

FIRST SUBURBS

HANDBOOK



Case studies and development tools for first-tier suburbs





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Introduction

Introduction

First suburbs are communities where a majority of the housing was built just after World War II and limited undeveloped land exists within the city's boundaries. These communities are now experiencing some of the same challenges that have plagued core cities, including businesses moving out and declining retail sales, increases in rental housing, stagnant or declining housing values, and issues related to maintaining their infrastructure. Neighborhoods with these issues do not always fall neatly within a given community. For example, the cities of Independence and Overland Park have large sections of their communities that are classified as first suburbs, but they also have sections that are growing and considered new suburbs. Core cities, such as Kansas City, Missouri, and Kansas City, Kansas, also have neighborhoods that fall into the first suburb categorization.

For the last two years officials from first suburbs in the Kansas City metropolitan area have been meeting with the support of the Mid-America Regional Council, studying what other communities are doing, and sharing their frustrations, successes and ideas. These suburbs have formed the First Suburbs Coalition.

The members of the First Suburbs Coalition represent communities where, in aggregate, almost 50 percent of their housing was built between 1940 and 1970. Coalition members represent almost 25 percent of the metropolitan area's population.

The First Suburbs Coalition has hosted a series of speakers on key issues facing first suburbs. In addition, the Coalition has identified three key issues facing first suburbs that form the basis for the organization's agenda:

- Modernizing housing stock, which was principally built in the years following WW II. This housing stock is often smaller than current standards, does not contain the amenities that are expected in a modern home, may have been built with lower quality materials, and often is

First Suburbs Coalition Members

Missouri	Kansas
Gladstone Grandview Independence North Kansas City Raytown Riverside Sugar Creek	Fairway Merriam Mission Mission Hills Mission Woods Overland Park Prairie Village Roeland Park Westwood Westwood Hills

built on a lot that allows little room for expansion.

- Retaining and attracting businesses that serve their communities. Retail businesses, in particular, have moved to more modern suburban locations, stripping first suburbs of services and revenue.
- Maintaining and upgrading old infrastructure. This task is especially difficult when revenue is stagnant or declining.

A principal initial goal of the First Suburbs Coalition was to identify what tools and resources were available to first suburbs and to identify examples of first suburb communities successfully using these tools. This handbook represents a bridge between the coalition's early meetings and its agenda for the future. The handbook documents case studies of successful developments in first suburbs in Kansas City and from around the country. It also provides a series of policies used by local communities and communities around the country that can be effective tools in dealing with first suburb issues.

This handbook is not all-inclusive, but illustrates that local officials in first suburbs can take actions that can positively shape their communities' future.

Case Studies: Projects

Kansas City Region

Loft Renovation Projects/Downtown Revitalization: Leavenworth, Kansas

Project Description

Searching for a way to bring people back to the downtown area, the city of Leavenworth turned to what they already had: numerous buildings that were being underutilized. The Northeast Area Revitalization (NEAR) strategic plan was developed in 1997 to explore ways to encourage reinvestment in the area. A resolution established a rebate of 95 percent of the actual property tax increase associated with property improvements made in the prescribed area. Since the inception of the plan, the area has seen reinvestment of over \$12 million. For city officials, this reinvestment is a part of their overall goal for a successful downtown: a partnership between quality housing and commerce.

The city has experienced a variety of success in both small and large projects. Shawnee Residences is a "neotraditional" structure designed to blend in with the large downtown buildings. The project was built on a cleared site and is now home to 44 residences for the elderly.

The Abernathy Lofts is one of the more recent projects in Leavenworth. Developers are converting an 1870s warehouse to 54 units using federal Low-Income Housing Tax Credits. The Choctaw Lofts, a smaller six-unit project, is also being converted from an 1870s office building.



Choctaw Lofts (www.lvarea.com)

The city has committed funds for public improvements. The 1888 Union Depot has been converted to the city's Riverfront Community

Center, which now serves as a multipurpose complex providing social, educational, and recreational opportunities to the community.



Leavenworth's Riverfront Community Center (www.lvks.org)

Leavenworth Landing Park, a quarter-mile linear park along the Missouri River, commemorates the transportation links that made the city important in the 1850s, including riverboats, railroads, wagon escorts, outfitters, trails west and military roads. The city acquired the land in 1995 and constructed the park and multi-use trail the following year using funds awarded by the state of Kansas and the federal Transportation Enhancement Program. Another project just beginning is the Three Mile Creek parkway that will join the Landing with Haymarket Square.

Lessons for Kansas City First Suburbs

Achieving quality infill projects is important for first-tier suburbs to be able to offer residents a unique living environment. Leavenworth recognized the underutilization of buildings in its downtown area, and encouraged reinvestment by removing the barriers to development. The city also invested public funds into projects that help make the entire area more attractive to residents.

Resources

Current Programs, www.lvks.org/current_programs.htm

John Kreuger, Planning and Community Development Director, Leavenworth, Kansas, 913/680-2614

Spotlight on Leavenworth, www.lvarea.com/news/

Welcome to the City of Leavenworth, Kansas, www.lvks.org/community_center.htm

Case Studies: Projects

Kansas City Region

Northgate Village Homes: North Kansas City, Missouri Expected Completion — 2005

Project Description

Designed to “serve the needs of people and families from all ages and walks of life,” Northgate Village is a unique development in North Kansas City. The project’s developer, Hunt Midwest, has more than 1,800 acres of land currently under development in the Kansas City metropolitan area, and is well known throughout the region. With the Northgate Village project, the developers are hoping to create a neighborhood that offers residents every necessary amenity.

