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Project consultants:
APD Urban Planning and Management
Brick Partners LLC
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Executive Summary

Like much of the nation, the Kansas City region’s population is growing and changing, becoming older and more diverse. These changes are leading to shifts in housing demand that will increase in the coming years. Residents have expressed the desire for greater access to walkable, compact places; increased economic opportunities throughout the region; more housing options; increased investment in established areas; and more conservation of natural and historic assets. Residents want to create more sustainable places that support a high quality of life for all, now and in the future.

These goals were encapsulated in the following vision statement, formally approved by the MARC Board of Directors in January 2009: “Greater Kansas City is a sustainable region that increases the vitality of our society, economy and environment for current residents and future generations.”

The Regional Housing Element articulates steps toward making this vision a reality by addressing housing throughout the region, in the context of promoting an economically vibrant, prosperous, sustainable, and equitable region. It promotes local, regional and state policies and actions that:

- Increase understanding about housing types needed to meet changing demographics, economics, and household composition.
- Further fair housing through both reinvestment and access to opportunity.
- Integrate greater housing opportunities in policies and plans for transportation, economic development and land use investments.
- Build the capacity of housing development organizations to meet the region’s changing needs and support neighborhood reinvestment.
- Promote coordination among entities whose missions include housing development;
- Strengthen linkages of housing to employment, locating housing investments along priority corridors and at strategic activity centers.
- Improve the region’s capacity to finance and develop a full range of affordable housing products.

The plan suggests ways to promote access to opportunity for all residents and to support reinvestment in the neighborhoods and communities that need it by building on the region’s current housing assets, capacities and plans; sharing best practices, both local and national; and developing benchmarks to assess progress toward desired outcomes. The plan’s recommendations explore opportunities to leverage resources, address innovative finance, and strengthen the region’s ability to finance a broad range of housing options.

Creation of the plan involved a thorough review of existing plans and assessments, and existing capacities and needs, and existing data related to fair housing and the changing housing market. Local plans and studies were reviewed, including local comprehensive plans, corridor study plans, and other work completed through the Creating Sustainable Places initiative. In addition, to learn from national best practices, housing plans and FHEAs from other cities and regions around the country were examined. National experts were consulted, and local stakeholders provided input through meetings, interviews, and a questionnaire. In addition, maps were prepared and analyzed to examine the data on the region’s population, demographic trends, housing supply and jobs-housing mismatch.
Changing Demographics

The Kansas City region, like the nation overall, has increased in population and grown more diverse in terms of racial/ethnic identity in the last decade. The number of seniors is growing, while the percentage of families with children declines. In the past decade, the region’s Hispanic population increased by 78 percent, adding 72,000 residents. Modest population growth is predicted to continue across the region, adding about 300,000 new households by 2040. Minority households will account for 80 percent of the growth.

Poverty and working poverty rates are increasing across the region, not just in urban areas. The majority of the region’s poor people now live outside of Kansas City proper. According to an analysis of census data, the share of the poor population residing in the suburbs increased from 41 percent to 53 percent between 2000 and 2011.

The Kansas City region’s historic development patterns have resulted in concentrations of minority populations, and low-income households, particularly black households. Current national studies find that less segregated regions provide greater opportunities for economic growth. Across the country, regions with less inequity are more prosperous and have grown more in recent decades. The Regional Housing Element explores ways to increase access to opportunity and reduce segregation across the metropolitan Kansas City area.

Changing Housing Markets

The region’s changing demographics lead to a different set of housing options compared to the past. A market assessment conducted by the real-estate advisory firm RCLCO assessed the current demand in the Kansas City region for “smart growth” — walkable, mixed use, compact development with multiple travel modes as viable choices. Many Kansas City residents indicated they want to live close to transit or within walking distance of shops, work, schools and parks, but only 15 percent of residents live in those types of communities today. About 40 percent of residents want the option to live in attached housing units, while about 25 percent have that option now. More than half of the region’s residents want to able to walk to shopping, work, schools, parks and other destinations but fewer than 10 percent live in communities where they can.

A study by the University of Utah examined the region’s long-term demographic trends to estimate changes in housing demand by type. Between 2010 and 2040, more than half of the net increase in housing demand will be from households in the downsizing years of age 65 and above. Housing construction will need to adapt to this changing demographic by providing smaller units in walkable neighborhoods. By 2025, the Kansas City metro area will have about one million housing units. Based on preference surveys, about 350,000 of these units should be in walkable communities. By 2040, the region will have approximately 1.2 million housing units, and at least 400,000 of them should be in walkable communities that provide access to transit.

Virtually all of the Kansas City area’s housing development needs between 2010 and 2025 and nearly all to 2040 can be accommodated by reinvesting in existing communities, improving aging homes, and locating increased home options close to transportation corridors and at activity centers in both established areas and growing parts of the region.
Needs, Barriers and Opportunities

The regional housing element includes the collection and analysis of considerable data and conversations with community stakeholders to gain an understanding of the current landscape. The region has numerous strengths and opportunities, including relatively affordable housing and strong organizations that are working on numerous housing initiatives. But there are also a number of needs and barriers to overcome, including a high number of cost-burdened households; an uneven distribution of subsidized housing; and barriers that specifically affect people with disabilities, immigrants, low-income households and minorities.

Recommendations

The Regional Housing Element presents five recommendations to address the Kansas City region’s housing goals and needs, and outlines action steps for each. The recommendations are:

- Promote access to opportunity — Ensure that all segments of the population can live in places of opportunity, defined as desirable areas close to activity centers, including employment, transportation options, quality schools, and other amenities such as restaurants and shops.
- Reinvest in communities — Reduce inequity across the region and promote reinvestment in communities that need redevelopment.
- Assist lower-income renters and homeowners — Help low-income residents of the Kansas City region so that they can take advantage of existing or new programs and increase their access to opportunity.
- Pursue financial innovation through partnership — Target limited resources for maximum impact, align funders and funding sources to support top priorities, and expand revenue sources.
- Foster deeper collaboration around housing agenda — Convene a regional housing roundtable composed of housing stakeholders and decision-makers to work together to address regional housing objectives.
Introduction

Metropolitan Kansas City’s two million persons are housed in a variety of settings across nine counties and 119 cities. The region’s population has increased 12 percent over the past decade, and new housing stock has increased with the construction of 138,489 units in the same time period. The region’s overall housing stock, however, has experienced a more modest net gain, as buildings have aged and poor-quality, uninhabitable homes have been removed from the inventory.

As part of the Creating Sustainable Places (CSP) initiative, the Mid-America Regional Council and its partners compiled and reviewed data on how the region’s demand for housing will change in the coming decades as the large number of households headed by the baby boomer generation, born just after World War II, will retire and downsize, and how fewer households raising families will affect the marketplace.

In community engagement efforts conducted through the CSP initiative and as part of local comprehensive planning processes, residents across the region have expressed the desire for greater access to walkable, compact places; increased economic opportunities; more housing choices; increased investment in established areas; and more conservation of natural and historic assets. Residents want to create more sustainable places — in both suburban and urban communities — that support a high quality of life for all, now and in the future. These goals were encapsulated in the regional vision statement formally approved by the MARC Board of Directors in January 2009.

The CSP initiative emphasizes three key land-use goals for the future which are consistent with local plans — vibrant activity centers throughout the region and along strategic transportation corridors offering multiple travel options, reinvestment in existing communities, and conservation of natural systems. As a requirement of the U.S. Department of Housing and Urban Development (HUD) funding that supported the CSP program, regional organizations were urged to update the Regional Analysis of Impediments to Fair Housing and conduct a region-wide Fair Housing and Equity Assessment (FHEA). Data analysis and recommendations from the FHEA are incorporated into this document, which will in turn be incorporated into the updated Regional Plan for Sustainable Development.

Housing Element Goals

The Regional Housing Element articulates steps to help make the CSP vision a reality by addressing housing in the context of promoting an economically vibrant, prosperous, sustainable and equitable region that offers all residents a broad range of quality housing choices with access to economic opportunity and social well-being. It encourages local, regional and state policies and actions that:

- Foster a greater understanding of the housing types needed to meet changing demographics, economics and household composition throughout the region in urban, suburban and small town settings.
- Affirmatively further fair housing through both reinvestment and access to opportunity.

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1 2000 Census and 2012 American Community Survey
• Fully integrate the need for greater housing opportunities in policies and plans for transportation, economic development and land use investments in the region.
• Build the capacities of nonprofit and for-profit housing development organizations to meet the region’s changing needs and simultaneously support community and neighborhood reinvestment.
• Promote coordination among public-sector entities whose missions include housing development.
• Engage private sector entities in strengthening linkages of housing to employment and locating housing investments along priority corridors and at strategic activity centers.
• Improve the region's capacity to finance and develop a full range of housing products that are affordable to all families, regardless of income.

**Project Approach**

Both the FHEA and the Regional Housing Element are built on thorough reviews of existing plans and assessments, existing capacities and needs, existing data with regard to fair housing and the changing housing market, strategies used in other parts of the country, and ongoing discussions of this information with a broad representation of housing interests in the region.

**Methodology**

To develop these documents, local plans and studies were reviewed, including local comprehensive plans, corridor study plans, and other work completed through the Creating Sustainable Places initiative. In addition, housing plans and FHEAs from other cities and regions around the country were examined to learn from national best practices. The current regional Analysis of Impediments to Fair Housing, created in 2011 as a joint effort by the region’s nine entitlement communities, informed this work. Additional fair housing data was analyzed. National experts were consulted, and local stakeholders provided input through meetings, interviews and a questionnaire. Maps were prepared and analyzed to examine data on the region’s population, demographic trends, housing supply, jobs-housing mismatches and more.

**Sources**

A variety of sources were consulted to inform this work. A review of local plans included the studies developed as part of the Creating Sustainable Places initiative; an Affordability Analysis conducted by Dr. Kirk McClure, University of Kansas; a study by RCLCO, “National Trends and Demand for Smart Growth in Kansas City;” and the current regional Analysis of Impediments to Fair Housing, published in 2011 by the nine Entitlement Communities (the cities of Blue Springs, Independence, Kansas City and Lee’s Summit in Missouri, and Johnson County, the Unified

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**Regional Housing Element**
Mid-America Regional Council | March 2014
Government of Wyandotte County and Kansas City, Kan., and the cities of Leavenworth, Overland Park and Shawnee in Kansas).

Housing or comprehensive plans from local communities, other regions and cities were also reviewed. Best practices in policies and developments from around the country were considered, including those recognized by Urban Land Institute awards. Data sources include the U.S. Census Bureau and Department of Housing and Urban Development. In addition, researchers consulted with Kevin Fox Gotham, professor of Sociology at Tulane University; Housing Choice Partners, a fair housing group; and other national experts, including staff from Reconnecting America, the Brookings Institution, Living Cities and PolicyLink.

**Stakeholder Engagement**

Local housing stakeholders were engaged in this project through individual conversations, group workshops or meetings and an online survey. In addition to those involved through these housing meetings, this project includes input provided by participants of the corridor planning efforts, 2011 regional Analysis of Impediments, and Community Development Fund study. Participants in these various efforts include nonprofit housing developers, affordable housing funders, municipal staff and other housing stakeholders. Summaries of high-level takeaways from the stakeholder interviews and online survey are included in the appendix.

To advance the recommendations of this housing element, ongoing stakeholder engagement is critical, as is further detailed in the work plan for the housing roundtable. In addition, sharing the data in this report and engaging with communities around the region in discussion of the data, analysis and key findings will provide an opportunity for further community engagement.

**Learning from Cutting-Edge Research**

**Brookings Institution: Suburbanization of Poverty**

The Brookings Institution's “Confronting Suburban Poverty in America,” published in 2013, analyzes recent data and highlights a new national trend: there are now more families living in poverty in suburban areas than in cities.\(^2\) Local data for the Kansas City region supports this trend. Between 2000 and 2011, the highest growth rates in population living below 100 percent of the federal poverty level were found in suburban Cass County, Mo., with a 146 percent increase, and Johnson County, Kan., with a 135 percent increase.

The Brookings research identifies a number of challenges resulting from this trend. Suburban local governments often do not have staff or budget to meet growing service needs. This capacity constraint is compounded by the inefficiencies of uncoordinated state and federal programs and funding streams. These federal program silos create inflexibility in service delivery, contribute to administrative burden of service agencies, and can inhibit innovation. In addition, many communities may not have sufficient social service agencies. Also, limited public transportation in suburban areas results in high transportation costs, putting additional burden on low-income households.

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The analysis describes some best practices from around the country and identifies three key strategies to respond to this new reality. First, the researchers advise solutions operate at scale by promoting high-performing organizations, strengthening systems and networks, and supporting smart consolidation. Second, they recommend reducing barriers to integration and collaboration, rewarding collaborative approaches, and catalyzing regional capacity. Finally, they endorse strategic and flexible funding, suggesting that funders and practitioners should promote strategic tools that leverage public and private funds, and develop and maintain consistent data sources. The researchers suggest that regional intermediaries, or “quarterbacks,” can help coordinate initiatives and strategies across jurisdictions and policy areas.

**Living Cities: Capital Absorption**

Living Cities, a philanthropic collaborative of 22 of the world’s largest foundations and financial institutions, has invested significant resources to support community development in disinvested communities. In 2010, Living Cities launched an effort to transform the systems that shape the lives of low-income people in five U.S. metropolitan areas (Baltimore, Cleveland, Detroit, Minneapolis-St. Paul and Newark) and, through this urban revitalization initiative, build capacity, improve living conditions for residents, and generate policy recommendations at multiple levels of government. As this initiative rolled out, the Living Cities team noted gaps in capital absorption capacity — that is, the ability of communities to make effective use of different forms of capital to provide needed goods and services to underserved communities.

As a result of this experience, Living Cities began to research the political, social, cultural and financial elements that create capital absorption capacity, focusing on how communities deploy investment and create an environment that puts dollars to work on behalf of low-income people.

Living Cities highlights five functions\(^3\) necessary to ensure communities are able to make use of community development investment:

- **Vision and legitimacy** — An investment must meet recognized community needs and be done with the support of the community.
- **Enabling environment** — There are key policy and support tools that allow community investment to take place, including data, regulations and policies, and subsidy funding.
- **Pipeline** — The community needs projects that contribute to defined community goals. An effective pipeline requires developers that are seeking opportunities, able to access predevelopment resources and assemble capital, and align projects with the local vision and goals.
- **Management and monitoring** — Projects must be tracked and evaluated to ensure financial performance and social benefit.
- **Innovation** — Communities must learn from experience, and apply lessons to create networks that strengthen community investment practice and carry it through to new areas. Innovation includes fostering collaboration, developing new products and confronting challenges.

