Chapter 5: FAIR HOUSING INFRASTRUCTURE

This chapter reviews fair housing complaints, examines lending data, and summarizes the region’s fair housing infrastructure. As noted earlier, the Kansas City region, while less segregated than in the past, is still quite segregated, especially between blacks and whites, with significant concentrations of very low-income minority families living in racially concentrated areas of poverty. Discrimination complaints are primarily filed on the basis of race and disability, and come predominantly from those living in the city of Kansas City, Mo.. The lending analysis presented in this chapter shows that far more loans are made in suburban areas than in the urban core, and that blacks and Hispanics are far less able to access mortgage lending than whites. Further, the loans they receive are more likely to be government-insured and thus more expensive than loans made to whites.

The region’s 2011 Analysis of Impediments presented regional and local recommendations, many of which have been implemented, including changes to municipal websites to improve access to information about fair housing, establishment of a KCMO Civil Rights Task Force and the creation of a regional website that brings many affordable housing resources together in one place at www.KCMetroHousing.org.

Responding to fair housing complaints by educating (and when necessary, prosecuting) property owners, while an important component of addressing fair housing choice, is a reactive strategy. To proactively further housing, the region can foster increased housing choice throughout the region by implementing the recommendations outlined in the Housing Element supplement to the Regional Plan for Sustainable Development. Encouraging diverse housing types in communities throughout the region, investing in transit, and reaching out to diverse populations can help the region overcome its legacy of discrimination and improve fair housing choice.
I. Background and History

Various government agencies and nonprofit organizations in the Kansas City region are charged with monitoring, educating, enforcing and supporting fair housing activities in order to counter historical patterns of segregation and ongoing incidents of housing discrimination in the metropolitan area — and boost access to opportunity and promote economic prosperity.

These organizations act at the local level to promote fair housing. The Federal Fair Housing Act, passed in 1968 and since amended, prohibits discrimination in housing on the basis of race, national origin, religion, gender, familial status and disability. The Fair Housing Act covers most facets of housing, including rental housing, home sales, mortgage and home improvement lending, and land use and zoning practices.

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 cities as well as in the Kansas and Missouri state legislatures. Despite this fair housing legacy, however, patterns of segregation persist in the region (see Chapter II, Segregation).

The U.S. Department of Housing and Urban Development (HUD) has the primary authority for enforcing the Fair Housing Act. HUD investigates complaints it receives and determines if there is a reasonable cause to believe that discrimination occurred. If reasonable cause is established, HUD brings the complaint before an administrative law judge. Parties to the action can also elect to have the trial held in a federal court (in which case the Department of Justice brings the claim on behalf of the plaintiff).

HUD publicly recognizes that, historically, it has not adequately fulfilled this obligation. In recent years, however, HUD has demonstrated a renewed commitment to fair housing. HUD and the Department of Justice have increased their efforts and brought landmark cases to court related to mortgage lending, zoning and other issues that get to the heart of the Fair Housing Act. In addition, the creation of the Consumer Financial Protection Bureau is expected to provide additional resources to support fair housing and lending. Further, HUD is working to integrate fair housing efforts with local and regional planning. The requirement for Sustainable Communities Regional Planning grant recipients to complete Fair Housing and Equity Assessments is evidence of HUD's increased attention to fair housing.

On July 19, 2013, HUD issued new proposed regulations to affirmatively further fair housing. HUD accepted comments through Sept. 17, 2013, and final rules are expected in October 2014. During this rulemaking process, HUD has indicated that future plans submitted by local jurisdictions — particularly those receiving federal funding for housing or community development — will be expected to address fair housing in the context of their planning efforts.

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 cities as well as in the Kansas and Missouri state legislatures.
II. National Trends in Housing Discrimination

Nationwide, fair housing organizations, HUD, and the Department of Justice reported 28,519 complaints of housing discrimination in 2012, an increase from 2011, according to the National Fair Housing Alliance. The 2012 Fair Housing Trends Report notes that private fair housing organizations reported increased rental and sales discrimination, and a notable increase in discriminatory harassment. Groups also saw an increase in housing discrimination based on classes not protected by the Fair Housing Act, including source of income, age and sexual orientation. All public fair housing enforcement agencies reported a notable increase in complaints based on national origin. Fair Housing Assistance Program (FHAP) agencies reported a decrease in the overall number of claims and complaints, most likely due to constricted state and local funding. The Department of Justice also reported a drop in the number of case filings, mostly due to its taking on more costly, high-impact cases.¹