The project will include a mix of housing types (single-family, row houses, patio homes, apartments, and senior housing units), neighborhood retail stores, and parks/open space. The row houses and single-family homes are designed with eclectic architecture found in the earliest neighborhoods in the area. Front stoops and porches adorn the single-family houses and garages are accessed through rear alleys, creating a pedestrian-friendly environment. Townhomes are located on the busier

perimeter streets to establish a transition into the community. The entire neighborhood is set on a grid street layout, allowing for greater connectivity to areas within and outside the neighborhood.

The project began with the approval of a Tax Increment Financing (See Appendix A) plan and a development agreement with the selected developers. It required almost two years to acquire the necessary land before the application process could begin. The project required a number of complex approvals for zoning changes, platting, architectural compliance and restrictive covenants.

Lessons for Kansas City First Suburbs

First-tier suburbs increasingly face a diverse demographic makeup. No longer are these areas homogeneous in age, race or income group, and housing stock must be updated to meet these demographic changes. With a project like Northgate Village, North Kansas City recognized an opportunity to work with a well-known developer to provide a wide range of housing choices. The project acknowledges the changing housing needs of people over time (from apartments to single-family homes to senior housing units). First-tier suburbs can use projects like this to offer residents an opportunity to remain in their communities over a lifetime.

Project Designer/Developer

Hunt Midwest
Bloodgood Sharp Buster Architects
Planners, Inc.

Resources

About Northgate Village Homes,
www.northgatevillage.info/index.ssi
Mike Smith, Assistant to the City Administrator,
North Kansas City, Missouri, 816/274-6000.

Project Statistics	
Site Area	29 acres
Construction Timeline	2.5 years
Built Components	<ul style="list-style-type: none"> • 96 single-family homes • 94 row houses • 29 patio homes • 400 multi-family apartments • 180 senior housing units • 5 acres neighborhood retail
Amenities	<ul style="list-style-type: none"> • Pocket parks • Access to downtown NKC

Case Studies: Projects

Kansas City Region

Santa Fe Trail Neighborhood: Independence, Missouri Initiated in 1997

Project Description

The Santa Fe Trail neighborhood, located in the first-tier suburb of Independence, Missouri, is an ambitious redevelopment of a blighted area. The project will include retail, office and residential components. Infrastructure improvements are also planned for the 29-acre site. The project aims to increase the walkability of the area and create a more pedestrian-friendly environment, drawing more people back into this neighborhood.

Initially, the city performed a blight study to aid in the approval of the Santa Fe Neighborhood Revitalization Plan. The study results showed that about 51 percent of the structures in the neighborhood were built from the 1940s through 1969, and few had benefited from any major improvements. The Tax Increment Financing (TIF) and Chapter 353 area established as a result of the plan includes commercial and retail establishments along Noland Road and in the Santa Fe neighborhood, which was made up of mostly substandard single-family housing. The redevelopment plan created a tax-abatement program to benefit property owners in the 353 area and encourage new construction and rehabilitation of both commercial and residential projects.

The plan also called for the clearing of substandard and obsolete structures, and the transfer of property to TIF developers for construction of residential and commercial space along the Noland Road portion of the site.



Streetscape rendering of improvements to the area. (www.qualityplaces.marc.org)

Lessons for Kansas City First Suburbs

The Santa Fe neighborhood has experienced the problems of many residential areas in first-tier suburbs throughout the country. With most structures built well over 30 years ago and deteriorating infrastructure, substantial improvements were necessary to make the area attractive to new residents. By judiciously using the redevelopment tools available, the city was able to motivate property owners to reinvest in their homes and businesses. Other first-tier suburbs could use the lessons from this project to address their own needs for private investment to help neighborhoods retain and attract residents.

Resources

Creating Quality Places, www.qualityplaces.marc.org

Case Studies: Projects

Kansas City Region

Midtown/Truman Road Corridor: Independence, Missouri Initiated 1995

Project Description

The Midtown/Truman Road Corridor (M/TRC) project area is located in the heart of Independence, where major historic institutions such as the Truman Home, the Truman National Landmark District and the Historic Independence Square can be found. The mostly residential neighborhood was built during the early 1900s with some buildings dating to the mid-1800s. The age of buildings and infrastructure contributed to major deterioration, and many larger homes had been renovated into multiple units, causing overcrowding and parking problems.

The M/TRC study addressed a range of issues regarding neighborhood and housing amenities, unit types and mix, home ownership versus rental property issues, rents and purchase prices, desired retail uses and general marketing strategies. The M/TRC Redevelopment Corporation employed site visits, group meetings, demographic research, surveys and a review of competing housing markets to begin developing a new plan for the area.

The redevelopment project designed to correct these problems included unprecedented public reinvestment fueled by tax increment finance dollars. Most improvements have ranged from

\$15,000 to \$50,000 per unit. Public reinvestment has been a major factor in the rehabilitation of the neighborhood. There is a comprehensive utility-burial program taking place, as well as a block-by-block program to complete improvements to water mains, sewer lines, curbs and gutters, sidewalks, street pavements and street trees. This public "facelift" is another factor encouraging private reinvestment.

The project has been funded through many different types of programs. Tax Increment Financing of approximately \$350,000 per year supported most of the infrastructure improvements in the residential areas, land acquisition, and other activities related to redevelopment. Residential improvements include both rehabilitation and new construction projects that have been funded through private contributions by residential homeowners and various institutions in the area.

The streetscape enhancements will have a particularly significant impact within the Independence community due to the historic importance of the area. Uniform historic lampposts and banners will help define the district and foster a sense of community.

Lessons for Kansas City First Suburbs

Public investments into a blighted neighborhood are necessary to build confidence in the project. When substantial improvements are made using public funds, the confidence of property owners can be restored. First-tier suburbs can use Independence's experience as a guide to analyzing the assets that already exist in their communities. Although not many areas have such an established historic district as Independence, the lesson remains the same: build on what you have.