At a September 2013 workshop in Kansas City, representatives from Living Cities presented the Capital Absorption model to a number of regional stakeholders. Attendees noted some regional strengths on which to build, including regional transportation planning, market momentum, and cooperation that has resulted from Google fiber. The conversation confirmed the need for broader acknowledgement of the importance of a strong urban core and sustainable development patterns, as well as regional cooperation to address various priorities. Participants expressed interest in working together to create an ongoing process that would result in greater regional capacity to implement sustainable growth.

Some of the specific approaches participants identified include fostering greater cooperation among political jurisdictions; creating a regional finance facility that combines grants, debt and investments; communicating better with the public to increase understanding of the benefits of sustainable regional development; and implementing corridor plans with individual municipalities.

**Housing as a Priority in the Kansas City Region**

A vibrant region, with a strong economy, job growth, access to opportunity, desirable places to live and play — that’s the region desired by residents. Many households, particularly families with children, desire a range of housing choices close to good schools. Most households desire housing choices with good transportation access to jobs, recreation, health care and other services. What role does housing play?

**Housing supports economic development.**

An adequate supply of quality housing that meets the needs of local workers helps advance economic growth, as workers are more productive when not stressed by lengthy commutes or stretched by housing costs (or the combination of housing plus transportation costs). The future workforce — children — perform better in school when housed in stable, affordable homes. In addition, affordable housing for lower-income families enables them to spend money on other priorities, actively contributing to the local economy. With jobs in the Kansas City region increasingly located far from the homes affordable to workers, families must spend large portions of their income on the combined costs of housing plus transportation, crowding out other expenditures.

**Less segregated regions provide greater opportunities for all.**

Current national studies find that less segregated regions provide greater opportunities for economic growth. Across the country, regions with less inequity are more prosperous and have grown more in recent decades. Investing in quality education and broadening housing options — key elements to help promote integration — will yield numerous benefits.

In July 2013, researchers from Harvard University and University of California Berkeley published findings showing the connection between where people live and their access to opportunity. The American dream holds out the vision that anyone can rise from limited means to join the middle class. Comparing regions across the country, the researchers found that areas in which low-income individuals were residually segregated from middle-income individuals were particularly likely to have low rates of upward mobility. While race did not seem to be highly correlated with mobility, the quality of the K-12 school system did appear to be correlated with

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mobility — areas with higher test scores (controlling for income levels), lower dropout rates, and higher spending per student in schools had higher rates of upward mobility.

The Kansas City region's historic growth patterns have resulted in concentrations of minority populations and low-income households. Data and analysis in the FHEA demonstrates that the Kansas City region is still very segregated, particularly between blacks and whites; and, as the Hispanic population has grown in recent years, Hispanics have become less likely to be integrated among whites.

Equality of opportunity offers broad economic benefits.

Another national study, conducted by PolicyLink in 2013, further demonstrates the broad benefits of reducing inequities across racial and ethnic lines. According to this research, if Americans were able to eliminate racial and ethnic differences, the average total personal income in 2011 would have been 8.1 percent higher; the U.S. gross domestic product would have been at least $1.2 trillion higher; 13 million people would have been lifted out of poverty; federal, state and local tax revenue would have increased by $192 billion; and the long-run deficit in Social Security would be reduced by more than 10 percent.⁵

Poverty rates in the Kansas City region fall below national averages, but rates are higher for people of color. And both poverty and working poverty rates are increasing.

Regions with less inequity experience greater regional growth.

Economists recognize that inequality hinders economic growth and that greater economic inclusion brings about more robust economic growth. Research conducted by the International Monetary Fund and the Federal Reserve Bank of Cleveland found that regional growth has been more robust and sustained in regions with greater levels of equality/less inequality.⁶

While Kansas City's economy showed signs of resilience during the economic downturn, with the unemployment rate never reaching the height of the national average and dropping faster than the national average since 2009, recent data from the Brookings Institution suggests that the regional economy has not done as well since the end of the recession. As of March 2013, the Kansas City metro area ranks in the bottom half of the 100 largest regions (76th) in its economic recovery, based on measures of employment, unemployment, GRP and housing prices.⁷

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Poverty is not just an urban issue.

The majority of the region’s poor people now live outside of the core city of Kansas City. According to the Mid-America Regional Council’s analysis of census data, the share of the poor population residing in the suburbs increased from 41 percent to 53 percent between 2000 and 2011.

Demographic Changes

The bistate Kansas City metro area includes approximately 2 million residents, nine counties and 119 cities. Like the nation overall, the Kansas City region has increased in population and grown more diverse in terms of racial/ethnic identity. In addition, there is an increasing number of seniors and a lower percentage of families with children.

<table>
<thead>
<tr>
<th>County</th>
<th>Total Population</th>
<th>White (Non-Hispanic)</th>
<th>Black (Non-Hispanic)</th>
<th>Asian and Other (Non-Hispanic)</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johnson</td>
<td>544,179</td>
<td>446,044</td>
<td>23,028</td>
<td>36,158</td>
<td>38,949</td>
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<td>Leavenworth</td>
<td>76,227</td>
<td>61,226</td>
<td>7,007</td>
<td>3,686</td>
<td>4,308</td>
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<tr>
<td>Miami</td>
<td>32,787</td>
<td>30,708</td>
<td>411</td>
<td>840</td>
<td>828</td>
</tr>
<tr>
<td>Wyandotte</td>
<td>157,505</td>
<td>68,170</td>
<td>39,046</td>
<td>8,656</td>
<td>41,633</td>
</tr>
<tr>
<td>Cass</td>
<td>99,478</td>
<td>89,079</td>
<td>3,444</td>
<td>2,967</td>
<td>3,988</td>
</tr>
<tr>
<td>Clay</td>
<td>221,939</td>
<td>186,611</td>
<td>11,220</td>
<td>11,007</td>
<td>13,101</td>
</tr>
<tr>
<td>Jackson</td>
<td>674,158</td>
<td>426,574</td>
<td>159,442</td>
<td>31,708</td>
<td>56,434</td>
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<tr>
<td>Platte</td>
<td>89,322</td>
<td>75,135</td>
<td>5,147</td>
<td>4,616</td>
<td>4,424</td>
</tr>
<tr>
<td>Ray</td>
<td>23,494</td>
<td>22,338</td>
<td>265</td>
<td>476</td>
<td>415</td>
</tr>
</tbody>
</table>

PolicyLink’s equity profile of the Kansas City region found that the region’s Hispanic population increased by 78 percent over the past decade, adding 72,000 residents. The region’s Asian and other/mixed racial background populations also grew rapidly, by 61 and 51 percent respectively, but added fewer residents because of their smaller initial population shares. The non-Hispanic white population grew by only 5 percent, but because of its large population share added 64,000 residents. Black and Native American populations grew by 11 and 8 percent, respectively.  

8 Policy Link and PERE, 2013. “An Equity Profile of the Kansas City Region.”
Most of the growth in the region's Hispanic population is due to new births among Hispanic-American residents (57 percent). On the other hand, 59 percent of growth in the region's Asian population was the result of Asian immigrants moving into the area. Since 1990, population growth occurred primarily in Johnson County, which grew by 53 percent and added 190,000 residents, with population increases in every racial/ethnic group. The urban core of Kansas City, Mo., and Kansas City, Kan., decreased in overall non-white population, as the white population declined in the same areas. Overall, the population of Wyandotte County has decreased by 2.6 percent, with absolute decreases in the number of black and white individuals. Most other counties saw increases in people of all racial/ethnic backgrounds, resulting in a much more diverse population in 2010 than in 1990.

Modest regional growth is predicted to continue. Between 2010 and 2040, the Kansas City metropolitan area is expected to grow from 2.2 million to 2.5 million people, adding about 300,000 new households. This population growth will be driven by increasing numbers of minority households — minorities will account for 80 percent of the growth. With an aging population, the percent of the population over age 65 will increase significantly. Over this time period, households with children will comprise about 13 percent of the share of household growth. Households without children will comprise about 87 percent and single-person households will account for about 54 percent of the share.

**Demographic Trends and Housing Preferences**

Recent research provides information on what types of homes and communities are sought by local residents, and how the region's changing demographics lead to the desire for a different set of housing options compared to the past. In May 2013, the Urban Land Institute released a national study examining demographic trends and housing choice preferences. The report highlights the influence that growing demographic groups in the U.S. — in particular, aging boomers, Generation Y (those now age 18-34), Blacks and Hispanics — will have on reshaping urban growth patterns by desiring more development of compact, mixed-use communities with reliable, convenient transit service.

Local findings align with these national trends. Research by RCLCO, a real estate advisory firm, assessed the current demand in the Kansas City region for smart growth, defined as walkable, mixed-use, compact neighborhoods with multiple travel modes as viable choices. RCLCO used ESRI's Tapestry psychographic profiles to regionalize a national survey by the National Association of Realtors that assessed housing, neighborhood and commute preferences.

Many Kansas City residents indicated they want to live close to transit or within walking distance of shops, work, schools and parks. RCLCO estimated that approximately 40 percent of area households spanning all ages and types would currently prefer to live in such walkable areas, but only 15 percent of residents live in those types of communities today. About 40 percent of residents want the option to live in attached housing units, while about 25 percent have that option now. More than half of the region's residents want to able to walk to shopping, work, schools, parks and other destinations but fewer than 10 percent live in communities where they can. About four in 10 residents want access to enhanced transit; the coming

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Kansas City Mo., streetcar (expected to open Phase I, a two-mile stretch, in 2015) will provide the region’s only fixed guideway option.

A study by Arthur C. Nelson at the University of Utah examined the region’s long term demographic trends to estimate changes in housing demand by type. Key findings include:

- Between 1990 and 2010, about three-quarters of the net increase in housing demand was from households in the peak space-demanding years of 35 to 64 years of age. Housing construction market followed this trend, with 85 percent of housing built in single-family detached structures.

- Between 2010 and 2040, that same group will account for only 8 percent of the growth in housing demand. Instead, more than half of the net increase in housing demand will be from households in their downsizing years of 65 and above.

- Housing construction will need to adapt to this changing demographic by providing smaller units in walkable neighborhoods.

While home ownership may be a key feature of the American Dream, it will probably become less attainable and perhaps even less desirable by 2035 than it has been in the past. According to the study, there are six primary reasons for this: rising energy costs, decrease in household incomes, lagging employment, shifting wealth, tighter home finance, and sweeping demographic changes. In addition, tighter lending regulations and stricter financing requirements instituted following the 2008 recession, have made it more difficult for first-time homebuyers to access homeownership. Thus, home ownership rates are projected to fall from 67.2 percent to 64.5 percent between 2010 and 2040. The result is that the desire for affordable rental housing will account for about half of all new housing needs between 2010 and 2040.

In 2025, the Kansas City metro area will have about 1 million housing units. Based on preference surveys, about 350,000 of these units should be in walkable communities, with transit access as an option, and with a wider range of housing types than exists presently. By 2040, the region will have approximately 1.2 million housing units, and at least 400,000 of them should be in walkable communities, providing access to transit.

Virtually all of the Kansas City area’s housing development needs between 2010 and 2025 and nearly all to 2040 can be accommodated by reinvesting in existing communities, improving aging homes, and locating increased home options close to transportation corridors and at activity centers in both established areas and growing parts of the region.

14 Ibid.
# Existing Regional Housing Challenges, Needs, Barriers and Opportunities

The following chart summarizes key existing regional housing needs and challenges identified by studies completed in the last five years and recent discussions with community stakeholders.

<table>
<thead>
<tr>
<th>HELPFUL</th>
<th>HARMFUL</th>
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</thead>
<tbody>
<tr>
<td><strong>STRENGTHS</strong></td>
<td><strong>WEAKNESSES</strong></td>
</tr>
<tr>
<td>• Local plans</td>
<td>• Housing cost burden affects families throughout the region.</td>
</tr>
<tr>
<td>• Regional collaboration around fair housing impediments study</td>
<td>• High transportation costs further affect lower-income families.</td>
</tr>
<tr>
<td>• Relatively affordable housing.</td>
<td>• Increased poverty throughout the region.</td>
</tr>
<tr>
<td>• MARC data and planning tools.</td>
<td>• Rising home values exceed incomes.</td>
</tr>
<tr>
<td>• Urban Neighborhood Initiative.</td>
<td>• Shortage of about 32,000 units at rents below $500 per month.</td>
</tr>
<tr>
<td>• New developers entering the market.</td>
<td>• Affordable home options in limited locations, mostly in Jackson and Wyandotte Counties</td>
</tr>
<tr>
<td>• Residential segregation is declining.</td>
<td>• CDCs have small staffs, limited budgets, serve narrow geographic areas.</td>
</tr>
<tr>
<td>• Green Impact Zone and focused attention in a number of neighborhoods.</td>
<td>• Public school challenges in Kansas City Mo.</td>
</tr>
<tr>
<td>• Neighborhoods Now</td>
<td>• Housing stakeholders not well coordinated.</td>
</tr>
<tr>
<td>• High quality schools in many parts of the region.</td>
<td>• Limited access to capital for pre-development improvement costs.</td>
</tr>
<tr>
<td>• First Suburbs Coalition.</td>
<td></td>
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<tr>
<td>• Strong local nonprofit housing organizations.</td>
<td></td>
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<tr>
<td>• New KC Metro Housing.org resource.</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>INTERNAL ORIGIN</th>
<th>EXTERNAL ORIGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPPORTUNITIES</strong></td>
<td><strong>THREATS</strong></td>
</tr>
<tr>
<td>• The region is growing and becoming more diverse.</td>
<td>• Bistate competition regarding economic incentives.</td>
</tr>
<tr>
<td>• New transit investments — corridor plans, bus rapid transit, streetcars.</td>
<td>• HUD funding has declined.</td>
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<tr>
<td>• Large local employers, with growth expected in health, education, manufacturing, transportation and utilities, and professional and business services.</td>
<td>• Population has decreased in urban neighborhoods.</td>
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<td>• Focused redevelopment.</td>
<td>• Workers experiencing declining or stagnant wages.</td>
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<tr>
<td>• First Suburbs, Coalition.</td>
<td>• The region is highly auto dependent.</td>
</tr>
<tr>
<td>• Regional Equity Network.</td>
<td>• Jobs/housing mismatch, with affordable rental homes located far from low-wage jobs. Job growth occurring far from workforce housing.</td>
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<tr>
<td>• Chamber Diversity Initiative, Downtown Council housing efforts.</td>
<td>• Lack of coordination among workforce training systems, employers, residents of low-income communities.</td>
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<tr>
<td>• Potential for Missouri-side regional HOME program.</td>
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Preparation of the regional housing element included the collection and analysis of considerable data and conversations with community stakeholders to gain an understanding of the current landscape and identify challenges, needs and barriers. The housing challenges described below were initially identified through several distinct research projects. The region’s Entitlement Communities — those jurisdictions that receive formula CDBG and HOME dollars from the U.S. Department of Housing and Urban Development — produced a joint, regional Analysis of Impediments in 2011. Also in 2011, a Housing Affordability Study was conducted to assess the region’s housing affordability issues. In addition, a Housing Capacity Report examined capacities currently lacking in the Kansas City region but existing in other regions, enabling those places to better address the need for affordable housing.

