 14 two-bedroom apartments. Of the 52 apartments, 11 will be reserved for tenants earning up to 50 percent of the area median income (AMI), while the remaining 41 will be reserved for tenants earning up to 60 percent AMI.

There will be a community room in the back of the auditorium building, which will have a common area with a television and couches, and a small library with a computer room. The Blenheim School Apartments will also include a common laundry facility.

Because it is a former school, the development has plenty of parking and outdoor space for residents. Moberly said the apartments will be of high quality and will feature energy-efficient appliances, including an electric range, a microwave and a dishwasher.

Construction began in February when Sunflower did environmental remediation work and started demolition. Moberly anticipates construction will be complete in the fall.



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**Historic Rehabilitation**

Sunflower used both federal and state HTC's to preserve the historic school. Moberly said the brick façade is being preserved, as are the school's large corridors. Some windows will be preserved and others will be replaced when necessary. However, the classrooms will be converted to apartments. And, Sunflower received National Park Service approval to divide the gymnasium into a few apartments. The auditorium's stage and a majority of the 300 seats will remain intact, while the back area of the auditorium will be converted into community room space.

**Kansas City Public Schools Repurposing Initiative**

Closed since 2009, Kansas City Public Schools sold Blenheim School to Sunflower under its repurposing initiative. The initiative began in 2011 when, "Kansas

Image: Courtesy of Blenheim School Apartments LP  
Blenheim School, an elementary school built in 1924, is being transformed into 52 affordable housing apartments for seniors 55 and older in Kansas City, Mo.

“Through discussions with the community, we found a desire for senior affordable housing. This is something the neighborhood wanted.”

– Shannon Jaax,  
Kansas City Public Schools

director, planning and real estate services at Kansas City Public Schools. “The purpose of the initiative is to continue to move sites back to productive use.”

“Through discussions with the community, we found a desire for senior affordable housing,” said Jaax. “This is something the neighborhood wanted.” She added

that the site lent itself toward affordable housing because it has a good layout, Americans with Disabilities Act accessibility and is near a commercial corridor, bus line and hospital.

Kansas City Public Schools has sold 16 schools, leased one school and has seven additional sites under contract or in negotiations. The money made from this particular sale is going toward capital improvement priorities at open schools. Other schools that were redeveloped through the repurposing initiative were converted into market-rate housing, a co-working space, an adult day care center, a nonprofit tutoring center and a community center. “Money from these

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sales is used for one-time expenses, not for ongoing operating costs,” said Jaax.

Jaax said that selling the schools can be difficult. “Most sites are located in single-family residential neighborhoods,” said Jaax. “Our options for reuse are often limited from a zoning and market demand perspective.”

### Financing

In order to finance this rehabilitation, Sunflower used federal low-income housing tax credits (LIHTCs) and HTCs, as well as state LIHTCs and HTCs. Affordable Housing Partners (AHP) invested in both federal credits, providing \$5.3 million in total equity.

*Image: Courtesy of Blenheim School Apartments LP*  
**The Blenheim School Apartments’ auditorium—including the stage and a majority of the 300 seats—will remain intact.**

“Our existing relationship with Sunflower made this an easy decision,” said Robert Johnston, senior vice president, acquisitions at AHP. “Relationships mean a lot to AHP.” AHP has invested in a number of transactions that pair LIHTCs with HTCs. “It’s a business we are in and comfortable with,” said Johnston.

CRA investments provided \$2.3 million in state LIHTC equity and Commerce Bank provided \$1.8 million in state HTC equity.

Kansas City provided \$850,000 in HOME funds. Doug Bossert, lead planner, project manager in the Housing and Community Development Division of Kansas City, said the city typically provides roughly \$300,000 in HOME funds to a development like this. “But it was felt that this would be a catalytic project for the

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neighborhood,” said Bossert. He likes the development because it creates quality affordable housing for seniors, preserves a historic building and removes an empty, blighted structure from the neighborhood.

Development financing also included an \$8 million construction loan from Sterling Bank and \$600,000 in HOME funds from the Missouri Housing Development Commission. “With four tax credits, HOME funds from two sources and a construction loan, this was an incredibly complex capital stack,” said Moberly. “There were lots of moving parts during closing.”

Johnston likened the closing of this development to a ballet, in that, “it required the coordination of everyone. All parties were dedicated to the end result.” ❖

### Blenheim School Apartments

#### FINANCING

- ◆ \$8 million construction loan from Sterling Bank
- ◆ \$5.3 million in federal low-income housing tax credit (LIHTC) and historic tax credit (HTC) equity from Affordable Housing Partners
- ◆ \$2.3 million in state LIHTC equity from CRA Investments
- ◆ \$1.8 million in state HTC equity from Commerce Bank
- ◆ \$850,000 in HOME funds from Kansas City
- ◆ \$600,000 in HOME funds from the Missouri Housing Development Commission

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