Resources

Creating Quality Places, www.qualityplaces.marc.org



Case Studies: Projects

Kansas City Region

Crescent Creek: Raytown, Missouri Expected Completion — 2004

Project Description

Crescent Creek is a Traditional Neighborhood Development (TND) with 132 dwellings proposed for a 22-acre tract of land. As a TND, the project is a mixed residential development of single-family detached houses, townhomes, and paired houses (i.e. duplexes), as well as single-family detached homes centered around two green-space areas. This design will encourage a diverse range of residents with sale prices ranging from \$115,000 to \$225,000 and up.

Streets in the development will be narrow and tree lined. Garages are located to the rear of the lots and are accessed from alleys, allowing porches to create a more pedestrian-friendly environment in the front of homes.

The development will have approximately seven acres of parkland and open space in five different areas. Residents will have access to walking trails, a swimming pool and clubhouse, a playground and other park improvements. One particularly unique aspect of the project is that three of the parkland areas will be dedicated to the city but maintained by the homeowners association. To ensure that there will be adequate funding for the maintenance of these parkland areas, a Community Improvement District (CID) will be established for the development, so that homeowners association dues can be collected as part of the property taxes paid by each of the property owners. The CID funds will pay for maintenance of street trees that will be planted throughout the development as well as the maintenance of all alleys. With the creation of the CID, the project will have very little financial impact on the city.

The project has received rezoning approval by the Raytown Board of Aldermen as a Planned Low Density Residential (R-P-1) development. It has also received approval of its preliminary site plan, concept plan, preliminary design manual and preliminary plat. The applicant, Dial Realty, must still submit a final site plan, final design manual and



Project rendering from Dial Realty. (<http://dialkc.com/crescent1.html>)

final plat for city approval. The city expects that the final approval for the project will occur early in 2004.



Site plan for the proposed Crescent Creek Development. (http://dialkc.com/crescent_site.html)

Case Studies: Projects

Kansas City Region

Crescent Creek, continued

Lessons for Kansas City First Suburbs

For the city of Raytown, one key to the review and approval process was educating city staff and elected and appointed officials on what TND is and why/how it could work in Raytown and the Kansas City metro area. To achieve this, the city had staff participate in a trip with the Kansas City Home Builders Association to look at various TND projects in the Denver metro area.

Afterwards, three of the city's aldermen went on a similar trip to Denver. Through this experience, city officials were able to truly understand what a TND could look like in the context of a city.

For the past three years, Raytown's Planning Commission has had a Creating Quality Places Committee studying the various design aspects that help make a community a "quality place." This

provided a solid base of education and information that the Planning Commission was able to draw from when reviewing this project. It also helped the Planning Commission and Board of Aldermen avoid falling into an anti-density mindset and allowed them to stay focused on design aspects that provide density without forsaking the basics of good design.

Project Designer/Developer

Dial Realty Froelich Pycior Homes 180 Degree Design Studio

Resources

John Benson, Senior Planner, Raytown, Missouri, 816/737-6000.

Crescent Creek Residential Community, Dial Realty, http://dialkc.com/res_raytown.html

Case Studies: Projects

Kansas City Region

Turtle Hill Redevelopment: Kansas City, Kansas

Project Description

The Turtle Hill neighborhood in Kansas City, Kansas, is located just north of downtown. The neighborhood has considerable historic value with residences of some of the city's founders still in place. The neighborhood takes its name from the Wyandotte Indian totem, the turtle. In recent years, the neighborhood has experienced considerable decline with low-income families having difficulty maintaining the large, old homes.

City Visions Ministries, the non-profit redeveloper of Turtle Hill, began operations in 1993, rehabilitating two homes in the Chelsea neighborhood of Kansas City, Kansas. They continued to rehabilitate single-family homes in the Chelsea area until they were asked by the city to consider taking on the redevelopment of the Turtle Hill neighborhood. This represented a big change for the organization, going from primarily rehabilitation projects to new home development and the redevelopment of an entire neighborhood — with all of the complex issues of infrastructure, financing and social cohesiveness.



City Visions started the project in 1996, spending their first year building trust with neighborhood residents by discussing every possible aspect of the project with them. They did a property-by-



property survey of the neighborhood and began to assemble investment partnerships. Over a seven-year period City Visions constructed 29 new homes, rehabilitated five homes that it owned, financed the rehabilitation of an additional 19 homes, and rehabilitated one commercial office. It also oversaw the construction of new infrastructure in the neighborhood. Just over \$5 million has been invested in Turtle Hill since 1996, with 56 percent of the funds coming from private sources. The project used Tax Increment Financing, CDBG funds, HOME funds, foundation funds and state housing trust funds.

Assembling the financial package was a major source of frustration at the outset of the project because neither the neighborhood nor the developer had a track record. It was also difficult, initially, to market the development. City Visions had three model homes that sat for a year with over 300 showings before the first sale was made, and initial low appraisals of the properties caused large losses. For example, City Visions invested \$110,000 in their first home, but it was appraised for only \$60,000. It took nearly three years to close that gap. Home values have doubled during the project's timeframe.

Case Studies: Projects

Kansas City Region

Turtle Hill, continued

The Turtle Hill redevelopment eventually included a 58-unit rental townhome project immediately south of the neighborhood, in the northern portion of the downtown area. The townhome project included 18 market-rate units. All 18 units were fully leased in 90 days and there is now a waiting list.