Housing Capacity Report

Research in 2011 examined the regional capacities that must work together to foster a highly functional affordable housing development infrastructure. The Housing Capacity Report noted that community development corporations in the Kansas City region have small staffs and budgets, as well as narrow geographic service areas, which limit their ability to develop housing and adequately meet the region’s needs. The research identified the following capacities to be lacking in the region:

- Understanding and public will.
- The ability to develop a common regional affordable housing strategy.
- The ability to monitor and assess the metropolitan housing market.
- Private capital resources and their assembly.
- Public capital resources and their assembly.
- Coordination of capital.
- Funds to subsidize quality.
- Production capacity.
- Operating capacity.
- Coordination with community development strategies.

Stakeholder Conversations

Conversations were held with housing stakeholders in November 2012 and May 2013. These conversations identified the priorities that participants felt would have the most impact and could address multiple objectives. Housing stakeholders identified the following as key capacities:

- Assembly and coordination of public and private capital.
- The ability to develop a common regional affordable housing strategy.
- Coordination with community development strategies.

While emphasizing that all the capacities are important to meet and sustain the region’s affordable housing supply, this shorter list of key capacities was limited to those items that would simultaneously address multiple priorities. For instance, stakeholders suggested that increasing coordination and bringing policy makers together to align priorities would help to build public understanding and will. Similarly, engaging funders and policy makers in strategic conversations about how and where housing and other resources are deployed could help decision makers maximize the impact of those investments, leverage additional resources and address other capacities, such as funds for operating support or quality. The workshop attendees also discussed strategies to help build a regional vision around affordable housing and link
housing with economic development, transportation, education and other issues areas. Participants highlighted the need to integrate housing into these other discussions — at a regional and local level — to advance consensus around a regional housing vision and build understanding of the connection between housing and other priorities.

**Housing Affordability Analysis (2011)**

In 2011, Dr. Kirk McClure, a professor in the Department of Urban Planning at the University of Kansas, assessed the affordable housing market in the Kansas City metropolitan region.\(^\text{15}\) His key findings:

1. In the Kansas City metropolitan area, 24 percent of homeowners and 44 percent of renters suffer high housing cost burden, defined as paying more than 30 percent of income on housing costs. Among the poor (those with incomes less than $20,000), it is 78 percent of owners and 87 percent of renters.

2. Johnson and Platte counties have a higher incidence of housing cost burden than the region overall.

3. The housing market overbuilt between 2000 and 2009, which added greatly to the stock of vacant homes. In the Kansas City area, the stock of vacant units went from 46,000 empty units in 2000 to almost 81,000 in 2009.

4. From 2000 to 2009, home values rose more than twice as fast as the incomes of homeowners, and rents rose four times as fast as the incomes of renters.

5. Wyandotte County has a surplus of lowest priced for-sale homes.

6. Johnson and Platte counties have large shortages among homes priced below $100,000.

7. Clay, Johnson, and Platte counties have shortages of homes priced below $60,000.

8. Region-wide, there is a shortage of about 32,000 rental units below $500 per month. There is a surplus of over 65,000 rental units in the $500 to $900 range. Nearly all markets have shortages of rental units affordable to the renter households residing in these markets. Jackson, Johnson, Leavenworth and Platte counties all have shortages in excess of 200 percent for rental units priced below $250 per month. Johnson County communities have very significant shortages of low-priced rental units.

9. The supply of subsidized housing is not evenly distributed throughout the region, with more than 80 percent of assisted housing units located in Jackson and Wyandotte counties.

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Regional Analysis of Impediments 2011

The Analysis of Impediments to Fair Housing Choice, prepared in 2011 by BBC Research and Consulting for the nine CDBG Entitlement Communities identified a number of barriers to housing opportunity and made recommendations to address these barriers. Key barriers cited in the report include:

**Barriers for persons with disabilities:**
- Persons needing accessible housing units have problems finding available units.
- Landlords raise rents after making accessibility improvements, making the units unaffordable.
- Discrimination based on disability occurs when persons attempt to secure housing.
- Financial assistance to make barrier modifications is needed.

**Barriers for immigrants:**
- Immigrants without social security numbers are not able to rent housing. Immigrants have little recourse when a landlord refuses to return deposits or maintain properties.
- Complaint forms need to be available in Spanish.

**Barriers for low-income persons/households:**
- Landlords in western Johnson County are hesitant to rent to Section 8 voucher holders.
- Income levels of minority and female-headed households are barriers.
- Concentration of low-income housing in certain areas.
- Landlords place low income tenants in the least desirable units.

**Barriers related to race/ethnicity/family status/background:**
- Discrimination against families with children/pregnant women occurs.
- Discrimination based on race/ethnicity occurs when persons attempt to secure housing.
- Victims of domestic abuse have a difficult time finding housing, with property managers citing safety concerns.
- Felons have a difficult time finding housing.

**Other Barriers:**
- The process to file a discrimination complaint is intimidating and overwhelming.
- Landlords with fewer units are unfamiliar with fair housing laws and requirements.
- Kansas landlord/tenant laws favor landlords.
- Transportation access in many parts of the region limit housing choice.
- Real estate agents direct clients to housing only in certain neighborhoods.
- Lenders refuse to lend or offer loans at unfavorable rates.
- Rent-to-own programs often involve homes in poor condition or seller operates a scam.
The Analysis of Impediments also includes a set of recommendations to address these barriers to fair housing. The full analysis and recommendations are available in the 2011 Analysis of Impediments. Following is a brief summary of the regional recommendations:

- Address fair housing at a regional level; increase coordination among communities; and, ideally, designate or create one organization to conduct fair housing education and outreach activities regionally.
  - Improve the coordination of fair housing testing, enforcement and complaint-taking organizations in the region.
  - Centralize the region's fair housing education and outreach with a central website that provides fair housing information, training course schedules, fair housing resources and events, contacts and complaint forms, with information in English and Spanish.
- Provide more opportunities for racial and ethnic minorities and low-income households to live throughout the region, including in areas other than Kansas City, Mo., if they choose to.
  - Include mixed-income homeownership and rental housing in newly developed housing in local communities.
  - Offer incentives, such as fee waivers, streamlined development processes and land acquisition for developers to integrate affordable units, particularly affordable rental units, into market rate housing.
- Educate residents about personal finance and work with lenders to mitigate loan denial disparities. A regional clearinghouse could help promote access to credit and homebuyer counseling and education.
- Evaluate the demand for and increase accessible housing units, for instance by developing programs that fund accessibility improvements to residents’ homes

**Fair Housing and Equity Assessment**

As part of its Sustainable Communities Regional Planning Grant Program, the U.S. Department of Housing and Urban Development required each grant recipient to complete Fair Housing and Equity Assessment. This document, written in parallel with the Regional Housing Element, uses data to understand current conditions and identify areas of distress — Racially Concentrated Areas of Poverty, — and areas of opportunity. The assessment follows a HUD-prescribed framework to evaluate current conditions and outline strategies for improvement. Summaries of each chapter are provided below.

**Chapter 1: Background** — From its early days as a trading post for pioneers heading west, Kansas City's growth patterns were driven by rivers, railroads and race. Development began in densely populated areas near the Missouri and Kansas Rivers, spurred by a thriving rail industry that provided jobs. In the early 1900s, the seeds of suburban growth were sown as an extensive parks and boulevard system encouraged growth along corridors, instead of a more traditional downtown orientation. In the 1920s, racial covenants were common in higher-income, suburban neighborhoods. School desegregation led to “white flight,” which, along with the exodus of financially stable blacks to the growing suburbs, accelerated the decline of the urban core. Today, the region covers some 3,800 square miles, with 1.9 million people. Demographic trends include rapid growth in the minority population and those over age 65. Poverty is
increasing, especially in the suburbs. Housing demand is changing, as household size shrinks. More people are seeking homes in walkable areas, with easy access to work, schools, transit and other amenities. In addition to facing a rapidly changing housing market, the region faces a number of barriers to fair housing.

**Chapter 2: Segregation** — Although the region became more integrated over the last decade, the Kansas City area ranks 26th nationally in black/white segregation. The region’s Asian and Hispanic populations are moderately segregated. Kansas City, Kan., has a moderate level of segregation among the black and white populations, while Kansas City, Mo., and other area cities have a high degree of segregation. Discrimination based on race continues to be a major concern. Discrimination based on disability is second only to race, with one-third of all complaints filed with HUD based on disability.

Historical factors contributing to segregation included blockbusting by the real estate industry that controlled where blacks could live and raised anxieties of white residents; restrictive covenants of certain communities and neighborhoods; urban renewal that cleared areas during the 1950s and 1960s; public school desegregation; and lending practices that made homeownership more difficult for racial minorities. More recent factors include land use policies resulting in a lack of housing options and the siting of affordable housing in concentrated neighborhoods of the urban core cities;

**Chapter 3: Racially Concentrated Areas of Poverty** — HUD has defined a Racially Concentrated Area of Poverty (RCAP) as a census tract that contains a “family poverty rate of 40 percent or more, or 300 percent of metropolitan tract average (whichever is greater) and a nonwhite population of 50 percent or more.” Common characteristics of RCAPs include:

- Concentrations of racial and ethnic populations.
- High concentration of poverty.
- Low educational attainment rate.
- High number of vacant properties.
- High crime rates, particularly violent crimes.
- High fair share affordable housing index.
- High number of assisted housing units, typically clustered rather than scattered.
- High number of rental households that are cost-burdened.
- Low or inconsistent access to reliable transportation.

MARC identified eight RCAP areas (groups of census tracts). These include (1) Kansas City, Kan., West, (2) Central Kansas City, Kan., (3) southeast areas of Rosedale, Armourdale, and Argentine, all within Wyandotte County; and (4) Downtown, (5) Northeast, (6) Blue Valley Industrial, (7) East Side, and (8) Southtown, within Kansas City, Mo., in Jackson County.
Chapter 4: Access to Opportunities — The opportunity assessment process consisted of three components: (1) review of other regional FHEAs to determine how they defined and assessed opportunity; (2) analysis of opportunity data provided by HUD, local measures, and other sources; and (3) review of opportunity assessments by stakeholders. The data identified seven opportunity areas as shown on the map below. These opportunity areas have common characteristics, including:

- Smaller concentrations of minority populations.
- Strong connectivity/proximity to job centers.
- High educational attainment rate.
- High performing schools.
- Low number of vacant properties.
- Low crime rates, particularly violent crimes.
- Low to moderate fair share affordable housing index.
- Low number of assisted housing units.
- Strong connectivity to transportation corridors.

The seven opportunity areas include: (1) Western Wyandotte/Eastern Leavenworth; (2) Western Johnson County; (3) Northeast Johnson County/KU Medical Center; (4) Southern Johnson County/South Kansas City, Mo.; (5) Central Business Corridor; (6) Northland; and (7) Eastern Jackson County.

Opportunity Areas

[Map of Opportunity Areas]
The analysis in this chapter concludes that:

- Opportunity areas are geographic areas with a wide variety of opportunities such as jobs, education, and services that residents of more disadvantaged parts of the region (RCAPs in particular) would benefit from accessing.

- Barriers to access to opportunities in these areas include lack of adequate public transportation, lack of information about housing and employment options, lack of affordable housing within opportunity areas, and lack of social and medical services within the opportunity areas.

- A number of strategies could improve accessibility of opportunity areas by both RCAP residents and people of color and low income individuals wherever they reside in the region. These strategies include (1) redeveloping key transportation corridors and improving public transit on these corridors; (2) providing more affordable housing in opportunity areas; and (3) providing RCAP residents with better information about housing and employment options and how to access them.

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**Chapter 5: Fair Housing Infrastructure** — This chapter reviews fair housing complaints, examines lending data, and summarizes the region's fair housing infrastructure. The history of fair housing efforts in the Kansas City metropolitan area predates passage of the Fair Housing Act of 1968. By the end of 1966, a growing movement including People for Fair Housing and the Greater Kansas City Council on Religion and Race had successfully organized 23 fair housing councils in the region, and
helped to introduce fair housing legislation in several city councils as well as in the Kansas and Missouri state legislatures. Despite this fair housing legacy, however, patterns of segregation persist in the Kansas City metropolitan region (as outlined in Chapter 2).

Through the Fair Housing Assistance Program (FHAP), local and state government agencies receive HUD funding to enforce local fair housing laws that are “substantially equivalent” to federal law. In the Kansas City region, the cities of Olathe and Kansas City, Mo., and the state of Missouri are FHAP grantees.

The 2011 Regional Analysis of Impediments, using 2009 Home Mortgage Disclosure Act (HMDA) data, finds disparities in high-cost lending and loan denials across different racial and ethnic groups. In addition, the data show a correlation of loan denials with those places that have concentrations of minority and low-income households. An analysis of 2010 HMDA data shows similar patterns.

Responding to fair housing complaints by educating property owners and other landlords and renters, while an important component to addressing fair housing choice, is reactive. To affirmatively further housing, the region needs to increase the supply of affordable homes outside the racially concentrated areas of the urban core. Fostering increased housing choice throughout the region, by addressing local zoning and utilizing tools described in the Housing Element recommendations will promote access to opportunity and increase housing choice. Pursuing the recommendations of the Regional Equity Network, such as improving linkages to jobs, exploring opportunities to pursue regional innovations related to housing vouchers, and increasing transit options will also help families to access opportunity. In addition, strategically investing is disinvested communities, such as with single-family rehab programs, increasing transportation and other infrastructure investments, and using the land bank will help strengthen local communities.