Another recent study further confirms ongoing national discrimination in housing. The “2012 Housing Discrimination Study: Housing Discrimination against Racial and Ethnic Minorities,” published by HUD and the Urban Institute in June 2013, finds that real estate agents and rental housing providers recommend and show fewer available homes and apartments to minorities than equally qualified whites. “Although the most blatant forms of housing discrimination have declined since the first national paired-testing study in 1977, the forms that persist raise the costs of housing search for minorities and restrict their housing options.”² The study suggests that the research likely underestimates the incidents of housing discrimination, noting that the testers were highly qualified, and lower-income applicants may experience more discrimination.

III. Housing Discrimination in the Kansas City Region

The national findings apply to the Kansas City region. The Urban League of Kansas participated in the paired testing study, and the data includes Kansas City testing. In addition, the national fair housing reports on complaints incorporate local data.

Despite the frequent occurrence of fair housing violations, many victims fail to come forward because they lack information on fair housing rights and receive little guidance about how to file complaints. 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.

**Fair Housing Complaints**

The following table presents data on housing discrimination complaints, from the 2011 Regional Analysis of Impediments. According to the AI, more than 550 complaints were filed between August 2005 and

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October 2010. The majority of the complaints were filed in Kansas City, Mo., with most complaints based on race and disability. Complaints also included discrimination on the basis of family status, gender and retaliation.

### Fair Housing Complaints by Jurisdiction, August 2005–October 2010

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Share of Study Area Complaints</th>
<th>Number of Complaints</th>
<th>Race</th>
<th>Disability</th>
<th>Gender</th>
<th>Family Status</th>
<th>Retaliation</th>
<th>Other</th>
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<tr>
<td>Kansas</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Johnson County*</td>
<td>16%</td>
<td>93</td>
<td>48%</td>
<td>25%</td>
<td>8%</td>
<td>7%</td>
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<td>87</td>
<td>49%</td>
<td>24%</td>
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<tr>
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<td>1%</td>
<td>6</td>
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<tr>
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<tr>
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<td>577</td>
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<td>31%</td>
<td>9%</td>
<td>6%</td>
<td>5%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

*Excluding Overland Park and Shawnee

Source: HUD Kansas City, Kan., Regional Office of Fair Housing and Equal Opportunity

Approximately one in five complaints filed (22 percent) were successfully resolved. The Civil Rights Division of the Kansas City, Mo., Human Relations Department, which enforces the city's fair housing laws, conducted 40 formal investigations of discrimination; 10 involved race and 13 involved disabilities. Nineteen of these cases were resolved through reconciliation before or after a Reasonable Cause determination had been rendered. Complainants received more than $37,000 in settlements.

### Fair Housing Lawsuits

No fair housing lawsuits are currently open in the region. Several area cases from the last decade are summarized in the 2011 Analysis of Impediments. A more recent case, *HUD on behalf of Complainant Metropolitan St. Louis Equal Housing Council v. H&H Development Group, Inc; Larry D. Nelson; McBride & Son, Contracting Co, Inc, etc (2011)*, was filed on April 18, 2011. The Metropolitan St. Louis Equal Housing Opportunity Council claimed that the H&H Development Group violated the Fair Housing Act by failing to design and construct accessible multifamily dwellings. After an investigation into the issue, HUD issued a Charge of Discrimination. Defendants were ultimately found guilty of engaging in discriminatory housing practices and ordered to pay damages to the Metropolitan St. Louis Equal Housing Council.

### Lending Practices

Analysis of lending practices is a useful approach to compare the availability of credit across racial groups and across the region, as well as to note the disparate impact. 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. The map of Residential Lending in 2010, shows a notable difference in lending between the heavily minority urban areas — with less than 10 percent of loan applications per housing unit — and the surrounding areas that have much higher loan application rates.

The map of Residential Loan Application Denials in 2010 reverses this picture, with much higher denial rates in Kansas City, Kan., and Kansas City, Mo. The areas of Wyandotte and Jackson counties with high percentages of blacks and Hispanics have both a low total number of loan applications (across all loan types), and a higher rate of application denial.
In the Kansas City region, loan denial rates are much higher for blacks, Hispanics, and Native Americans — approximately double that of whites.