Lessons for Kansas City First Suburbs

Successful redevelopment projects, like Turtle Hill, require patience and persistence on the part of all

partners. Initially, such a project can be slow to develop, as the trust of the neighborhood is earned and the elements of the project are put in place. In addition, it takes time to build a market. During this slow startup period there has to be a mechanism to cover costs and losses. Inclusion of the neighborhood group and careful planning, although time consuming, pay dividends in the overall success of the project. All of the partners in such a project have to be flexible in order to deal with inevitable unforeseen occurrences. These might include a buried fuel tank or cistern, a stubborn property owner, or the added time needed to get all of the partners on the same page. It is essential that there be an experienced, knowledgeable, committed developer at the center of the project. The developer has to have the trust of both the neighborhood and the investment partners, and must be able to move quickly and decisively while all around them others move as if mired in molasses.

Project Designer/Developer

John Harvey, Executive Director, City Vision Ministries, www.cityvisionministries.org, 913/371-5200

Case Studies: Policies

Kansas City Region

Rental Licensing: Kansas City, Kansas; Independence, Missouri; and Prairie Village, Kansas

Community Descriptions

Kansas City, Kansas, is considered an urban core city. Its economic base is industrial and it has a population of 146,978. Independence, Missouri, the home of Harry S. Truman, is growing on its east side, but also has a large, older portion that faces the same problems as other first suburbs. Independence has a population of 113,027. The city of Prairie Village, Kansas, is a first-ring residential suburb with a population of 21,764.

Policy Issue

Residential rental properties present special problems for core cities and first suburbs. Often these properties are not maintained as well as owner-occupied property, and property owners may live in another city making it difficult for cities to get action on maintenance issues. Properties that are not maintained can quickly affect adjacent properties and the surrounding neighborhood.

Policy Description

Rental licensing is one way that a community can gain additional leverage in its efforts to ensure that property is well maintained. The program usually works in conjunction with a city's code enforcement program, but may have its own set of criteria. The city issues licenses for residential rental properties, and requires landlords to either maintain their rental properties or face loss of their license to operate.

Kansas City, Kansas, charges \$33 per single-family unit and more for multi-family properties. This fee supports a staff of four inspectors, a supervisor, two office staff and a director. In 2003, there were 6,288 buildings licensed with a total of 15,953 units. The Rental Licensing Program, which is run by the Neighborhood Services Department, conducted 10,002 inspections in 2003. Besides reacting to complaints, the office conducts proactive inspections of targeted areas and



biannual inspections of all multi-family projects. An appeals board oversees the program. The program also works in conjunction with the Liveable Neighborhood task force to offer training for landlords. This training includes screening tenants and property maintenance.

Independence does not license properties, but, instead, licenses landlords as businesses (Chapter 5, Code of Ordinances). Landlords are subject to penalty if they do not abide by the city's building maintenance codes. The city also has a separate Landlord and Tenant Code (Chapter 4, Article 11, Code of Ordinances) which sets out the responsibilities of both landlords and tenants. The city of Independence and the Eastern Jackson County Landlords Association conduct landlord training each year.

Prairie Village charges owners of single-family rental property \$45 per year, and the city bases multi-family fees on the square footage of the property. Every rental property receives an exterior inspection each year. In 2003, 18 of the 664 licensed rental properties had violations.

Adoption Process

Kansas City, Kansas, and Independence conducted extensive meetings and appointed special committees or task forces to consider the issue of rental licensing. These committees included both

Case Studies: Policies

Kansas City Region

Rental Licensing, continued

neighborhood residents and landlords. Although consideration of the policies was heated, the approach of including neighborhood residents and landlords in the development of the programs greatly helped both cities create successful approaches.

Benefits

Implementation of a rental-licensing program allows a city to clearly identify who is responsible for specific properties. Of greatest importance, the program provides a city with leverage over landlords, making the continuance of their businesses subject to appropriate property maintenance. Neighborhood groups have found the program especially helpful when a particular rental property becomes a major problem for the neighborhood.

Challenges

Overcoming landlord opposition is a big challenge when initially considering adoption of a rental-licensing program. Some landlords believe this is an invasion of property rights. Another challenge is to set an annual fee that provides an adequate amount of funds to administer the program.

Resources

Doug Luther, Assistant City Administrator, Prairie Village, Kansas, 913/385-4603, www.pvkansas.com/citygov/bus_license.shtml

Debby Graber, Program Coordinator, Kansas City, Kansas, 913/573-8649, www.wycokck.org/nrc/rentals.htm

Larry Kauffman, Project Manager, Independence, Missouri, 816/325-7172, www.ci.independence.mo.us/citycode.stm

Case Studies: Policies

Kansas City Region

Downtown Development Guidelines: Raytown and Overland Park

Community Description

The city of Raytown, Missouri, is a first suburb with a population of 30,060. Raytown is sandwiched between the core city of Kansas City and the rapidly growing suburb of Lee's Summit. The city of Overland Park, Kansas, is a rapidly growing suburban community with a population of 158,430. The northern portion of the city, including its downtown, is older, with many of the characteristics of first suburbs.

Policy Issue

Downtown areas in Raytown and Overland Park were no longer the centers of retail or other community activity. The cities were seeking ways to encourage development and redevelopment in their downtowns that would revitalize the areas' roles as unique destinations and gathering places in the community.

Policy Description

The Raytown CBD Design Elements are an extensive set of standards, guidelines and



Downtown Raytown design element

illustrations that are intended to create an attractive and prosperous downtown. According to the guidelines, "the purpose of the CBD Design Elements is

to enhance and create a traditional downtown core that forms a commercial cultural center for the city of Raytown by emphasizing appropriate and complementary architectural, landscape and site design standards for new and redeveloped properties..."

The Overland Park design guidelines are not a single set of standards applicable to all parts of downtown, but five separate sets of guidelines,

each applicable to a different portion of downtown. The master plan identified five distinct districts, each of which contributed to the downtown's character and vitality. The guidelines set standards for development including density, landscaping, building materials, parking and circulation — each designed to enhance that particular district and contribute to the overall vitality of downtown.