**Chapter 6: Physical Infrastructure**

Physical infrastructure investments have the potential to greatly impact Racially Concentrated Areas of Poverty (RCAPs) and Opportunity Areas in the greater Kansas City region. Regional investments have the potential to increase access to areas of opportunity, while more localized efforts contribute to creating more opportunity for residents within the RCAPs areas. Chapter conclusions include:

- While public infrastructure investments have been made in disinvested communities more attention needs to be given to the nature of these investments and whether they are contributing to enhanced access to opportunity for people of color and low income residents.
- Efforts need to continue to redevelop key transportation corridors and enhance public transportation along these corridors both as a means of connecting RCAP residents to opportunities and as a means of redeveloping the RCAPS.
- The region needs to enhance its capacity to successfully undertake large-scale redevelopment and housing development projects.
- Public acceptance of affordable housing is very low and will be absolutely necessary to expand access to opportunities in suburban and exurban communities.
Recommendations and Action Steps

Analysis of the Kansas City region’s housing challenges and opportunities — including information taken from an extensive data analysis of fair housing and housing market information, discussions with key stakeholders and community meetings, and input from the Creating Sustainable Places Coordinating Committee — has led to an action agenda for the Mid-America Regional Council and its partners to pursue beginning in 2014. The Housing Element will become part of the updated Regional Plan for Sustainable Development, which focuses on increasing housing choices and economic opportunities throughout the region, including along priority transportation corridors and activity centers.

### Mid-America Regional Council Action Plan

- Review the policy framework of the region’s long-range transportation plan, Transportation 2040, and integrate housing goals with transportation planning.
- Review the criteria for selecting transportation projects for the Transportation Improvement Plan (TIP) to consider projects that improve access to housing and jobs.
- Help communities that participated in corridor studies through Creating Sustainable Places move toward implementation and use new planning tools, such as Envision Tomorrow.
- Encourage grantees of the next round of Planning Sustainable Places’ grants to integrate housing with economic development, transportation and workforce development.
- Use the Academy for Sustainable Communities to inform and educate local decision-makers about market analyses for reinvesting in older parts of the region, including first suburbs and urban core locations; provide information about infill housing options; and educate landlords and policy officials about fair housing practices.
- Work with the Regional Equity Network to educate local communities about the need for increased housing options.
- With the First Suburbs Coalition, complete the model sustainable development code framework, including guidelines for adaptive reuse and mixed use development, and support changes in their codes to support broader housing choices.
- Convene community partners to coordinate financing tools and develop new tools to rehabilitate and build new affordable housing across the region.
- Establish a Regional Roundtable in collaboration with other groups in the community, including (but not limited to) LISC, Home Builders Association, and Federal Reserve Bank of Kansas City.
The Regional Housing Element presents five recommendations to address the Kansas City region’s housing goals and needs:

1. **Promote access to opportunity** — Ensure that all segments of the population can live in places of opportunity, defined as desirable areas close to activity centers, including employment, transportation options, quality schools, and other amenities such as restaurants and shops.

2. **Reinvest in communities** — Reduce inequity across the region and promote reinvestment in communities that need redevelopment.

3. **Assist lower-income renters and homeowners** — Help low-income residents of the Kansas City region so that they can take advantage of existing or new programs and increase their access to opportunity.

4. **Pursue financial innovation through partnership** — Target limited resources for maximum impact, align funders and funding sources to support top priorities, and expand revenue sources.

5. **Foster deeper collaboration around housing agenda** — Convene a regional housing roundtable composed of housing stakeholders and decision-makers to work together to address regional housing objectives.

Each of these recommendations includes specific strategies and tools to help the Kansas City region achieve its goals. Action Steps articulate near-term opportunities to implement these recommendations. Numerous local and national best practices were reviewed to learn how other communities and regions have implemented policies or programs to achieve similar goals.

**Recommendation 1: Promote Access to Opportunity**

Places of opportunity are desirable places, with activity centers that include employment, transportation options, quality schools, and other amenities such as restaurants and shops. Communities and residents benefit from improved access to opportunity. Seniors often benefit from living within walking distance of grocery stores and health services, while workforce housing near job centers and along transportation corridors reduces commute times and transportation costs. A diverse set of housing options and increased access to jobs, services and amenities throughout the region can improve the standard of living for all of the area’s residents and meet the desires of the younger workers and an increasingly diverse population. Furthermore, as part of their economic development strategies, many municipalities are looking to attract retail and increase transit options in their communities. Increased housing options along these corridors can help create the market needed to bring in these desired amenities.

The strategies to promote access to opportunity involve encouraging a diversity of housing price points and types within the region, including an emphasis on infill housing and development near activity centers and along transit corridors. In addition, education is needed to prevent housing discrimination and promote fair housing, increase understanding of demographic trends, and dispel myths related to multi-unit and affordable housing. Finally, to create a sustainable region with opportunity for all, housing planning should be integrated with economic development, transportation investments and other priorities.

The tools that can be used to promote access to opportunity include a number of local land use practices, such as zoning for multi-unit and mixed-use development, providing density bonuses, allowing accessory dwelling units, promoting universal design and adaptive reuse, creating Housing Endorsement Criteria to guide development, and undertaking hands-on planning exercises that use visualization and other tools.
addition, a community can reduce regulatory barriers such as outdated building and rehab codes, reduce permitting fees, and offer expedited permitting in order to streamline the approval process and encourage desired development. Finally, municipalities can institute voluntary or mandatory policies which offer incentives for developers to provide a portion of units for affordable housing when developing market-rate housing.

**Recommendation 1: 2014 Action Steps**

- Review the policy framework of the region's long-range transportation plan, Transportation 2040, and integrate housing goals with transportation planning.
- Review the criteria for selecting transportation projects for the Transportation Improvement Plan (TIP) to consider projects that improve access to housing and jobs.
- Help communities that participated in corridor studies through Creating Sustainable Places move toward implementation and use new planning tools, such as Envision Tomorrow.
- Encourage grantees of the next round of Planning Sustainable Places’ grants to integrate housing with economic development, transportation and workforce development.
- Use the Academy for Sustainable Communities to inform and educate local decision-makers about market analyses for reinvesting in older parts of the region, including first suburbs and urban core locations; about infill housing options; to educate landlords and policy officials about fair housing practices.
- Work with the Regional Equity Network to educate local communities about the need for increased housing options.

**Recommendation 2: Reinvest in Communities**

Many of the region's communities have suffered from disinvestment, as development has moved outward from the central core. In addition, there are communities that are home to a disproportionate segment of the region's lower-income population. National research has shown that regions with less inequity experience greater and sustained growth, and that individuals living in places that are more integrated have more access to opportunity. Encouraging reinvestment in communities that need redevelopment not only assists the residents of those neighborhoods but also boosts overall regional growth and prosperity.

The strategies that can be employed to promote reinvestment in communities include targeting investment in older communities to take advantage of existing infrastructure, preserving and maintaining existing affordable housing, and repurposing and recycling land where there is no market. In addition, communities and the region can build partnerships with business and civic organizations to leverage resources and strengthen links between residents and jobs. These strategies can be implemented in both urban and suburban communities.

Many tools can be used to promote community reinvestment, such as rehab programs, code enforcement and rental licensing, and landlord training programs, all of which can help improve the existing older housing stock. Communities (and groups of communities) can also use a land bank to convert property back into productive use. The private sector can participate through employer-assisted housing or commute options programs or through other partnerships.
Recommendation 2: 2014 Action Steps

- Convene local officials and other stakeholders to share best practices in rental housing licensing programs and identify which program elements are most effective in stabilizing or advancing neighborhood revitalization.
- With the First Suburbs Coalition, complete the model sustainable development code framework, including guidelines for adaptive reuse and mixed use development.
- Organize and hold at least two forums on workforce housing and transit-oriented development to encourage new housing options along transit corridors and around growing employment centers.
- Seek opportunities to partner with business leaders, such as building on the Urban Neighborhood Initiative and Chamber diversity initiative, to promote community reinvestment.

Recommendation 3: Assist Lower-Income Renters and Homeowners

As noted previously, equity offers broad economic benefits. Across the country, regions with less inequity are more prosperous and have experienced more growth in recent decades. Assisting lower-income renters and homeowners not only benefits those households, but also bolsters overall regional growth. This recommendation strives to help disadvantaged residents access opportunity using a “people-based” approach that focuses on helping residents take advantage of existing programs and expanding or deepening the reach of those programs to address the needs of this population.

Strategies to help residents access affordable housing include more effective use of homelessness grant resources targeted on a Housing First strategy, and increased coordination among housing agencies with workforce training and other support services. Local communities could design housing programs to reduce housing costs through targeted financial assistance, improve housing quality, and facilitate home purchase. Programs that educate renters and homeowners about their rights and responsibilities will help them take advantage of existing resources and promote fair housing. Housing voucher programs that improve portability and mobility can help individuals move to opportunity areas. Improved transit service between residential areas and job centers can help reduce costs and improve access for lower-income workers. Partnering with the Regional Equity Network to address shared priorities is also a key strategy.

The tools that can be employed to advance this people-based approach include rental assistance, credit counseling and homebuyer education, and first-time homebuyer programs. In addition, Community or Neighborhood Improvement Districts and employer-based transit benefits can assist working families.

Recommendation 3: 2014 Action Steps

- Expand the work of the Homelessness Task Force of Greater Kansas City in working with housing assistance agencies, to identify and take steps to increase the support for affordable housing.
- Convene housing funders and other stakeholders to identify affordable housing financing gaps and consider new financing strategies, such as special benefit districts, revenue bonds, and pool of public and private funds to assist with pre-development costs.
- Partner with the Regional Equity Network.
Recommendation 4: Pursue Financial Innovation through Partnerships

In an era of declining resources, including governmental, private and philanthropic sources, communities and organizations are being forced to think differently about how they support their work. Additionally, many of the funding sources that have traditionally supported housing creation and preservation do not fit well with the geography of need or the scope of the problem, as detailed by the Brookings Institution in “Confronting Suburban Poverty in America.” Another recent Brookings publication, “The Metropolitan Revolution,” also highlights the successes of regions pursuing collaborative approaches. New research from Living Cities further underscores the need for coordination, and identifies a set of functions that are key to ensuring effective community investments: legitimacy (local involvement), enabling environment (necessary policies and regulations), pipeline, management (accountability and tracking), and innovation.

Building on this need for regional coordination, financial strategies must be pursued to advance the region's housing objectives, maximizing limited resources, combining efforts among communities, aligning funders and funding sources to support key objectives, and exploring new revenue sources.

A number of tools can be tapped to support these strategies, including tax credits (Low Income Housing Tax Credit, New Markets Tax Credit, Missouri Affordable Housing Assistance Program, Historic Tax Credits), bond financing, CDBG and HOME funds, grants from foundations or the Federal Home Loan Bank, energy efficiency programs, revolving loan pools, pre-development loan funds, and CDFI products. Communities can offer incentives such as property tax abatement/exemption and impact fee relief, or use a community land trust or housing trust fund. To raise new funds, communities may consider a linkage fee or real estate transfer tax.

The efforts of the First Suburbs Coalition provide a local model on which to build. The First Suburbs Coalition is a group of communities that came together to encourage preservation, reinvestment and revitalization of older, inner-ring communities. Homeowners in the First Suburbs member municipalities can receive low-interest, fixed-rate loans for home improvements. Building upon the success of this program, the region could work with the existing lender and other lenders to increase the number of products available to homeowners in participating cities.

Recommendation 4: 2014 Action Steps

- Work with the Builders Development Corporation to explore a regional HOME program.
- Explore expanded financing options for housing rehabilitation across the region and affordable homeownership in older urban core neighborhoods and the First Suburbs.
- Convene housing stakeholders to explore financing options for the development of affordable housing.

Recommendation 5: Foster deeper collaboration around housing agenda.

As the region faces concerns about demographic changes, housing affordability, access to opportunity, transportation costs, school performance, and related issues, it is becoming clear that working together is necessary to address these issues in a coordinated and efficient manner. This recommendation is the key take-away from the recent Brookings and Living Cities work, as noted above.

As the regional Metropolitan Planning Organization (MPO), engaged in various regional initiatives, MARC is poised to serve as one of the Kansas City region's conveners on housing issues, and ensure that the right tables are set to create and oversee the core investment functions needed to absorb capital. Based on input from numerous housing stakeholders in the Kansas City region, it is apparent that while many
organizations in the region address local housing and community planning, there is room for increased coordination and information-sharing. In this role, MARC should bring key stakeholders to the table to begin this process of sharing information and learning from each other.

The strategies that can be pursued to foster deeper collaboration around housing include convening a regional housing roundtable, encouraging nonprofit coordination, scaling up high-performing organizations and successful initiatives, partnering with national organizations, and building organizational capacity. Furthermore, these conversations must include a broad set of participants, including those not always a part of housing conversations, such as workforce and economic development agencies, transportation planners, social service agencies and others. Finally, the region needs to link its affordable housing and transportation investments, using development criteria that support more integrated thinking.

**Recommendation 5: 2014 Action Steps**

- Organize and convene a housing roundtable with community partners such as Greater Kansas City LISC, the Home Builders Association of Greater Kansas City, the Kansas City Regional Board of Realtors, NeighborWorks, the Federal Reserve Bank and others.
- Hold four housing forums through the Academy for Sustainable Communities.
Appendix A: Summary of Stakeholder Interviews

Stakeholders and Experts Interviewed

- Rob Richardson, Director of Planning, Wyandotte County/KCK Unified Government
- John Harvey, President and Executive Director, CityVision CDC
- Lynn Craghead, Business Development Officer, U.S. Bancorp CDC
- Christopher R. Vukas, Senior Lending Program Officer, Greater Kansas City LISC
- Stuart Bullington, Community Development, City of KCMO
- Steve Lebofsky, Development Specialist, City of KCMO
- Emilio Useche, Planner, City of KCMO
- Kerry Tyndall, Assistant to the City Manager, City of KCMO
- Erica A. Dobreff, President, Kansas City Equity Fund
- David Brint, Partner, Brinshore Development
- Robin Hacke, Living Cities
- Eric Muschler, Program Officer, McKnight Foundation
- Joe Neri, CEO, IFF
- Matthew Roth, CFO, IFF
- Stephanie Socall, Senior Loan Officer, IFF
- Matt Nordman, Director of Lending, IFF

Summary of Questions and Answers

What are the primary barriers to development of affordable and mixed-income housing in the Kansas City region?