![Loan Denial Rates by Race/Ethnicity](image)

As shown below, whites and Asians are far more likely to access conventional mortgage financing, while large percentages of black and Hispanic homebuyers received government-insured FHA, VA, Farm Service Agency or Rural Housing Service loans. These loans tend to be more expensive than conventional financing, as they require mortgage insurance. The additional costs amount to a loss of equity, which exacerbates the wealth gaps between white or Asian and black or Hispanic homeowners.

![Loan Origination by Loan Type and Racial Group](image)

Examination of loan originations also shows that a larger percentage of whites and Asians applied for refinance loans than did black and Hispanics. It is possible that Asian and white homeowners took advantage of low interest rates and refinanced their home mortgages. A smaller percentage of black and Hispanic loan applications were for refinancing.
IV. Fair Housing Resources and Action Taken

The Kansas City metropolitan area fair housing infrastructure is made up of government agencies, fair housing organizations and legal service organizations. A list of the agencies and their responsibilities is included in the Analysis of Impediments. Federal, state and local fair housing resources are available, but are not often known to residents who face housing discrimination. In particular, those households where English is a second language face greater barriers in accessing assistance. There is still a need for better fair housing testing, public education and enforcement. Most of the region’s fair housing infrastructure is concentrated in Kansas City, Mo., and these resources may not be sufficient to cover the entire region.

The following federal, state and local government agencies are responsible for enforcing fair housing. As described in greater detail in the 2011 Regional Analysis of Impediments, individuals who believe they have experienced housing discrimination may report their complaints to the following entities:

- The Kansas City, Mo., Human Relations Department, which conducts testing and investigations and mediates disputes.
- The Jackson County Ethics, Human Relations and Citizen Complaints Department, which conducts investigations and issues reports on fair housing complaints.
- The Kansas City, Kan., Human Relation Commission, which handles complaints and mediates disputes but does not have statutory authority to act on complaints.
- The City of Olathe’s Office of Human Relations, which enforces the city’s fair housing ordinance and works with renters, buyers and housing providers to address fair housing issues and concerns.

While some jurisdictions have specific fair housing organizations, others do not. Clay and Platte counties have housing information centers, housing hotlines and economic development agencies, but no dedicated fair housing agencies. The city of Overland Park has a Fair Housing Commission that operates in an advisory capacity.

Findings from a series of surveys reported in the 2011 Regional Analysis of Impediments reveal that 59 percent of fair housing advocates believe that clients are “somewhat likely” to experience housing discrimination, and 60 percent indicate that clients typically take no action following discrimination. Community feedback voiced at a series of public forums highlights accessibility issues, discrimination by small landlords, discrimination against felons, and the need for additional fair housing testing.

The communities took part in the 2011 Analysis of Impediments have taken various steps to address the challenges identified and recommendations it proposed. The communities have formed a task force to address fair housing. The KCMO Human Relations Department has increased communication efforts to inform the public about fair housing and conducted trainings for tenants, property managers, community groups and other stakeholders. Various communities, as suggested in the analysis, have made fair housing information more accessible on their communities’ websites.

MARC convenes a homelessness task force, which is made up of local governments and service providers. The task force works on advocacy, information sharing, coordination and program development to prevent and solve homelessness in Jackson, Clay and Platte counties in Missouri and Wyandotte and Johnson counties in Kansas. The task force has created a new online resource, www.KCMetroHousing.org to provide information about available affordable rental housing, landlord tenant laws, fair housing law, and other housing and service resources in the nine-county region.
V. Recommendations and Action Strategies

Responding to fair housing complaints through the education of property owners and other landlords and renters, while an important component of addressing fair housing choice, is reactive in nature. To affirmatively further housing, the region needs to increase the supply of affordable homes outside the racially concentrated areas of the urban core.

The region can also foster increased housing choice by addressing local zoning, using tools and recommendations described in the Housing Element to promote access to opportunity. The Creating Sustainable Places initiative also launched a new Regional Equity Network, which recommends improving linkages to jobs, exploring opportunities to pursue regional innovations related to housing vouchers, and increasing transit options to help families to access opportunity. In addition, strategic investments in disinvested communities — for example, through single-family rehab programs, increased transportation and other infrastructure investments, and use of land banks — 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 can contribute to creating greater opportunities for residents in RCAPs.