Downtown Overland Park Clock Tower and Plaza

Adoption Process

In both cities, the process started with the development of a master plan for downtown. Raytown followed its master plan with a task force of stakeholders, which developed guidelines and recommended them to the city council. The Overland Park plan identified the various downtown districts and recommended design guidelines for each district.

Challenges

In both cases, dealing with a wide range of interests was a major challenge. Overland Park chose to identify five separate districts to address different issues. Raytown used a task force of stakeholders to focus on a variety of interests.

Resources

Tim Truesdale, Director of Community Development, Raytown, Missouri, 816/737-6059, www.raytown.mo.us/City/pdf/CBD%20Design%20Elements%20City.pdf (for design elements) and www.qualityplaces.marc.org/4a_studies.cfm?Case=80 (for case study).

Bryan Bear, Senior Planner, Overland Park, Kansas, 913/895-6197, www.opkansas.org/_Bus/Pre-construction_Resources/downtown_mp.cfm (for guidelines) and www.qualityplaces.marc.org/4a_studies.cfm?Case=76 (for case study).

Case Studies: Policies

Kansas City Region

Neighborhood Preservation Program: Overland Park, Kansas

Community Description

The city of Overland Park, Kansas, is a rapidly growing suburban community with a population of 158,430. The northern portion of the city, including its downtown, is older, with many of the characteristics of first suburbs.

Policy Issue

According to Overland Park, "Neighborhoods in Overland Park are aging and residents face distinct challenges in maintaining their neighborhoods. Since neighborhoods in the northern part of the city are older, these areas face situations and challenges that differ from their counterparts in other newer areas of the city. Further, many early developments did not establish homes associations, therefore, these residents have had a limited organizational structure for addressing neighborhood issues."

Policy Description

In 1991, the city of Overland Park, in an effort to address issues facing its older neighborhoods, instituted a Neighborhood Preservation Program. The program consists of two components: traditional code enforcement and a neighborhood conservation program. With four code inspectors,



the city responds to complaints about code violations and educates the public on code issues.

The Neighborhood Conservation Program was initiated to help older neighborhoods develop



working neighborhood organizations in order to improve communications both within the neighborhoods and between the neighborhoods and the city. The Neighborhood Conservation Program helps residents organize new neighborhood groups; provides short-term support to the new groups; and offers guidance, as well as leadership and communication training, to new leaders and group members. Seventeen neighborhood groups have been organized.

The Neighborhood Preservation Program also provides a number of online guides and brochures that address both community organizing and code issues.

Adoption Process

The city began the Neighborhood Conservation Program with a pilot program. They then designated 48 neighborhood-planning areas which form the basis for neighborhood organizing.

Challenges

The greatest challenge is finding the appropriate balance of providing enough support to get a neighborhood group organized without having neighborhoods become dependent on those support services.

Resources

Skip Moon, Supervisor, Overland Park, Kansas, 913/895-6372, www.opkansas.org/_Res/Neighborhoods/Neighborhood_Preservation/index.cfm

Case Studies: Policies

Kansas City Region

International Existing Building Code: Independence, Missouri

Community Description

Independence, Missouri, the home of Harry S. Truman, is growing on its east side, but it has a large, older portion that faces the same problems as other first suburbs. Independence has a population of 113,027.

Policy Issue

First suburbs have a large stock of older buildings. Although cities want to encourage the rehabilitation and use of these older buildings, they also want to make sure that the buildings are safe. Applying new building construction standards to existing structures is often difficult and expensive and can discourage rehabilitation of these older structures.

Policy Description

The International Code Conference (ICC) develops standardized building and property codes for local governments. Recognizing the problem presented by existing structures, the ICC created the International Existing Building Code. The purpose of the code is described in its preface: "This code is founded on principles intended to encourage the use and reuse of existing buildings that adequately protect public health, safety, and welfare; provisions that do not unnecessarily increase construction costs; provisions that do not restrict the use of new materials, products, or methods of construction; and provisions that do not give a preferential treatment to particular types or classes of materials, products, or methods of construction."

Independence adopted this code in late 2003 to provide a standardized set of codes for

rehabilitation that will, if not encourage redevelopment, at least not be a barrier to such development.

Adoption Process

The International Existing Building Code was adopted by city ordinance in a process the same as the adoption of other building codes. The



adoption was preceded by public discussion at city council meetings.

Challenges

Since the International Existing Building Code is a completely new code, it will take both developers and building code officials some time to become familiar with the code and how it differs from the codes that apply to new construction.

Resources

Dennis Enslinger, AICP, Senior Planner, Independence, Missouri, 816/325-7833.

International Code Council, www.iccsafe.org

Case Studies: Policies

Kansas City Region

Minimum Standards Code Enforcement: Grandview, Missouri

Community Description

The city of Grandview, Missouri, is a first suburb bordering the south side of Kansas City. The city has a population of 25,542.

Policy Issue

Property maintenance, especially exterior maintenance, is a major issue for core cities and first suburbs. Lack of maintenance may come as a result of absentee landlords or homeowners with insufficient income. However, once one or two properties in a block begin to deteriorate, the blight can quickly spread to the rest of the block and adjacent neighborhoods. Therefore, it is important that cities make every effort to keep the exterior appearance of properties up to code. Working on a complaint-only basis often does not reach the vast majority of problem properties.

Policy Description

Grandview, like many communities, has a minimum standards code for properties. And like most communities, Grandview enforced the code on a complaint basis for many years. Several years ago, Grandview decided to take a more proactive approach to code enforcement of exterior problems.

Each year, the city conducts a windshield inspection of all residential properties in the city. Based on this survey, the city sends out notices to property owners citing code violations and



providing instruction on what owners must do to correct the problems. Last year, the city sent out 1,200 to 1,300 letters. This year, more emphasis is being placed on commercial properties.