- Financial Barriers
  - Finance market not lending; borrowers don't qualify — standards too restrictive.
  - Need construction/predevelopment/gap financing.
  - Too expensive to develop/rehab single-family — costs exceed value.
  - Development gap between cost of development market rents/for-sale prices; low market values create a barrier to cross-subsidizing market/affordable.
  - Low housing values in urban core; appraisal gap for single-family homes.
- Limited Resources
  - Not enough resources to subsidize development.
  - LIHTCs are limited — competition with rural areas, St. Louis.
  - Not enough public housing units or housing choice vouchers to meet demand.
  - No local or national foundations making program-related investments
  - Local governments do not have funding tools.
- Political, Capacity, Other
  - Affordable housing not top-of-mind issue.
  - Difficult to target when there are needs in lots of communities throughout the city.
  - Lack of regional coordination on housing.
  - Low density is a challenge.
  - Need for better, more organized advocacy efforts around affordable housing.
- Housing groups not coordinated; need to be more organized and speak with consistent voice.
- CDCs have limited capacity; for-profit developers entering the market — many are new, untested.
- NSP properties sitting vacant; lack of market, interested buyers not qualified for mortgage.
- Poor schools.
- Lots of foreclosed properties in first-ring suburbs.
- City focused on single family for-sale rather than multi-family, while market has shifted to rental.
- Bistate competition luring employers across state line — inefficient, wasted resources.
- Large employers do not prioritize housing.
- Suburban communities not proactively focused on promoting development.

What are opportunities to address these barriers and promote affordable housing development?

- Multi-family deals are increasing, including downtown KCMO, and some schools being repurposed.
- There is market demand for rental housing options.
- Interest in walkable neighborhoods, increased density, access to transit.
- Market study demonstrates demand in transit corridor.
- Rehab older homes to reinvest in and maintain existing housing stock.
- Build on economic activity in western part of Wyandotte County.
- LISC is a strong local asset; with new executive director, may do more lending in suburban areas.
- Chamber leadership, businesses engaged in Urban Neighborhood Initiative, new staff person.
- Purpose Built Communities.
- Green impact zone.
- New land bank.
- IFF strong Midwest CDFI; can play a role in the region.
- Housing and economic development are linked in Master Plan.
- City of KCMO has target redevelopment neighborhoods.
- New KCMO mayor supports development.
- City of KCMO currently developing strategic plan for economic development; ties to housing.
- Discussion underway regarding incentives for housing development.

What programs or tools are used to encourage development?

- Creative financing — bonding, TIF, tax abatement.
- TIF for infrastructure, site improvements, parking.
- Forego permit fees on new single family for-sale development.
- Reduce property taxes.
- Provide land to developer.
- Form-based code.
- Federal Home Loan Bank.

What other tools do you propose?

- Work with state housing finance agencies to align LIHTC with regional priorities.
- Tie housing incentive to economic development incentives (e.g., GM).
- Proposal: Create a gap financing fund for urban communities with income from western part of Wyandotte County; when star bonds get repaid from development in the western part of
Wyandotte county (2016), target some of those resources for redevelopment.

— LISC proposal: three-year gap loan that would be guaranteed by local government bond issue.

**How can MARC assist in communities redevelopment efforts and help support broad range of housing options in the region?**

— Convene broad range of stakeholders to discuss affordable housing needs; explore how can the region improve its ability to provide a range of housing options.
— Provide data, assistance with planning, analysis tools, GIS, best practices.
— Partner, support local initiatives.
— Strengthen connection between housing and transportation.
— Advocate for region to prioritize investments in underserved areas, including urban core.
— Educate local leaders about best practices.

**Other comments and recommendations**

— Critical to work with state housing finance agency and partner on resource allocation.
— Philanthropic dollars are flexible funding that can help convene partners, support collaborative efforts, and promote accountability by tracking outcomes.
— Convening mayors to share information and address housing challenges together is useful.
— Investments in public education campaigns and support for individual organizations focused on educating communities about affordable housing in suburbs have not been effective.
— Regional collaboration and regional approach to addressing housing priorities necessary before developing a housing fund.
— Need to include government, nonprofit affordable housing groups, private sector in partnership.
— “It’s not about the money” — the region will be able to raise resources after progress is made on regional collaboration and priority-setting.
— A fund will be most sustainable if it brings together a range of funding sources, leverages resources, and generates capital.
— A fund can be used for predevelopment lending, bridge loans, lines of credit with small builders, mezzanine status funding – that type of lending can generate revenue.
— Turn to experts, such as CDFIs, rather than creating new.
Appendix B: Case Studies

1. Austin SMART Housing

Austin SMART Housing (Safe, Mixed-Income, Accessible, Reasonably Priced, and Transit-Oriented) uses an incentive-based approach to leveraging the private market to spur affordable housing development.

Leadership:
— City of Austin
— Austin Housing Finance Corporation
— Neighborhood Housing and Community Development Department

Incentives to Promote Preferred Development:
— Fee waivers
— Staff technical assistance
— Expedited review

Accomplishments:
— Generated 10,000 SMART units between 2002 to 2010, of which 5 to 40 percent of units were affordable.
— Enhanced building standards.
— Higher-quality housing is meeting safety standards.
— Accessibility for people with disabilities.

Challenges:
— Development slowed with the economic downturn in 2007.
— Increased local opposition to diverse housing stock in some neighborhoods.
— Ongoing need to educate the public and policy makers about the public benefit of affordable housing.

Lessons/Takeaways:
— Innovative, self-funding program to increase mixed-income housing opportunities.
— Single point of contact at the city creates efficiencies for developers.
— Support from city council was crucial when SMART was successful. Prioritization of affordable housing at the council level translated into accountability at the staff level to ensure speedy review.
— Incentives are needed to spur the market to create affordable homes.
— Energy efficient housing development promotes long-term affordability by limiting monthly costs.
— Economic and housing market changes necessitate program review and revision.
— Ongoing education is needed to communicate benefits of affordable housing.

History
The city of Austin experienced escalating home prices in the 1990s, leading to a broad sense that affordable housing was a key concern. A 1999 housing market study developed for the 2000 Consolidated Plan cited costs for construction, financing, land prices and regulatory barriers — such as compliance with environmental and inspection regulations — as key factors driving the rise of real estate prices.

In response to the data and community concerns, the city council took a leadership role in addressing the problems. In 2000, after staff analyzed barriers to affordable housing development, the city defined
“preferred housing” as Safe, Mixed-Income, Accessible, Reasonably Priced, and Transit-Oriented (SMART). The city council passed a resolution to spur SMART development and promoted making homes affordable to low and moderate-income families by offering several incentives: streamlined review, fee waivers, and staff liaisons to help shepherd projects through the permitting process.

In addition to these development incentives, the 2000 ordinance instructed staff to consider the impact of other policies on housing affordability by a) preparing an affordability impact statement on proposed ordinances or rules that could affect housing affordability, b) recommending zoning changes that could advance SMART Housing standards, c) identifying possible regulatory changes that could support SMART Housing, and d) setting aside 40 percent of the increased tax value on any property that was owned by the city of Austin in 1997 and making those funds available later for private development.

To receive the SMART Housing designation and benefit from the incentives, housing must meet certain requirements:

- **Safe** — It must comply with the city’s land development and building codes.
- **Mixed-income** — A portion of the homes must be affordable for households earning up to 80 percent of area median income (which is approximately $58,640 in the Kansas City region in 2013) and spending no more than 30 percent of their family income on housing.
- **Accessible** — It must comply with federal, state and local fair housing guidelines and accessibility standards. At least 10 percent of units must be accessible; all units must be visitable.
- **Reasonably-priced** — As described above, a portion of the units must be priced to meet the needs of families earning no more than 80 percent of the region’s area median income.
- **Transit-oriented** — SMART homes must be located near transit, or the development must have a plan in place to improve transit access. The program’s goal is for transit-oriented multifamily units to be located within a quarter mile of a Capital Metro transit route that runs every 20 minutes or less during peak hours. Developments outside the urban and suburban roadways can locate within one-half mile of a bus stop, or work with the transit agency to locate a bus stop within a half mile. The design standard also requires an accessible sidewalk to ensure walkable access to transit.

In addition, SMART homes must meet Austin Energy Green Building program standards.
Financial Benefits of Fee Waivers

The cost savings through fee waivers and expedited approvals can be significant. Typical cost savings for homes produced under the SMART Housing Initiative are $600 per unit for multifamily homes and $2,000 per single-family home, according to 2006 research by the Center for Housing Policy. These savings come from fee waivers, as well as reduced carrying costs from the expedited review process.¹

Development fees are waived in relation to the percent of units that are reasonably priced. In developments with at least 5 to 10 percent of the dwelling units reasonably priced and transferred to a city-approved affordable housing land trust or other similar entity, through which the homes will be maintained at an affordable price, the projects are eligible for 100 percent fee waivers. In general, the following applies:²

<table>
<thead>
<tr>
<th>A builder provides:</th>
<th>City of Austin provides:</th>
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<tbody>
<tr>
<td>10% SMART Reasonably Priced</td>
<td>25% Fee Waivers &amp; Fast-Track Review</td>
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<tr>
<td>20% SMART Reasonably Priced</td>
<td>50% Fee Waivers &amp; Fast-Track Review</td>
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<td>30% SMART Reasonably Priced</td>
<td>75% Fee Waivers &amp; Fast-Track Review</td>
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<tr>
<td>40% SMART Reasonably Priced</td>
<td>100% Fee Waivers &amp; Fast-Track Review</td>
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The types of fees that can be waived through the SMART Housing program include water and wastewater, parks and recreation, public works, watershed protection and development review, including zoning, subdivision, site plan, building review and inspection fees.

Accomplishments, Challenges and Lessons Learned

The program was very successful in its early years, generating 4,000 new homes through the program in the first three years, compared with 325 before SMART’s implementation.³ The program led to a total of 10,000 homes between 2002 and 2010. The goal of the SMART Housing Program for FY 2010–11 was to complete 700 new single-family and multifamily units, with at least 40 percent of them priced to serve households at or below 80 percent of median income. Development exceeded both goals, with 947 total units and of those, 80 percent serving lower- and moderate-income families.

According to a 2011 report reviewing the SMART Housing program,⁴ the program has become less active due to several factors. First, the housing market slowed significantly with the economic downturn, reducing overall development activity. In addition, lack of communication among various key city departments has affected the housing delivery system. The report found that a focus from city council held city staff accountable, ensuring that SMART housing applications received the promised speedy review and expedited attention. The research found that, more recently, city processes do not connect the groups of stakeholders — including local residents and neighborhood groups — that need to be connected in order for SMART Housing to reach its potential.

³ Workforce Housing Development Best Practices. Urban Land Institute Terwilliger Center for Workforce Housing. 2009.
Relevance to Kansas City Region

The SMART housing model uses an incentive-based approach to harness the private market in advance of local priorities. While the priorities and markets in Austin and the Kansas City region may differ, the work of the Regional Equity Network, the Equity Profile, and other research cited in the Regional Housing Element demonstrate the need for a greater mix of housing types and price points in the Kansas City region, which can be addressed through this type of incentive-based approach. Expedited approvals, staff assistance and reduction of fees are meaningful incentives that can motivate housing developers to deliver desired housing types in priority locations. To implement the recommendations of the Housing Element — particularly related to increasing the supply of a diversity of housing types and price points — an incentive-based approach such as Austin's SMART program is a good model.

“The agreements and incentive programs can be a tremendous opportunity at little to no expense for the city to create [affordable housing] units across all of Austin.”

Austin Mayor Pro-Tem Sheryl Cole

2. Chicago Southland Housing and Community Development Collaborative

Partners:

— South Suburban Mayors and Managers Association
— 23 South Suburban Communities
— Metropolitan Planning Council
— Metropolitan Mayors Caucus
— Chicago Metropolitan Agency for Planning

Sampling of Initial Accomplishments:

— $9 million in Cook County Neighborhood Stabilization Program (NSP) funds for rehab and demolition in 11 communities.
— $6.6 million from the state of Illinois' federal Disaster Recovery Program to support efforts around foreclosure recovery and infrastructure development.
— $2.35 million in Sustainable Communities Initiative program funds, used to seed a new Transit Oriented Development (TOD) Fund, the Southland Community Development Loan Fund; create a land bank; and build up the Collaborative's Geographic Information System (GIS). Both the TOD loan fund and the land bank have formed and commenced work.
— With the Chicago Metropolitan Agency for Planning (CMAP), developed a housing investment tool that provides technical and political grounding to make tough decisions about which proposals to fund, in what order, and with which dollars.
— Partnered with CMAP and other agencies on the Homes for a Changing Region (HCR) initiative to analyze housing supply and demand within the south suburban area. The project is focusing on a subset of communities in south Cook County. HCR includes a significant public engagement process, resulting in new community acceptance and political leadership in the areas where the tool has been used.
— Receipt of an Environmental Protection Agency (EPA) in-kind technical assistance Smart Growth Award to explore land-use and infrastructure redevelopment opportunities.
Challenges:
— Funding systems not accustomed to an applicant being a collaborative.
— Ongoing need to educate stakeholders about the collaborative, its goals, etc.
— Turnover within political systems.
— Deciding how to allocate limited resources.

Lessons/Takeaways:
— Shared staff person serving multiple communities creates efficiencies for the communities, developers, and lenders.
— Benefits of a formalized collaborative structure include clear decision-making process and a single point of entry for funders, developers, etc., wishing to work in the subregion.
— The collaborative structure — with buy-in from mayors — has facilitated the process of prioritizing projects and target corridors.

History
In an era of limited and declining resources, coupled with growing need for municipal services, many communities have begun to work together in order to create efficiencies, save money on staff time, build capacity and benefit from outside experience and skill sets. In the Chicago region a group of communities came together to form an interjurisdictional organization to address housing issues. The resulting entity, the Chicago Southland Housing and Community Development Collaborative, has attracted approximately $25 million for housing and community development efforts across more than 20 municipalities.