A review of the region’s physical infrastructure finds that:

- While a number of public infrastructure investments have been made in disinvested communities, more attention should 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 to redevelop key corridors and enhance public transportation along them — both as a means of connecting RCAP residents to opportunities in other areas and as a means of redevelopment within the RCAPS — should continue.

- 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, but it will be absolutely necessary to expand access to opportunity in suburban and exurban communities.

I. Public Infrastructure

Transportation Investments

Transportation investments in the Kansas City metro area are guided by Transportation Outlook 2040, the region’s long-range transportation plan. Updated every five years, the plan provides guidance for regional investments in transportation. In the 2010 update, which considered alternative development scenarios that put more emphasis on redevelopment, one of the plan’s major themes is concentrating development and public investment along key transportation corridors. The regional plan reflects the emphasis local governments have placed in their plans on mixed-use, transit-oriented, and greener development.
The Kansas City metro area is a low-density, auto-oriented community. The core of the city, where most of the RCAPs are located, has been losing population for a number of years and a significant share of the region’s employment has moved to the suburbs. The metro area has one of the most extensive systems of Interstate highways in the country, which greatly facilitates the dispersal of jobs and housing.

The metropolitan area has a modest public transportation system that has suffered from a lack of funding and the dispersed nature of population and jobs. According to a recent Brookings Institution analysis, 89 percent of the low-income neighborhoods in the metro area have access to public transportation; however, public transportation only serves 26 percent of places that employ low-skilled workers.

The dispersed nature of the region, coupled with a weak public transportation system, necessitates automobile ownership. The Kansas City metro area is very difficult to navigate if one does not have a car, a situation that disproportionately affects people of color and low-income households. Recent data shows that 18 percent of black households and 11 percent of Native American households are without automobiles. Lack of automobile ownership closely mirrors the location of RCAPs in the region.

Concentration of Zero-Vehicle Households 2006-2010
Recent and planned transportation investments, in accord with the Transportation Outlook 2040, include:

**Bus Rapid Transit (BRT)** — The long-range plan’s corridor strategy includes the expansion of BRT as a major objective for local jurisdictions, transit agencies and the Mid-America Regional Council. Currently two BRT routes exist in Kansas City, Mo. — one along Main Street and the other on Troost Avenue. The Troost route connects areas of high concentrations of poverty and people of color with downtown employment opportunities and midtown educational opportunities. This line serves RCAPs 7 (East Side) and 8 (Southtown).

Plans are underway to expand BRT to additional corridors, most immediately to the Prospect corridor, which runs through the core of RCAP 7 (East Side). A $50 million federal TIGER grant awarded to the region by the U.S. Department of Transportation in 2010 has supported investment in assets along several potential BRT routes. The Shawnee Mission/Metcalf route serves three opportunity areas and connects to RCAP 7. The State Avenue route connects RCAPs 1 (KCK West) and 2 (Central KCK) to the western opportunity area as well as to downtown where additional connections can be made.

One of the principle objectives of increasing BRT service is to connect opportunity areas to those who most need those opportunities. The map below shows the relationship of RCAPs, Opportunity Areas, and six key transportation corridors that were the focus of not only the TIGER grant, but also a Sustainable Community Initiative regional planning grant from the U.S. Department of Housing and Urban Development.

**Opportunity Areas, RCAPs and Planning Corridors**
Streetcar — The city of Kansas City, Mo., has initiated the first phase of a new streetcar system. This initial phase will primarily serve the downtown commercial core. It is currently under construction, with an anticipated operation date of 2015. The city, along with other partners, has already begun planning for subsequent phases. Several of these proposed phases would serve areas of concentrated poverty, including RCAPs 4 (Downtown KCMO), 5 (Northeast KCMO), 6 (Blue River), and 7 (East Side), and would begin to connect some of the RCAPs with Opportunity Areas.

Streets and Highways — The Kansas City metro area continues to invest the bulk of its transportation dollars in streets and highways. However, over the last few planning cycles this investment has been increasingly targeted to maintaining the existing street and highway system, as opposed to building new capacity. A significant share of street and bridge improvements funded through the region’s Transportation Improvement Program include accommodation for bicycle and pedestrian travel.