Adoption Process

The proactive approach to code enforcement was adopted as an administrative action, a method for using the already existing minimum standards code. However, it required the concurrence of the city council.

Benefits

The proactive approach allows the city to address a large number of visible code violations. A letter is a fairly low-keyed way of notifying property owners about problems, and it generally gets the desired result without any further intervention on the part of the city. This method of code enforcement helps improve the general appearance of the community.

Challenges

As with most policies, initiation of the program was the most challenging part. Some citizens complained that this was intrusion by government into their property rights. However, once they realized that even city council members might receive a letter, most opposition withdrew.

Resources

Cory Smith, City Administrator, Grandview, Missouri,
816/763-3900



Case Studies: Projects

Other Regions

Aggie Village: Davis, California November, 2001

Project Description

Aggie Village is a 12-acre, mixed-use neighborhood constructed on the southern edge of downtown Davis, California. Its location is a key element of the project, as it not only connects the University of California campus and the historic downtown, but also serves as a gateway into the city. The five-block site includes retail, residential and university uses. It also features useable open spaces and bicycle trail connections to major destinations within the city and the campus. Building designs complement the diverse architectural character of the surrounding neighborhood, with California bungalows as well as Victorian and Mission style homes. Front porches, balconies and other appealing details recall an earlier era of cozy small-town life in Davis, yet each home is designed with high-tech hook-ups and energy-efficient characteristics. The narrow, tree-lined streets accommodate visitor parking, and each home has its own garage.

Innovative detached cottages or "granny flats" behind many of the homes can be used by homeowners as offices, guest cottages or rental units. Each unit has a separate entrance and is designed to help encourage a pedestrian-oriented streetscape in the neighborhood.



Typical Streetscape (www.housing.colostate.edu/apartments/universityapts/aggie.html)



Aggie Village Site Plan (www.housing.colostate.edu/apartments/universityapts/aggie.html)

Lessons for Kansas City First Suburbs

This project is a good example of a small-scale infill development project. By mixing uses and providing residents with small service and retail businesses, first suburbs can offer a unique living environment. Further, this project shows how infill development can help tie places in a city together. Aggie Village uses its central location to link the city's downtown and the university through bike and pedestrian paths and through its architecture. It offers single-family housing at a higher density, with the granny flats to the rear of homes.

Project Designer

Peter Calthorpe and Associates

Resources

Smart Growth Principles and Practices Selected Case Studies. City and Regional Planning Department, California Polytechnic State University, San Luis Obispo, Calif.

Case Studies: Projects

Other Regions

Ohlone-Chynoweth Commons: San Jose, California May, 2001

Project Description

The Commons is a transit-based, intergenerational complex that combines affordable housing and retail space with easy access to a light rail station that serves the city of San Jose and allows for a number of transportation choices for residents of the development. The project, an infill development, was constructed on top of an underutilized parking lot leased from the Santa Clara Valley Transportation Authority. It includes one-, two-, three- and four-bedroom apartments and townhouses, an on-site child care center, retail stores, a resident community center, and a computer learning center. There are also several play areas and parks for children, including a mist-cooled bamboo forest.

Development and Implementation Strategies

Numerous city departments and companies came together to make this project a reality. The project developer, Eden Housing, Inc., is a non-profit corporation founded in 1968 to support and develop affordable housing, provide social services and create sustainable development. The group collaborated with the city of San Jose and the Santa Clara Valley Transportation Authority to overcome obstacles and complete the project. A

federal home loan bank provided funding through Bay View Bank and Wells Fargo Bank. Wells Fargo also provided a \$7.4 million conventional construction loan, to be paid by the project's tax credit investor, Union Bank of California. A \$574,000 grant for construction was provided by the Metropolitan Transportation Commission through their Transportation for Livable Communities program.



Typical Streetscape (www.svmg.org/committees/housing)



Interior view of the Commons (www.urbanecology/portfolio/eden)

Lessons for Kansas City First Suburbs

This project is an excellent example of how local organizations, city governments and private industry can collaborate to create a project that addresses infill issues, provides affordable housing, and includes elements of sustainable design.

Project Designers

Eden Housing, Inc.
Chris Leman and Associates

Resources

Ohlone-Chynoweth Commons, San Jose, Metropolitan Transit Commission, www.mtc.ca.gov/publications
Transit Based Affordable Family Housing Opening in San Jose, Eden Housing, Inc., www.edenhousing.org
Stop Sprawl: Fall 2000 Sprawl Report, The Sierra Club, www.sierraclub.org/sprawl/50statesurvey/states.asp

Project Statistics	
Site Area	8.4 acres
Land Use	
Commercial/Retail	4,400 square feet
Housing	23 units/acre 195 total units
Amenities	<ul style="list-style-type: none"> • Retail space includes coffee shop, video store, dry cleaner • Child care center • Computer learning center

Case Studies: Projects

Other Regions

The Poplar Project: Boulder, Colorado April, 1996

Project Description

Located in northern Boulder, Colorado, the Poplar Project was the city's first owner-occupied, affordable housing project. It includes 14 dwelling units on 1.4 acres, and was completed as a result of a public/private partnership. The project includes a common lawn area and nearby pedestrian paths. Applicants were required to meet stringent qualifying criteria, and resale restrictions were established to maintain the project's status as affordable.

Development and Implementation Strategies

Two local architects, John Wolff and Tom Lyon, formed a non-profit organization called the Affordable Housing Alliance (AHA) to provide homeownership opportunities to low-income families through the use of several different strategies. These included a sweat-equity approach to construction to help reduce costs and help foster a sense of community among residents.