The collaborative's roots lie in the foreclosure crisis. Between 2006 and 2008, the six-county Chicago region experienced a roughly 100 percent increase in foreclosure starts, and the situation only worsened with time. Between 2009 and 2010, filings in South Suburban Cook County rose by almost 20 percent. By 2010, the subregion had the highest number of foreclosure filings per mortgageable property in the metropolitan area, surpassing even the city of Chicago. Homes lost to foreclosure fell prey to vacancy and blight, further reducing property values for the surrounding neighbors. As the number of blighted homes rose, municipalities faced a growing burden to monitor and maintain the properties, while collecting less property tax revenue. The communities' efforts to respond to the problem were hindered by shrinking municipal budgets and staffs that were already stretched to capacity. Mayors and city managers realized that instead of increasing their budgets by each hiring and training a housing/foreclosure expert, they might benefit more by tapping into a shared person or organization to address these challenges in all of their communities.

This realization was bolstered in 2008 when the federal government released details of the Neighborhood Stabilization Program (NSP), which supported the purchase and redevelopment of foreclosed and abandoned properties with the goal of stabilizing communities suffering from foreclosures and abandonment. NSP1 (referring to the funds allocated in the Housing and Economic Recovery Act of 2008) was intended to provide assistance to the areas hardest hit by foreclosures. However, many of the communities with the greatest need lacked the capacity to apply for these resources. Furthermore, the allocation of federal NSP dollars to the state and county suggested all of the hardest-hit suburban communities would have to participate in two different competitions for funding to address challenges that did not adhere to municipal boundaries.

The need to address the foreclosure crisis, along with recognition of the limited chance of success “going it alone” in a competitive environment, led municipal leaders in south Cook County to find a new way. They decided to join together with their neighbors to create a subregional housing organization which would provide technical assistance and guidance to manage the current crisis and attract outside resources. This
idea became the Chicago Southland Housing and Community Development Collaborative (CSHCDC), a partnership of 23 communities.

An unprecedented collaboration among regional organizations, local leadership and philanthropy made this interjurisdictional cooperation possible. Regional organizations such as the Metropolitan Planning Council (MPC) and Metropolitan Mayors Caucus (MMC) provided key support in the early stages. MPC and MMC provided staff support and linked local communities to regional and national best practices and resources. Additional regional organizations, such as the Chicago Metropolitan Agency for Planning, the region’s metropolitan planning organization, provided valuable technical assistance as well. Local leaders brought their municipalities to the table and created the buy-in that underpinned the CSHCDC’s formation. In addition, the local Council of Governments played a strong leadership role, eventually housing the new housing coordinator. Local philanthropy brought the efforts of the regional organizations and local leaders to fruition by offering an incentive for collaboration. Local funders provided a start-up grant to hire the staff coordinator.

The coordinator serves as a source of housing expertise for the communities and connects the CSHCDC to regional, state and federal knowledge and resources. For example, the coordinator led the collaborative’s efforts to apply for resources such as Sustainable Communities grants. Recognizing the immediate and long-term value of this effort, local and national foundations also supported the work of regional partners to help the collaborative.

Finally, state, county and federal policy makers were also key partners. The groundwork laid by the local and private sector partners would not be sustainable without support from traditional governmental funders. While the opportunity to access NSP resources was a major impetus — initially — to formalize the collaborative, the incentives offered by additional government funding sources, such as the Sustainable Communities Initiative, were critical to reinforcing the importance of partnership and collaboration.

The Chicago Metropolitan Agency for Planning prioritized interjurisdictional collaboration in its GoTo2040 Plan, released in 2010, as well as in its local planning technical assistance work, which was seeded by the Sustainable Communities Initiative. With CMAP’s assistance, Cook County is currently undertaking a strategic planning process which further explores ways to align various federal funding sources to promote placed-based solutions, municipal collaborations and a more comprehensive approach to policy making and program implementation.

The leadership and participation of all of these groups brought the collaborative to fruition. Capable staff now manage the collaborative and engage public, private and philanthropic partners to help build and leverage existing capacity in a coordinated fashion.

**Accomplishments, Challenges and Lessons Learned**

Since 2009, the CSHCDC has been working to rehabilitate homes, increase housing counseling capacity, attract new buyers and renters, strengthen infrastructure, connect housing to transit, and make more informed planning decisions. The communities have collaborated on outreach to employers, banks and other financial institutions, and developers to demonstrate their commitment to improving their regions and attracting new partners as they move forward. The collaborative has secured approximately $25 million for housing and community development through various sources, including federal, state and private funds. These resources are being used to make strategic investments in rehabilitating and demolishing foreclosed and blighted properties; boosting the capacity of nonprofit housing counseling agencies; and launching the Southland Community Development Loan Fund and the South Suburban Land Bank Development Authority.
The CSHCDC encountered a number of barriers as it formed and it continues to face impediments as it approaches its fifth year of existence. At a very basic level, it must address the challenge of working together with limited resources. The collaborative also faced challenges at each step within a funding system (federal, state and local dollars) that is not set up for municipal collaboratives. Negotiating this each time an RFP is issued adds time and effort to an already complicated process, especially since each RFP also requires participating communities to agree upon which of their highest impact priority investments are the best fit for each funding source. This process can be as challenging, as is the fact that not everyone is going to get something; this reality could tear apart many working relationships. The changing nature of government also presents a challenge. Administrative change may bring in new staff and leadership who are more receptive to innovation, but it can also usher out those who understand it and are supportive. Having to educate funding bodies every few years is time-consuming and raises the possibility that future leaders may not support the collaboration.

Lessons from South Cook County indicate that it makes sense to start small, with a limited number of communities who can coalesce around a relatively narrow goal or issue. It helps to bring together communities with contiguous borders and shared profiles. Creating a clear and fair decision-making process is also crucial, especially as it is important to be transparent for members, funders and the public. Having a well-defined structure and workplan is critical as well. Determining which issues the collaborative should address can be a difficult process. There may be topics that some member communities view as crucial for the collaborative to take on, while other members have no interest in them. The collaborative has found that it needs to occupy the sweet spot of issues that are too large to be taken on by communities with limited means and yet too small to be dealt with by larger regional organizations. Finally, the process of creating a collaborative, bringing communities to the table and forming an organization, takes a great deal of time and effort. It is important that these efforts benefit from some sort of start-up technical assistance.

It has become clear that interjurisdictional collaboration is favored by developers and financial institutions, as it can result in well-defined, approved plans that lay out specific goals and priorities. For example, in addition to successfully expending their NSP resources on foreclosure redevelopments in the south suburbs, thanks to the collaborative’s role, participating municipalities now have access to one land bank and one community development fund that were seeded by federal dollars secured by the collaborative, and that have since started to leverage private-sector investment, thanks to collaborative outreach and messaging. Both the land bank and the loan fund create a single point of entry for developers and financial institutions while adding tremendous capacity to all the participating municipalities. Because developers also prefer a predictable development process, the more a collaborative can help to achieve that in member communities or for an entire subregion, the more it can help to attract investment. Similarly, financial institutions with troubled assets are finding efficiencies working through the collaborative on both property preservation and disposition, in addition to traditional lending and investment activities.

Relevance to Kansas City Region

The CSHCDC has found success working on housing, planning, and economic development on behalf of its member communities in Chicago’s south suburbs. This example of convening partners to formalize a
collaborative, agree on priorities and assemble capital to address those objectives serves as a strong model. While many useful lessons can be taken from the collaborative’s experience, it is important to remember that working together can take various forms. In the Kansas City region, communities are already partnering via the First Suburbs Coalition; business leaders are working together on diversity objectives; the Regional Equity Network has brought together a range of partners to work together. The Regional Housing Element recommends not only supporting these initiatives but also convening a Regional Housing Roundtable to bring together the key stakeholders to discuss shared concerns, integrate housing with other priority issues, and implement solutions. By working together, the region can build consensus around priorities, create efficiencies through shared staff or joint planning efforts, and address objectives in a coordinated manner. This approach is needed — through collaboration and coordination — to align resources, leverage funds and maximize the impact of housing, community development and other revitalization investments.

3. Live Midtown — Employer-Assisted Housing Initiative in Detroit

Partners:
— Detroit Medical Center
— Henry Ford Health System
— Wayne State University
— Midtown Detroit, Inc.
— Kresge Foundation
— Hudson-Webber Foundation
— Michigan State Housing Development Authority
— U3 Ventures

Accomplishments:
— More than 250 new residents in the community.
— Additional companies, including Compuware, Quicken Loans, Blue Cross Blue Shield, Strategic Staffing and DTE Energy, replicated the program in downtown Detroit.

Challenges:
— Rebranding and marketing a neighborhood in a struggling city.
— Creating a partnership among large institutions, including foundations, universities, hospitals and state government.
— Designing a program that will improve a neighborhood without causing gentrification or displacement.
— Determining employer-assisted housing program specifics.
— Understanding local real estate market and designing an appropriate program.
— Meeting high demand with limited resources.

Lessons/Takeaways:
— Anchor institutions are integrally connected with their surrounding neighborhoods; they will benefit from strong communities and be weakened by struggling neighborhoods.
— Anchor institutions can play a key role in revitalizing the community around them.
— Collaboration among anchors, foundations and the state led to success.
— Program design assistance from a national expert and partnership with a local nonprofit with community knowledge contributed to success.

Program Overview

Live Midtown, launched in 2011, is an innovative approach to spurring reinvestment in Midtown Detroit. The neighborhood is home to several large institutions — Detroit Medical Center, Henry Ford Health System and Wayne State University — and the city’s leaders recognized the opportunity build on the strength of these anchors to revitalize the surrounding area. The program offers incentives for employees of the institutions to buy, rent or rehab a home within a designated area close to work. The employer-assisted housing program offers the following incentives:

— New renters receive a $2,500 allowance toward the cost of an apartment in the first year, followed by additional funding of $1,000 for the second year.
— Existing renters receive a $1,000 allowance for renewing a lease.
— New homeowners receive a $20,000 forgivable loan toward the purchase of a primary residence.
— Existing homeowners receive matching funds of up to $5,000 for exterior improvements for projects of $10,000 or more.

In addition to the employers, key partners include the Hudson-Webber Foundation, Michigan State Housing Development Authority, Kresge Foundation, U3 Ventures, and Midtown Detroit, Inc., a local nonprofit planning and development organization supporting community and economic development in Detroit’s Midtown area. The program has been very successful, with hundreds of employees taking advantage of the rent subsidy, rehab incentive or purchase assistance.

History

The city of Detroit experienced significant decline and disinvestment in the late 20th and early 21st centuries. As the manufacturing and auto industries that had been Detroit’s backbone closed or relocated, the city was unable to recover. Detroit was marked by population flight, poverty and low education levels, all of which led to a city that struggled to operate financially and serve the needs of its citizens. By 2009, 31.9 percent of residents were making less than $15,000 in annual household income; only 12.4 percent of the population over age 25 held a bachelor’s degree; and the city had shrunk from 1.8 million residents in the 1950s to just 910,848. These factors took a significant physical and emotional toll on the community.

Within this bleak landscape, however, there were signs of encouragement. The city holds strong major research universities and colleges, has access to the Great Lakes and an active international border, is home to a diverse population including the nation’s largest Arab-American community, and is part of a region with a strong base of creative industries and research and development firms. Beginning in the late 2000s, a coalition of foundations, nonprofit and private sector leaders, and the federal government began working together to build on these strengths and return Detroit to a position of prominence and success in the U.S. The Live Midtown initiative is just one such undertaking.

Detroit’s Midtown neighborhood is a historic community that is home to a large concentration of cultural, educational and medical institutions, including the Detroit Institute of Arts, Charles H. Wright Museum of African American History, Wayne State University, Detroit Medical Center, Karmanos Cancer Institute, and Henry Ford Health System. Midtown is also home to a number of restaurants, theatres, galleries and museums — all within a few square miles, much of it walkable. The community is the birthplace of Charles Lindbergh and is where the Dodge Brothers lived and worked on their early models.
A group of organizations partnered to build on the assets of the Midtown neighborhood and promote its revitalization. Philanthropy — in the form of two local foundations, the Kresge Foundation and the Hudson-Webber Foundation — supported revitalizing the city as a whole, and zeroed in on Midtown as a target neighborhood. The foundations brought in a national firm specializing in anchor strategies, U3 Ventures, to design an economic development strategy for Midtown, working with the anchor institutions to determine where employees and students were living and where they were buying goods and services. From that effort came the recommendation, among others, to start the Live Midtown program.

The area’s anchor institutions, the Detroit Medical Center, Henry Ford Health System, and Wayne State University, invested funding in the Live Midtown effort and offered incentives for their employees to rent or own a home within the community (including offering benefits to employees who already lived in the area). The three institutions employ almost 30,000 workers, with thousands of new hires annually, demonstrating a great potential for growth and overall economic impact for the area.

Funders, including philanthropies and the state government, also provided support for Live Midtown. The Michigan State Housing Development Authority (MSHDA), the Kresge Foundation and the Hudson-Webber Foundation all invested in the pilot year of the effort. The program itself was administered by a local nonprofit, Midtown Detroit, Inc. (formerly known as the University Cultural Center Association). Midtown Detroit, Inc. brought a wealth of community knowledge to the table, particularly regarding the local real estate market. As Detroit Medical Center, Henry Ford Health System and Wayne State University are not housing organizations, they also rely on the outsourced services of Midtown Detroit to administer the housing program on their behalf.

Funding for the first year of the program was $1.2 million. Each anchor contributed $200,000, which was matched by $200,000 from each of the two foundations and MSHDA. Based on the success of the program, these funds have been extended for five years, resulting in a program budget of $1.2 million per year.

**Accomplishments**

In the first year of the program, more than 200 new residents joined the neighborhood, more than 400 current residents stayed in the community with assistance from Live Midtown, and 17 properties were rehabbed through the program. Occupancy rates in Midtown have soared, filling existing inventory and spurring new construction. The success of Live Midtown inspired other Detroit employers, including Compuware, Quicken Loans, Blue Cross Blue Shield, Strategic Staffing and DTE Energy, to start their own program, called Live Downtown. Live Downtown has the same rules and regulations as Live Midtown, and encompasses a larger area; its catchment zone does include Midtown.