More than half of the recent TIGER grant ($26.2 million) was devoted to street, curb, sidewalk, traffic and bridge improvements within the Green Impact Zone, a targeted urban core neighborhood in RCAP 7 (East Side). The investment of these resources was a catalyst for private investment in the community, such as the redevelopment of the empty Bancroft School into 50 affordable housing units.

Transportation Improvement Plan — As MARC updates the region’s Transportation Improvement Plan (TIP), it conducts an environmental justice analysis to ensure that people of color and low-income populations are receiving a fair share of federal transportation investments. The most recent TIP identifies federal transportation investments in the region planned for the 2014–2018 timeframe. Per DOT requirements, as part of the TIP update process, MARC identifies areas with above-average concentrations of people of color and poverty rates greater than 20 percent as environmental justice areas. These areas generally overlap the RCAPs, but include additional areas as well. An analysis of federal transportation investments from this most recent TIP is shown below.

Distribution of Federal Transportation Funds to Environmental Justice Areas, 2014–2018

<table>
<thead>
<tr>
<th></th>
<th>EJ Areas</th>
<th>Non-EJ Areas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population in EJ tracts</td>
<td>620,937</td>
<td>1,347,932</td>
<td>1,968,869</td>
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<tr>
<td>Percent of total population</td>
<td>31.5%</td>
<td>68.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Total federal funds, 2014–2018</td>
<td>$174,278,144</td>
<td>$78,429,983</td>
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<tr>
<td>Percent of total federal funds</td>
<td>69.0%</td>
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<tr>
<td>Per capita funding</td>
<td>$280.67</td>
<td>$58.29</td>
<td>$128.35</td>
</tr>
</tbody>
</table>

While this table indicates a substantial amount of per capita investment in environmental justice areas — an amount well beyond that of the total population — a more nuanced assessment is required. This would require reviewing the nature of each project and whether it directly or indirectly benefits the RCAP. In particular, two specific types of projects would be identified: 1) projects that connect RCAPs with Opportunity Areas, and 2) projects that enhance the economic and livability qualities of the RCAP.
Other Public Investments

While transportation investments are the most visible of the public investments that impact how the region develops and whether people of color and low-income people are being equitably served, it is not the only type of public investment. Sewer infrastructure, in particular, contributes to the economic viability of existing communities and is an essential component of new development on the edge of the metropolitan area. Unlike transportation investments, federal and state funds are much less a part of, and therefore much less influential in, this arena. Most sewer expansion and maintenance costs are funded locally through bonds, enterprise accounts and private developers.

One major investment opportunity is the Kansas City, Mo., sewer overflow replacement project currently underway. The city is consciously trying to integrate green infrastructure solutions into urban neighborhoods, creating an amenity that can foster sustainable development opportunities for more mixed-income housing and more mixed-use commercial and office development.

Generally, developing suburban and exurban communities have generously invested in the expansion of local streets and sewers in order to encourage additional new residential and commercial development. This is a part of the economic development policies of most communities in the metro area, and is driven by the desire for additional tax revenues. This expansion slowed during the recession that began in 2007, with a number of planned subdivisions abandoned. The market is only now beginning to pick up.

One new element in the Kansas City region’s infrastructure is Internet access at gigabit speeds. Google chose the Kansas City metro area as its first test area for its ultra-high-speed fiber network. The company is currently focusing on deploying residential service, and began rolling out installation in designated “fiberhoods” that met subscriber enrollment targets, some of which are located in the RCAPs. However, Google Fiber is rapidly expanding its footprint to include Opportunity Areas across the region. Efforts to bridge the digital divide by ensuring access to this service for low-income households are primarily being driven by the nonprofit community, not the company.

II. Economic Development

Private Development

Private investment is closely tied to public investment. Until recently, that investment has been substantially skewed to suburban residential and commercial development. Land is inexpensive, utilities and public infrastructure are available, and residents are willing to drive considerable distances for an affordable home. In addition, the metropolitan home building community comprises many smaller contractors that are used to developing in suburban neighborhoods, which until recently has been profitable and predictable.