The AHA partnered with the Boulder Housing Authority to develop the project, and worked closely with the city of Boulder's Department of Housing and Human Services. One requirement of the project was that proceeds from home sales would be used to produce additional affordable housing in the Boulder area. The parcel was acquired from a local developer by the Boulder Housing Authority in 1985. While the Housing Authority had intended to use the site to develop affordable housing, no plans were developed and the site stood vacant for almost 10 years until AHA came forward. Although the site density originally approved by the city was for 20 multi-family units, the developers wanted to build 14 single-family homes, so approval by the planning commission was required. Two formal public meetings were followed by an open house, in which neighbors

Project Statistics

Site Area	1.4 acres
Land Use	
Commercial/Retail	18 percent
Housing	82 percent 9.7 units/acre
Construction Timeline	January 1995–April 1996
Built Components	<ul style="list-style-type: none"> • 14,000 sq. ft. residential • 3,000 sq. ft. open space • 14 dwelling units
Amenities	<ul style="list-style-type: none"> • Retail space includes coffee shop, video store, dry cleaner • Child care center • Computer learning center

and concerned citizens were invited to review designs and exchange ideas in a neutral setting. Smaller meetings in private homes followed the open house, and project representatives continued their efforts to educate concerned neighbors about the issue of affordable housing.

The developers took advantage of available CDBG funds to help pay for land acquisition and preconstruction costs.

Planning and Design Characteristics

The project is located in the Forest Glenn planned-unit development, a subdivision consisting of custom-built, single-family homes, townhouses, condominiums, a Montessori school, and a few small businesses. The Poplar Project took advantage of some nearby recreation opportunities that include tennis courts, a public recreation center, and a pedestrian/bike trail system connecting to open space.

Case Studies: Projects

Other Regions

The Poplar Project, continued

Nontraditional design characteristics include driveways to the rear of houses and a common lawn area for residents. A key objective of the project was to encourage a sense of community and allow opportunities for neighborly interaction and public life. The homes are configured around the common lawn area in a horseshoe, with all homes facing the lawn. Homeowners drive down one of the two alleys at the rear of the homes, park in the partially concealed car pockets, and enter through their front — and only — doors.

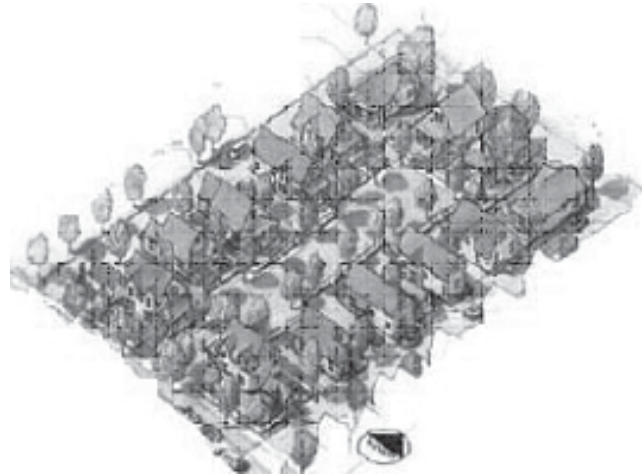
The homes were designed with Victorian style architecture, and include porches and white picket fences.

Lessons for Kansas City First Suburbs

The developers faced stiff opposition initially because of misconceptions regarding affordable housing. However, cities and developers in the Kansas City area can use the example of the Poplar Project's intensive outreach program as a method of overcoming initial objections to infill development



View of the Green, the common lawn area, from a home in the Poplar Community. (www.aiacolorado.org/aiac/awards/award-co97)



Site layout. (www.poplarhouse.com/catalog)

projects. By taking action in the early phases of the project, developers helped to influence public opinion and reduce the obstacles to completion of the homes.

The project itself is an excellent example of how infill development can take advantage of existing infrastructure and recreation facilities to reduce costs and increase the attractiveness of the area to potential buyers. First suburbs contain numerous opportunities for such developments.

Project Designers

Affordable Housing Authority
Architractor Design Group, Inc.

Resources

AIA Colorado-Design Awards, www.aiacolorado.org/aiac/awards/award-co97.html

Smart Growth Principles and Practices Selected Case Studies, City and Regional Planning Department, California Polytechnic State University, San Luis Obispo, Calif.

John Wolff, John Lyon, and David O'Neil. *The Poplar House Catalog*, www.poplarhouse.com/catalog.htm

Case Studies: Projects

Other Regions

Addison Circle: Addison, Texas Expected Completion by 2005

Project Description

Addison is a traditional suburb located northwest of Dallas, Texas. Landlocked and at almost 80 percent buildout, the city chose to take advantage of this site as one of the few areas suitable for a higher-density, mixed-use project. Unlike the conventional suburban design that dominates Addison, the project will include a residential neighborhood of mid-rise housing with supporting retail amenities and a higher-density office and commercial district.

Development and Implementation Strategies

The city encouraged a project of this type and size for the site, and approached the landowner, Gaylord Properties, about creating a "town center" project. Gaylord Properties teamed with Post Properties, an Atlanta-based REIT, to develop a plan for the site. Addison committed \$9.5 million over the life of the project to infrastructure, including roads and open space improvements, creating a public-private partnership.



Architectural elements such as bay windows and multiple front doors enliven the streetscape, as does high-quality public infrastructure. (Urban Land, September 1998.)

Planning and Design Characteristics

Addison Circle developers have successfully applied traditional planning and development concepts, such as placing residential units above shops and restaurants, integrating community pocket parks throughout neighborhoods, providing a human-scale pedestrian experience, and offering housing for a mix of income levels, all in a nontraditional location — the suburbs.

Most residential buildings are four stories high, with three stories of residences above ground-floor shops and small service businesses. The modern building design features also include balconies and bay windows. Residential buildings typically rise from a stone base, which is topped by a red brick facade.