**Challenges and Lessons Learned**

Getting the Live Midtown effort up and running meant bringing together several large organizations; this was a challenge that had to be overcome for the program to come to fruition. Determining the specifics of the program was another challenge. Organizers had to negotiate big-picture questions such as whether benefits would be taxable and smaller-scale debates regarding how each anchor would design...
its program. Gaining an understanding of the local market was key to the success of Live Midtown. This was accomplished by bringing on a local nonprofit with that knowledge to help shape and administer the program. Finally, it was important to improve the neighborhood while not becoming an engine of displacement; this can be a fine line to walk when embarking on community development initiatives. In the case of Midtown, there was enough inventory available that this has not been a concern.

**Relevance to Kansas City Region**

Numerous partners came together to align their priorities, each playing an integral role in the formation of Live Midtown. Anchor institutions offered a unified employer-assisted housing program to their employees; foundations and state government provided additional funding; and a local nonprofit administered the program. While designing a program that meets the needs and objectives of various large institutions is challenging and time-consuming, philanthropy played an important role by bringing in a consultant to structure the program, convening the anchors to implement the recommendations, and providing matching funds to deepen the available resources.

Employers around the country have gotten involved in housing programs and community development. Anchors — often educational and medical institutions, or “eds and meds” — like these large Midtown employers recognize the critical connection between their own success and the vitality of the community around them. A vibrant neighborhood is an asset to the institution. Live Midtown provided an incentive for local employees to be partners — to live and invest in the neighborhood and contribute to revitalization.

The Kansas City region is also positioned to align the priorities of a diverse set of public and private institutions in order to advance key redevelopment objectives. Anchor institutions, philanthropy, nonprofits, housing groups, and state, regional and local governmental funders and leaders — all exist in the Kansas City region, and can educate stakeholders about employer-assisted housing best practices, bring in assistance to delineate the right program parameters and objectives, engage a nonprofit housing partner, and pilot a targeted initiative.
Appendix C: Regional Housing Roundtable

Background, Vision and Proposed Participants

The regional housing plan recommends that MARC work with community partners to convene housing stakeholders and decision makers to work together, collaboratively, to address regional housing objectives, including the implementation of the Regional Housing Element’s Action Plan.

Increasingly, urban core areas in Greater Kansas City, as well as parts of suburban cities, are facing growing poverty, school performance challenges, increasing housing vacancy rates and lower property values. In addition, families throughout the region are experiencing housing cost burdens, and face even more financial stress when transportation costs are added to housing expenses. Based on input from numerous housing stakeholders in the Kansas City region, it is apparent that while many organizations in the region address local housing and community planning, there would be value in increased coordination and information sharing. Comments from developers and other experts, including the recommendations from Living Cities’ capital absorption work¹ and the Brookings Institution’s “Confronting Suburban Poverty in America,”² have also confirmed the benefits that could be realized from a more coordinated approach to supporting a range of housing policy, development and management options.

“Many stakeholders — from intermediaries to community groups to public agencies to the mainstream investment community — are required to make community investment possible. These stakeholders interact with each other and with the policy and regulatory environment in places to create an ecosystem for capital absorption. We [Living Cities] believe that understanding the overall ecosystem (the interplay of the actors and functions that produces an environment for community investment) in a particular community is just as important as identifying the specific actors that are present or absent in that community.”³

This can be accomplished through a Regional Housing Roundtable.

A Regional Housing Roundtable would provide a vehicle through which the region’s leaders can work together on policy development and implementation efforts. The Roundtable could help identify local issues that would benefit from assistance from MARC and other regional, state and federal entities, while identifying lead organizations such as MARC to disseminate information, data and best practices that will allow local communities to better plan for the future, promote livability, and foster economic growth and social well-being.

“As more communities confront the … need to connect their residents to economic opportunity, collaboration – across places and across sectors – is slowly taking root.”⁴

The roundtable would bring together communities and organizations from across the metropolitan area to learn together and from each other. Targeted stakeholders include:

- Local government (mayors, county officials and municipal/county staff).

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• Appropriate state government representatives (governor’s office, state housing finance agencies and other key agencies involved in transportation, workforce development, economic development and human services).

• Appropriate federal representatives (e.g., regional administrators from HUD, U.S. Dept. of Transportation, U.S. Environmental Protection Agency, U.S. Economic Development Agency).

• Practitioners from the housing, planning, transportation, economic development, workforce development and social services fields.

• Greater Kansas City Local Initiatives Support Corporation (LISC).

• Funders (foundations; financing intermediaries, including IFF; equity investors; and leading banks involved in funding community development).

• Federal Reserve Bank of Kansas City.

• Metropolitan housing production membership organizations, including the Home Builders Association of Greater Kansas City and the Kansas City Regional Board of Realtors.

• Urban Neighborhood Initiative (UNI).

• Academia and research organizations.

• Housing advocacy organizations.

• Private-sector representatives, including housing developers and members of the business community.

• Representatives from the Regional Equity Network housing committee.

Roundtable members would be asked to participate on a steering group, which would guide work on the topics raised by the Roundtable, address specific action items as identified in the Regional Housing Element, and keep the Roundtable action-oriented and moving toward its goals.

MARC will begin work to determine how the Roundtable could complement the current lenders group convened by the Federal Reserve of Kansas City and the Urban Developers Roundtable being convened by Greater Kansas City LISC.

Proposed Regional Roundtable Year-One Agenda

The Regional Housing Roundtable would begin meeting in 2014. The Roundtable meetings would create opportunities to share best practices, build partnerships, bolster regional leadership, and pursue implementation of priorities identified in the Housing Element.

The Regional Housing Element presents five core recommendations. These overarching goals will guide the work of the Regional Housing Roundtable:

• Promote access to opportunity.

• Reinvest in communities.

• Assist lower-income renters and homeowners.

• Pursue financial innovation through partnership.

• Foster deeper collaboration around housing agenda.

The Housing Element also identifies strategies and tools to advance these priorities, as well as action items that the Roundtable will pursue in order to provide regional leadership on housing issues. Priority
strategies that stakeholders in the discussions around the Regional Housing Element would like to begin working on include:

- Create new financial tools to support affordable housing development.
- Strengthen the capacity of the region’s community development organizations to develop affordable housing.
- Link federal transportation funding to support local planning and infrastructure.
- Strengthen rental licensing programs to assist tenants in securing safe, affordable housing.
- Support implementation of development code or other incentives for affordable units and those offering universal design features.
- Broaden education for property owners, property managers and tenants.
- Improve linkages between the development community and service providers.
- Design and carry out programs to build public awareness of the need for quality affordable housing.

The proposed meeting outline below recognizes that some of these initial activities warrant in-depth discussion, while others should be the focus of smaller group discussions. As such, each of the recommended meetings includes an overview of the topic and related issues, featuring one or more local speakers explaining how his/her organization has addressed this topic, and concludes with action steps prior to the next Roundtable meeting. A sample framework for these meetings, including agenda topics and potential speakers, follows.

1. **Panel Discussion on Housing as Part of a Regional Framework**

This meeting would explore how housing is connected to other critical regional issues such as transportation, economic development and education. The goals would be to ensure that Roundtable members understand housing’s role as a regional issue, help them obtain a better grasp on how to communicate the importance of housing when talking with their constituents and the general public, and identify opportunities to integrate housing policy and planning with other priority issue areas.

Building on the information contained in the regional housing plan, this session would identify the reasons that housing is a priority in the Kansas City region, including the findings from studies that have shown that housing supports economic development, that less segregated regions provide greater opportunities for all, that equality of opportunity offers broad economic benefits, and that regions with less inequity experience greater regional growth. In short, across the country, regions with less inequity are more prosperous and have grown more in recent decades.

**Potential Presenters:**

- MARC staff would kickoff the meeting with key findings from Regional Housing Element.
- Moderated discussion would follow, with individuals representing a variety of geographies and areas of expertise:
  - Funding representatives (e.g., Federal Reserve Bank, LISC, KC CDE) to identify areas for collaborative work to build regional finance tools.
  - Regional Equity Network representative to discuss equity as the superior growth model to promote and sustain economic development.
○ Chamber Diversity Initiative employer representative to discuss diversity goals and factors that contribute to employee stability.

○ Elected official/MARC Board member from a community that participated in corridor planning to discuss the need for a range of housing options.

○ Private developers and community development corporations discussing what is needed to successfully link housing and transportation options and the retail/economic benefits of walkable, mixed-use developments.

○ Representatives from the Kansas Housing Resource Corporation or Missouri Housing Development Commission to discuss their funding priorities.

**Capacities addressed:**

- Understanding and public will.
- Regional affordable housing finance strategy.
- Ability to develop a common regional affordable housing strategy.
- Ability to monitor and assess the metropolitan housing market.
- Coordination with community development strategies.

The meeting would conclude with a set of action steps focused on how Roundtable participants can more efficiently and effectively support implementation of corridor planning, local diversity efforts, workforce stability and mixed-income development.

**Sample Action Plan Items:**

- Review the criteria for selecting transportation projects for the Transportation Improvement Plan (TIP) to support projects that improve access to housing and jobs.

- Identify key takeaways from Fair Housing Equity Assessment (FHEA) to present to area local governments.

- Incorporate the plan's housing objectives into trainings on new MARC planning tools, such as Envision Tomorrow; identify one or more pilot communities for a greater level of assistance regarding use of the planning tools.

**2. Development Codes and Incentives**

Many of the goals and strategies listed in the regional housing plan involve changing or adapting local practices, including development and zoning codes, to allow for different types of development. Promoting infill housing, allowing housing near transportation and commercial corridors, and encouraging a range of housing types, for example, can all be accomplished at least partly through local leadership and zoning. This session could examine how communities can update development codes to meet changing demands for housing types and amenities. MARC staff could review the recently developed sustainable development code framework and share how this framework could be used by local communities to consider code changes to support transit-supportive and other strategic housing development.

Presenters at this session could include municipal staff members providing examples of how their communities changed zoning codes to encourage certain types of housing, developers sharing what they need from communities, and planners discussing specific types of housing incentives (e.g., density bonuses, accessory dwelling units, expedited permitting processes). Presenters would include representatives from a community that participated in the corridor study (or other similar initiative...
funded through Creating Sustainable Places) and is moving forward with land use plan or zoning changes.

**Potential Presenters:**
- Planning officials who could discuss community benefits of transit-oriented development or zoning to promote mixed use.
- City representatives who participated in the sustainable code framework project to describe their code audits and changes expected to address increasing housing options.
- Developers who have worked with a community, operating within the existing code and making changes when necessary.
- City representatives who have adopted form-based codes to better integrate a mix of uses.

**Capacities addressed:**
- Understanding and public will.
- Ability to develop a common regional affordable housing strategy.
- Private capital resources and their assembly.
- Public capital resources and their assembly.
- Coordination with community development strategies.
- Ability to monitor and assess the metropolitan housing market.
- Funds to subsidize quality.

The meeting would conclude with the identification of action items to continue work on implementation efficiencies, building on recommendations of previous meetings of the Regional Housing Roundtable. The ongoing work would focus on place-based priorities; how federal/state resources are currently supporting competitive efforts; how/where MARC, philanthropic and civic resources are needed; and how local communities can proactively address their policies and programs in order to promote a range of housing options throughout the region.

**Sample Action Plan Items:**
- Work with the Builders Development Corporation to explore a regional HOME program (with non-CDBG communities on the Missouri side of metro area).
- Discuss how federal/state resources are currently supporting the region and how such resources could be maximized.
- Discuss how philanthropic resources could be leveraged.
- Continue analysis of the long-range transportation plan; share opportunities to inform transportation planning and funding through next round of Planning Sustainable Places.
- Discuss the previous round of places studied through corridor planning and opportunities to support next steps in those places. Using this experience as a base, identify parts of the region best positioned for piloting Roundtable coordination.

**3. Rental Licensing and other Reinvestment Tools**

Communities can undertake various reinvestment practices to maintain and improve existing housing and support community reinvestment. As identified in the regional housing plan, specific strategies include rental licensing, landlord training and code enforcement. MARC has periodically inventoried existing
municipal rental housing licensing programs and could update the inventory with additional information. The Homelessness Task Force of Greater Kansas City, with MARC staff support, has initiated a Landlords’ Forum to discuss how to increase opportunities for making affordable rental housing units available to low-income households and those with other challenges (e.g., mental health issues, criminal histories).

Presenters at this session could include a community representative whose community has undertaken one or more of these strategies; a local landlord, property management company or representative of the property maintenance community who could discuss how they can help design training programs for proper building maintenance; and a community representative from MARC’s First Suburbs Coalition to share details on the coalition’s single-family home rehabilitation loan program.

**Potential Presenters:**

- MARC staff, reviewing the inventory of municipal rental housing licensing programs in the metro area.
- City of Liberty staff, discussing in-law units, 353 tax abatement programs and neighborhood improvement grants.
- City of Kansas City, Kan., representative to speak on its rental licensing program.
- City of Kansas City, Mo., representative to discuss the city’s land bank.
- City of Independence representative to discuss property tax abatement.
- Local Property Management company representative to discuss best practices.

**Capacities addressed:**

- Understanding and public will.
- Ability to develop a common regional affordable housing strategy.
- Private capital resources and their assembly.
- Public capital resources and their assembly.
- Coordination with community development strategies.
- Ability to monitor and assess the metropolitan housing market.
- Funds to subsidize quality.
- Operating capacity.

The meeting would conclude with identification of action items. In addition, MARC could examine how to advocate for/implement reinvestment policies and programs throughout the region.

**Sample Action Plan Items:**

- Convene local officials and other stakeholders to identify steps to strengthen the outcomes in neighborhood preservation and affordable housing through effective use of rental housing licensing programs (with First Suburbs Coalition).
- Partner with Homelessness Task Force on training(s) for property managers.
- Plan sessions of Academy for Sustainable Communities on:
  - Rental housing licensing programs.
  - Incentives to spur redevelopment, such as tax rebate or “hold harmless”.
4. Panel Discussion on Senior Housing

The percentage of the region's population over 65 years of age is expected to increase significantly by 2040. With this shift comes a change in housing demand, as seniors seek smaller, more accessible units, often in more walkable, dense and transit-oriented neighborhoods. This session will explore these shifting housing preferences as well as different options for creating and financing senior housing options.

Presenters at this session could include a local senior housing developer showcasing a recently completed senior development in the region, a housing planner or advocate discussing senior housing needs within the context of the region's predicted demographic changes, and/or a representative from the state housing finance agency to talk about financing options for senior developments. If desired, a national senior housing expert could participate in this session to provide a broader perspective on senior housing best practices across the U.S. The Urban Land Institute could be asked to participate in this session.