The recession of 2007 has, at least for the moment, changed the residential development landscape. Many suburban subdivisions went bankrupt, as did a number of home builders. Increased attention has been placed on redevelopment, with one developer in 2012 saying that it was the only viable form of development at the time. Also, there has been an increased market for rental property. MARC’s Creating Sustainable Places initiative has reinforced these trends by providing information on the changing housing market and illustrating, with data, how increased numbers and changing preferences of older adults, people of color, and single young professionals will impact the housing market.
**Economic Development Incentives**

Primary commercial and industrial incentives in the Kansas City metro area are driven by the two states, Missouri and Kansas. Currently, they are in an unproductive cycle of providing incentives for businesses to move back and forth across the state line. The criteria for state incentives do not include factors such as their service to low-income communities or access to transportation. Efforts are currently underway to change the incentive system.

Large economic development projects are often located in communities outside of the RCAPs, primarily for market reasons. Some of these developments in suburban communities are undertaken without consideration for their impact on people of color or low-income communities. Those built within the core cities (Kansas City, Mo., and Kansas City, Kan.), although often outside of RCAPs, typically devote some effort to connecting these projects with RCAP residents. Three recent projects are reflective of this effort.

- **Village West** — This project is a large-scale entertainment, shopping and sports development on the western edge of Kansas City, Kan., in one of the Opportunity Areas. The Village West development provides a large number of service sector jobs. The city of Kansas City, Kan., is making efforts to connect this development with eastern RCAPs. The city is also trying to encourage private developers to develop more affordable rental housing in the vicinity of the project.

- **Downtown** — Downtown Kansas City, Mo., is experiencing a considerable amount of redevelopment led by the city government. This includes commercial/retail development, office development and housing. In terms of increased population growth in the core of the city, downtown development is one of the few bright spots. The area is well connected to most of the RCAPs by public transportation. There is a mix of housing types and affordability within the downtown and additional affordable housing is being planned. The area is also well served by the new streetcar system, and the city is encouraging transit-oriented development along the transit line.

- **Cerner South Campus** — Cerner Corporation (a large, rapidly growing medical software firm) recently announced a new campus on the site of an abandoned shopping mall. Ultimately, the campus will house 14,000 employees. The project is located in the heart of RCAP 8 (Southtown) and provides an opportunity to connect this community to a major economic generator. Cerner has committed $10 million toward housing and community development in the area. The major challenge is that the company generally employs highly skilled computer programmers and other technical staff, not the low-skilled jobs for which more RCAP residents are typically qualified. A concerted effort will be needed to ensure that people living in the area have access to training and career pathways that can help them access employment.
III. Housing and Community Development

Subsidized housing continues to be concentrated in a few cities, primarily Kansas City, Mo., and Kansas City, Kan., and more specifically in a few neighborhoods within those cities, particularly in the RCAPs. Efforts are underway in Kansas City, Mo., to disperse public housing units, but only within city limits.

Assisted Housing Concentration, 2010

Another issue of as much concern as the concentration of subsidized housing is the lack of housing available to very low-income families. All of the region’s public housing agencies have long waiting lists for both public housing and housing vouchers. A 2011 MARC study of the housing market in the Kansas City metropolitan area indicated the greatest need was for affordable rental housing units to serve households with the lowest incomes. The study indicated there were more than 68,000 households with annual incomes below $20,000, but only a little more than 36,000 rental units have rents below $500 per month.

Communities in the Kansas City metro area received $18.6 million in CDBG, HOME, HOPWA, and ESG funds in 2013. (See table on next page.) In the two Kansas Citys, a sizable share of these funds is devoted to housing rehabilitation or new housing construction within the RCAP areas. Outside of these two cities, these funds are devoted primarily to renovation activities in older neighborhoods, some within Opportunity Areas.
### Allocation of 2013 HUD Funds

<table>
<thead>
<tr>
<th>Jurisdiction</th>
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<th>HOME13</th>
<th>HOPWA13</th>
<th>ESG13</th>
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Access to healthy foods is a major focus of a number of local communities and nonprofit organizations. Several community economic development initiatives, primarily through nonprofit organizations such as the Food Policy Coalition, are working to include healthy food in existing corner markets and bring new full service grocery stores to underserved communities. Earlier in 2013, Aldi's broke ground for a new grocery store in the Green Impact Zone. This was the culmination of years of effort by the city and the Ivanhoe Neighborhood Council to bring a full service grocer to the area.

One of the most critical issues related to affordable housing is the lack of housing development and redevelopment capacity within the metropolitan area. The region has a number of place-based community development corporations that are focused on housing rehabilitation and new construction. But there is a lack of capacity to do projects at scale and undertake large, community-transforming projects. MARC and a number of partners, including Local Initiatives Support Corporation (LISC), NeighborWorks, and several foundations, are working to identify and support development of these capacities.

