



PEDC

PALESTINE ECONOMIC DEVELOPMENT CORPORATION

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Mission

To be a pioneer in affordable lifetime care
services
and a catalyst for renewing
the urban core.

Vision

Faithfully building partnerships and
community support to improve
quality of life in the urban core.

Address:

Palestine Economic Development Corp.
3619 E. 35th Street
Kansas City, MO 64128

January 21, 2025

Missouri Health Facilities Review Committee
P.O. Box 570
Jefferson City, MO 65102

(Submitted via Email)

Members of the Committee,

Please accept this letter as supplemental information to the request by Palestine Economic Development Corporation (PEDC) for two extensions for Palestine Legacy Residences (PLR) Certificate of Need #5323 to be heard at your meeting on February 3, 2025.

PLR will be a 39-bed, not-for-profit assisted living facility serving the residents of a very-low-income community in central Kansas City, Missouri. The development site for PLR lies within Jackson County Census Tract 56.01. Along with 14 adjacent Census Tracts, 56.01 is a Persistent Poverty Census Tract where a poverty rate of 20% or more has existed for more than 30 years. Since the granting of the initial CON in 2016, no other applications for a proposed ALF within the PLR market area have come before the committee from for-profit or not-for-profit operators.

For over 60 years, Palestine Missionary Baptist Church has been an anchor to the central Kansas City neighborhoods that surround it. In addition to the church itself, the affiliate organizations associated with the church, including the Palestine Economic Development Corporation (PEDC) have invested over \$35 million in affordable senior housing and the Palestine Senior Activity Center.

The 187 affordable senior apartments include Palestine Gardens (PG), Palestine Gardens North (PGN), and Palestine Commons. PG and PGN provide 118 studio and one-bedroom apartments for low and very-low-income seniors over 62 years of age. Resident rents cannot exceed 30% of adjusted household income. This limitation and project-based federal Housing Choice Vouchers (HCV) allow PG and PGN to provide decent, safe, and affordable housing to very-low-income seniors (the majority under 30% of AMI), some of whom pay no rent based on their income level.

Palestine Commons (PC) has 69 one and two-bedroom apartments for low-income (below 60% of AMI) seniors over 55 years of age. Although established rents at PC are higher than PG/PGN, 40

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residents (58%) have tenant-based HCVs and pay rents based on the 30% income limitation.

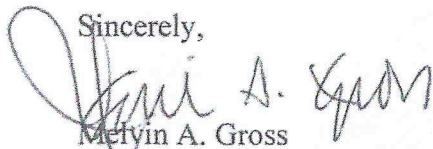
After a careful review and census of the community residents qualifying for reduced or no rent at the existing Palestine senior housing options, PEDC has determined that these incomes are typical of a broad segment of the surrounding community and of those needing the residential healthcare services to be provided at PLR. This analysis has established the average achievable monthly payment at \$1,985 per bed, far below the suburban market at \$6,000+. Under this scenario, 34 of the 39 beds will be occupied by individuals with annual incomes below 50% of Area Median Income.

Achieving this affordable level of resident payments has required the creation of a unique financing structure which avoids the use of debt instruments carrying market interest rates. Public and philanthropic sources totaling almost 50% of the capital budget have been committed and additional sources are being negotiated. New Market Tax Credit equity, a matching gift from a major foundation, a low-interest loan, and support from the city's Indigent Care Fund are all under active discussion. These sources are anticipated to be secured over the first half of 2025, with a closing and start of construction late in the current year.

PEDC controls all the properties needed for the development and has completed the environmental remediation and demolition of two dangerous buildings formerly on the site. Construction documents are complete and applications for rezoning and a building permit will be made in the first quarter of 2025.

Palestine Legacy Residences will continue the Palestine Village Continuum of Care as envisioned by the late Reverend Earl Abel, Jr. and serve low-income seniors and others in the heart of central Kansas City. We appreciate your consideration and approval of the request for the two additional extensions.

Sincerely,



Melvin A. Gross
Chairman