Potential Presenters

- Representative from Pemberton Place in Kansas City, Kan.
- Representative from the Housing Authority of Kansas City, Mo.
- Representatives from US Bank (which invests in numerous LIHTC deals) or LISC.
- Representative from the Kansas Housing Resource Corporation or Missouri Housing Development Commission to discuss financing senior housing.
- Representative from the Home Builders Association of Greater Kansas City.
- MARC staff, to discuss demographic changes and KC Communities for All Ages.

Capacities addressed:

- Understanding and public will.
- Private capital resources and their assembly.
- Public capital resources and their assembly.
- Coordination of capital.
- Funds to subsidize quality.
- Operating capacity.
- Ability to monitor and assess the metropolitan housing market.

Participants would conclude the meeting with action items to further explore how Roundtable participants can more efficiently and effectively support implementation of senior housing in priority geographies, and how to more strategically program existing MARC resources to encourage senior housing and other housing priorities identified in earlier Roundtable meetings.

Sample Action Plan Items:

- Build on the KCMetroHousing.org website to improve awareness of fair housing resources and laws (such as requirements related to reasonable accommodation).
- Plan an Academy for Sustainable Communities session on senior housing.
- Support work on sustainable development codes, including universal design guidelines.
5. The Future of the Housing Roundtable: Lessons Learned in Year One

At this meeting, Roundtable members would discuss outcomes from earlier discussions and plan future meeting topics and action items.

Discussion could include:

- Progress toward deepening integration of housing planning with other MARC issue areas, such as transportation (especially the long-range transportation plan and transportation improvement program), economic development and workforce development, and how to go the next step — institutionalizing that coordination and integration.

- How federal/state resources are currently supporting competitive efforts, and how regional and philanthropic resources are needed.

- Which local pilots are being developed with Roundtable members, focusing on efforts such as corridor planning and using incentives and local community policies to promote a range of housing options and access to opportunity.

- Collaboration and integration with the work of the First Suburbs Coalition.

- Feedback from/report on the Academy for Sustainable Communities workshops. In addition, identify topics for the 2015 Academy for Sustainable Communities training calendar.

MARC will explore ongoing support for the Regional Housing Roundtable through the Creating Sustainable Places policy committee.
Appendix D: Transportation Policies

Transportation Outlook 2040 is the region’s long-range Metropolitan Transportation Plan. The policy framework includes wide-ranging goals with strategies and investment priorities to support the region’s vision of Greater Kansas City as a sustainable region that increases the vitality of our society, economy and environment.

An update to Transportation Outlook 2040 is underway, and the MARC Board of Directors recently approved an updated policy framework that includes the following goals for a more vibrant, connected and green region:

**Vibrant:**
- **Economic Vitality** — Support an innovative, competitive 21st-century economy.
- **Place Making** — Coordinate transportation and land-use investment along the region’s corridors and centers as a means to create vibrant places and strengthen the quality of the region.
- **Equity** — Ensure all people have the opportunity to thrive.

**Connected:**
- **Transportation Choices** — Expand affordable, accessible, multimodal transportation options in order to better connect residents and visitors to jobs and services.
- **Safety and Security** — Improve safety and security for all transportation users.
- **System Condition** — Ensure transportation systems are maintained in good condition.
- **System Performance** — Manage existing systems to achieve reliable and efficient performance and maximize the value of existing investments.

**Green:**
- **Public Health** — Facilitate healthy, active living.
- **Environment** — Protect and restore our region’s natural resources (land, water and air) through proactive environmental stewardship.
- **Climate Change and Energy Use** — Decrease the use of fossil fuels through reduced travel demand, technology advancements and a transition to renewable energy sources.

As the plan update proceeds, the Total Transportation Policy Committee should consider the following recommended changes/additions to the policy framework to include greater considerations for addressing the region’s housing needs in selected goals.
GOAL: Transportation Choices
Maximize mobility and access to opportunity for all area residents

While 80 percent of low income people in the region are served by public transit, transit only serves 29 percent of the jobs and there is currently no overarching policy encouraging more housing near transit nodes.

Strategies
1. Eliminate barriers to transportation
   • Support investments that offer greater mobility for all persons.
     Work with local stakeholders to develop a strategy for promoting a mix of housing types to increase access to a range of households by income.
2. Integrate transportation and land-use planning.
   • Provide increased housing options (including multi-unit housing) close to transit corridors to foster increased ridership and improve the cost effectiveness of transportation investments.
3. Expand regional transit service.
   • Regional transit — Ensure that Smart Moves (metro Kansas City’s vision for expanded and enhanced regional transit service) connects workers from their homes and neighborhoods to entry-level jobs, health services, and activity centers.

Performance Factors
• Number of communities providing and/or proposing zoning or other ordinances which allows greater density and mixed-use options particularly around transit centers/stops.
• Number of multi-unit homes built along transit corridors.
• Number of rental or for sale housing options near transit that are supported by public subsidy, including Low-Income Housing Tax Credits.

GOAL: Economic Vitality
Support an innovative, competitive 21st century economy

The regional transportation system supports economic vitality by helping create high-quality places for commerce, providing access to jobs from homes, strong connections between economic centers inside and outside the region, and fostering innovation regardless of shifts in the national economy.

Strategies
1. Track return on investment to support funding decisions.
   • Access to jobs
     The transportation system should enable all people to gain access to good jobs and opportunity, including helping low-wage workers access entry-level jobs from their homes.
   • Access to education and training
     The transportation system should enable people to access universities, community colleges, and other training and workforce development centers from home.
Performance Factors:

- Housing plus transportation costs.
- Number of employers providing incentives to live near work or transit.
- Number of employers/jobs created near transit.
- Incentives that encourage employers to locate near transit or to encourage their employees to live near work or transit.

GOAL: Place Making

Coordinate transportation and land-use investment along the region’s corridors and centers as a means to create vibrant places and strengthen the quality of the region

Creating quality places through strategic integration of land use and transportation planning serves the sustainability of our region in many ways. Quality places are created with intention. They are designed to meet the needs of residents by accommodating a mix of uses. They are also planned in a way that integrates mobility options, fosters a sense of community and, perhaps most importantly, designed and built for longevity.

Strategies

1. Develop and connect major activity centers and corridors.
   - Work with local governments to identify significant transportation corridors that tie activity centers together, and improve connections and mobility along those corridors, including providing a range of housing options (types and price points) close to transportation corridors.

Performance Factors

- Number of communities providing and/or proposing zoning or other ordinances which allows greater density and mixed-use options.
- Number of multi-unit homes built along transit corridors and close to activity centers.
- Number of rental or for sale housing options near transit that are supported by public subsidy.

GOAL: Public Health

Facilitate healthy, active living

Public health is a key component to a high quality of life. The pattern and design of development greatly impacts accessibility and influences the ability to develop active, healthy lifestyles.

Strategies

1. Encourage development standards that support active modes of transportation (bicycling, walking, transit).
   - Work with communities to integrate land uses that foster mixed-use development, including increased housing options close to town centers, activity centers, and walkable amenities.
Performance Factors:
- Ozone.
- Physical Health.
- Number and percent of homes with walk score above 47.
- Number of communities zoning for mixed-use development that fosters housing close to amenities.

GOAL: Environment

Protect and restore our region’s natural resources (land, water, and air) through proactive environmental stewardship

Proactively safeguarding a healthy natural environment is essential to a high quality of life for residents in our region. Our region’s growth, built landscape, and transportation system can be planned and designed in a way that supports development in existing communities and protects our high value natural resources, green spaces, water and air, and protects wildlife.

Strategies

1. Link environmental and transportation planning and implementation of the region’s Clean Air Action Plan.
   - Support increased housing options in existing communities to help conserve the region’s valued green spaces and utilize the region’s natural resources to enhance the quality and value of homes and neighborhoods.
Appendix E: Indicators

Housing Indicators

Reviewing metrics on need and resources, and reporting on goals and outcomes provide important information on context and progress toward the addressing the region's housing needs. Engaging a broad range of partners, via the Housing Roundtable, in discussion about goals is helpful to identify priorities. The Roundtable can be responsible for reviewing progress and setting goals annually. Some of the progress measurements that could be monitored include:

Public and private investments

- Total federal housing dollars coming to the states of Kansas and Missouri.
- Total state housing funding from the Kansas Housing Resource Corporation and Missouri Housing Development Commission.
- Total philanthropic and corporate dollars supporting housing recommendations.
- Total non-federal/non-state municipal dollars supporting housing (e.g., trust funds, fees, bonds, tax-increment financing).

Indicators

- Percent of households who are cost burdened.
- Percent of households in overcrowded conditions.
- Housing plus Transportation Affordability Index.
- Homeownership rate.
- Homeownership rate gap between white/non-white.
- Home loan data (originations/denial rates whites compared to non-whites).
- Home sales data.
- Housing vacancy rates.
- Number of abandoned, vacant or foreclosed homes.
- Number of homeless persons.
- Number and share of multi-unit home opportunities in opportunity areas.
- Number and percent of housing vouchers in opportunity areas.
- Number and percent of new housing units within one-half mile of a transit station or corridor.
- Number of affordable rental housing units produced.
- Number of affordable for-sale housing units produced.
- Ratio of new jobs to new housing units priced to meet the needs of those workers.
- Number of housing permits in distressed areas (Racially Concentrated Areas of Poverty).
- Number and percent of new subsidized housing units developed in opportunity areas (close to jobs, good schools, etc).
- Number of communities with up-to-date comprehensive plans.
- Number of communities with comprehensive plans that include housing.
- Number of communities offering incentives to developers that create mixed-income or mixed-used or affordable housing.
- Number of employers providing incentives for live near work or live near transit.
Appendix F: Related Reports

The Housing Element is a supplement to the Regional Plan for Sustainable Development, updated in spring 2014. It is closely related to the region’s Fair Housing and Equity Assessment, also published in spring 2014, and the Regional Analysis of Impediments published in 2011.

Regional Plan for Sustainable Development

Many local governments are incorporating sustainability principles into their comprehensive plans. And regional plans developed over the past few years to address a wide variety of issues — air and water quality, transportation, land use, health, and energy efficiency and conservation — also focus on sustainability. Taken as a whole, these plans represent a comprehensive strategy to guide how we want to grow, adapt to change, and create more vibrant, sustainable places.

In 2011, the Mid-America Regional Council assembled these plans into a single document, Creating Sustainable Places: A Regional Plan for Sustainable Development, which illustrated how coordinated regional and local plans inform and direct the vision of a sustainable region. Since then, with the help of a U.S. Department of Housing and Urban Development Sustainable Communities Planning Grant, MARC and dozens of partners have been exploring and demonstrating how sustainable visions and plans can be turned into sustainable reality. This work has occurred as a part of the Creating Sustainable Places initiative.

The updated plan, Creating Sustainable Places: A Regional Plan for Sustainable Development 2.0, embodies the lessons learned over the last three years and incorporates new planning and visioning in the areas of housing, social equity, healthy living, and workforce development. RPSD 2.0 is implementation oriented and focused on integrating the many visions and strategies that make up the future of a vibrant, green, connected region.


Fair Housing and Equity Assessment

Housing can enhance — or limit — our access to employment and education, our physical health and safety, and our financial stability. For a region to be successful, all residents, regardless of race, income or geographic location, should have access to high-quality, affordable housing.

The Kansas City region is rich in assets and quality neighborhoods. But our historic growth patterns have had consequences. Jobs are dispersed, and many neighborhoods have limited job access. While our region’s housing costs are lower than many other areas, our transportation costs are higher. We continue to disinvest in existing places in ways that diminish urban vitality, and the new housing stock we are building does not match the needs of a shifting housing market.

The Fair Housing and Equity Assessment examines the region’s housing challenges and opportunities, providing historical context to explain how we got where we are today; data and analysis to help define where we need to go; and strategies to help us get there.

The FHEA and Housing Element conclude with the same set of recommendations and action steps. The differences lie in the level of detail included in each document. The FHEA provides planners and...
housing professionals with more in-depth data and analysis of housing issues, including data for racially concentrated areas of poverty and opportunity areas that were identified by analysis of census data. The Housing Element provides a high-level overview of regional housing issues, and is intended for a broader audience.

- A lower resolution version for quicker download is online at http://www.marc.org/Regional-Planning/Housing/pdf/FHEA_KC_Region_2014_screen_quality.aspx
- For higher resolution sections (better quality maps) see links at http://www.marc.org/Regional-Planning/Housing/Data-and-Reports/Regional-Housing-Plan.aspx

**Regional Analysis of Impediments**

The Regional Analysis of Impediments to Fair Housing Choice was published in 2011 to meet U.S. Department of Housing & Urban Development (HUD) requirements that mandate a review of impediments to fair housing choice in the public and private sectors.

The plan covers entitlement communities in the Kansas City region — in Kansas, Johnson County and the cities of Kansas City, Leavenworth, Overland Park and Shawnee; and in Missouri, the cities of Blue Springs, Independence, Kansas City and Lee's Summit. It includes a review of each jurisdiction's laws, regulations, and administrative policies, procedures and practices; an assessment of how those laws, policies and practices affect the location availability and accessibility of housing; and an assessment of public and private sector conditions affecting fair housing choice.

The plan identifies a series of impediments to be addressed regionally, including the lack of a coordinated effort to mitigate fair housing barriers and raise awareness of fair housing in the region; a need for easier-to-find and easier-to-understand information about fair housing; high concentrations of minority and low-income households, along with a disproportionate number of low rent units in Kansas City, Mo.; and a shortage of accessible housing units.

The plan also identified several local impediments, including residents experiencing discrimination; much higher loan denial rates for blacks and Hispanics than for whites and non-Hispanics; a need for jurisdictions to improve some aspects of their public sector development and housing practices; and a limit of 180 days or less for residents to file complaints in all but one jurisdiction.

The plan also outlines several recommended action items. At the regional level, these include improving the coordination of fair housing testing, enforcement and complaint-taking organizations in the region; dispersing affordable housing opportunities regionally; educating residents about personal finance and work with lenders to mitigate loan denial disparities; and evaluating the demand for and increasing the availability of accessible housing units. Local action item recommendations include improvements to jurisdictional websites to provide more uniform fair housing information; extending the statute of limitations in local ordinances for filing fair housing complaints; and improvements to some aspects of zoning and land use regulations.