### IV. Drivers of Inequitable Investment

Through extensive stakeholder engagement, the following drivers of inequitable investment have been identified:

- **Lack of public resources** — With local budgets becoming more constrained and federal resources dwindling, a lack of public funds to invest in RCAPs is impeding redevelopment of these areas. This is particularly true of Kansas City, Mo., and Kansas City, Kan., where the RCAPs are located.

- **Continued expansion of suburban and exurban infrastructure** — With few constraints on suburban and exurban infrastructure and low land costs, development continues to expand on the fringes of the metropolitan area. This outward pressure moves jobs and other opportunities farther from the RCAPs, making it more difficult for residents of these areas to access these new job opportunities.

- **Zoning ordinances and public attitude** — Public acceptance of affordable housing is a particular problem throughout the metropolitan area. This makes approvals of affordable housing difficult. Often, especially in suburban areas, zoning ordinances make it difficult to build housing that is affordable.

- **RCAP market conditions** — The RCAPs, with their concentrated poverty, lack of services and employment, and poor housing conditions, do not have markets that are conducive to private investment.
Housing development capacity — The metropolitan area lacks large scale redevelopment and affordable housing development capacity. Such capacity is especially important to development of projects that have the potential of changing the market in an RCAP.

V. Strategies to Address Inequitable Development

Given the current conditions and the drivers of inequitable development, the following strategies have been identified to help connect residents of RCAPs to opportunities in other parts of the metro area and help transform the RCAPs into opportunity areas.

Enhance equity criteria in allocating transportation funds — Even though it appears that an equitable amount of federal transportation dollars are being invested in RCAPs, it is necessary to develop more formal equity criteria for allocation of these funds. Such criteria would not simply consider where the funds were being invested, but the nature of the investment and how it would either aid in connecting people of color or low-income residents to opportunities or would contribute to the transformation of RCAPs into opportunity areas. This kind of criteria has already been applied in the allocation of transportation dollars through the Planning Sustainable Places program. This program should be continued, expanded to include capital investment funds, and the criteria and engagement also refined and expanded.

Enhance engagement of RCAP residents in funding decisions — As decisions are made about allocation of transportation dollars to projects, residents of RCAPs should have a voice in those decisions and help identify the kind of projects in which these funds should be invested. This was the case with the Planning Sustainable Places program. The newly formed Regional Equity Network would be a source of input and participation in this process.

Develop new redevelopment and housing capacity — Continue to work with public, private and nonprofit stakeholders to develop enhanced capacity to initiate and successfully manage large-scale redevelopment and housing projects. This new capacity should include new sources of redevelopment capital.

Develop a public discussion around affordable housing — Assemble a coalition of housing stakeholders and members of the Regional Equity Network to foster a regional discussion on the importance of affordable housing and how such housing can contribute to the vitality of any community. This campaign has to go beyond brochures to community discussions about the importance of this issue and how individual communities can address it. One sign that such a campaign could work is a recent national study indicating that a majority of the public see this as an important issue.

Develop an expanded public transit system — Continue to work with public agencies to develop a more robust regional public transit system. Key components of this system should include streetcars and bus rapid transit. As the system develops use this as a catalyst to redevelop key corridors and locate affordable housing along these corridors.

Revise the economic development incentive system — Work with economic development stakeholders to revise the incentive system to focus on development that is beneficial to the regional economy and either promotes opening up new opportunities to people of color or low-income residents in opportunity areas or contributes to the redevelopment of RCAPs.
Support the Regional Equity Network — This organization, newly formed as part of the Creating Sustainable Places Initiative, will focus on issues related to equity in the metropolitan area, including housing. The region needs to invest in this network to make sure that the voices of people of color and people with low incomes are heard and focus attention and perspective on issues that are important to equity.

Establish meaningful measures and continuously monitor them — Work with public and private stakeholders and the Equity Network to develop and maintain a set of performance measures to assess the region's progress in meeting these goals.
Chapter 7: STRATEGIES AND ACTION PLAN

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. This agenda is also part of the Housing Element 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.

This chapter 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 the 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. In 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.

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.

**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.

**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.

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 the 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.

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.