Lessons for Kansas City First Suburbs

This project offers a successful example of a city encouraging the size and type of project desired for an area rather than waiting for a project to be proposed. Although a site of 80 acres may not be available in all cities, a project like this could occur on a smaller scale. The city and

Project Statistics

Site Area	80 acres
Land Use	
Commercial/Retail	Office: 35 percent Retail: 10 percent
Housing	55 percent
Construction Timeline	1995–2005 Eight development phases
Built Components	<ul style="list-style-type: none"> • 1,000,000 sq. ft. office • 250,000 sq. ft. retail • 3,000 dwelling units
Amenities	<ul style="list-style-type: none"> • Retail space • Public park

Case Studies: Projects

Other Regions

Addison Circle, continued

developers showed tremendous creativity and foresight in producing a development that deviated from the traditional design of this suburban area. By creating a strong public commitment to the project, city officials helped the landowner and developers move forward with such a large project.

Project Designers

Gaylord Properties

Post Properties

RTKL Associates

Resources

"Addison Circle Revisited," *Urban Land Institute*, September, 1998.

Creating Quality Places, Mid-America Regional Council,
www.qualityplaces.marc.org

RTKL Associates Projects, www.rtkl.com/retail/docs/gosling.pdf

Smart Growth Principles and Practices Selected Case Studies, City and Regional Planning Department, California Polytechnic State University, San Luis Obispo, Calif.

Case Studies: Projects

Other Regions

The Village at Shirlington: Arlington, Virginia 1987

Project Description

This redevelopment project took place on the site of a 1950s suburban shopping mall. To help turn the shopping mall into a "Main Street," the project included street landscaping and new street furniture. Developers were able to preserve most of the original buildings on the site and the area is now a large, mixed-use, retail and housing center.

Development and Implementation Strategies

The project developed as a result of a partnership between The Oliver Carr Company and the site owners. The partners originally planned to develop a high-rise office center and a regional mall, but agreed to build a mixed-use project. Working with city officials and members of the community, the partners negotiated on such aspects of the project as what types of uses should be included and parking requirements. The developer agreed to finance the new infrastructure and renovation. The county agreed to fund the burial of utility lines and total landscaping of the area.

Planning and Design Characteristics

Taking advantage of buildings that were already on site, the developers attempted to preserve as many structures as possible, adding extra stories to some to provide more space for office and retail. The original design of the shopping center, however, was automobile oriented. Designers attempted to change this by using a smaller street width, with larger sidewalks, more landscaping and more street furniture.

Parking structures were built to reduce the number of surface-level parking lots, many of which were replaced by residential buildings. The designers also created a system of shared parking. During the day, parking is used mainly by office workers, but at night and on weekends, parking structures are primarily used by retail and entertainment customers. The existing buildings were renovated

with limestone and granite on the exterior, and new curbs and sidewalks were installed.

Lessons for Kansas City First Suburbs

First suburbs in the area can use this as an example of a major redevelopment project. Although large, vacant parcels of land may no longer be available in many first suburbs, redevelopment of outdated shopping centers and strip malls represents the best opportunity for new mixed-use projects.

Project Designer

The Oliver Carr Company

Resources

Creating Quality Places, Mid-America Regional Council, www.qualityplaces.marc.org

"Shirlington: It's Not a Close Secret." *The Washington Post*. December 11, 1993.

Smart Growth Principles and Practices Selected Case Studies, City and Regional Planning Department, California Polytechnic State University, San Luis Obispo, Calif.

The Village at Shirlington, Urban Land Institute Project Reference File. Oct.-Dec. 1989. <http://20786.218.154/casestudies/C019020>

Project Statistics	
Site Area	25 acres
Land Use	
Commercial/Retail	Office: 39 percent Retail: 8 percent
Housing	49 percent
Construction Timeline	1985–1987
Built Components	<ul style="list-style-type: none"> • 80,000 sq. ft. office • 428,000 sq. ft. retail • 490 dwelling units
Amenities	<ul style="list-style-type: none"> • Pedestrian arcade • Movie complex

Case Studies: Policies

Other Regions

Housing Rehabilitation Subcode: State of New Jersey December, 1997

Community Description

Almost half of New Jersey's 3.1 million homes were built before 1959. Many of the communities exhibit the characteristics of first-ring suburbs, where necessary investments into existing housing stock and other buildings have not been kept up. The cost of completing rehabilitation work acts as a disincentive to investment in existing buildings.

Policy Issue

Without private rehabilitation of homes, the housing stock in a first-tier suburb could continue to deteriorate. By adopting codes or guides that make the process easier for property owners, a city can overcome this barrier. This may mean removing standards that apply to new buildings, but are not necessarily appropriate for existing structures.

Policy Description

Because of the age of the housing stock in the state, officials recognized the importance of rehabilitation and conversion projects in state, local, for-profit and non-profit efforts to expand the supply of affordable housing. They also recognized the added difficulty rehabilitation and conversion projects face when they are asked to meet modern codes. For new buildings, the process is straightforward according to author William Connolly. "Materials to be used, processes to be followed, and safety standards to be met are clearly stated and the cost of compliance is predictable." The same is not true for developers looking to rehabilitate older housing. The modern construction standards applied to these older buildings did not demonstrate improvements in safety and generally proved cost prohibitive to developers.

The Housing Rehabilitation Subcode was developed to guide rehabilitation projects and apply codes that identify the restrictive nature of working on existing buildings. Instead of basing



Rehabilitation projects in the state increased by almost 5 percent in the first year after the subcode was approved. (www.state.nj.us/dca)

requirements on the cost of the work to be performed, as many building codes now do, the New Jersey code looks at the nature of the work. They established three types of projects — rehabilitation, change of use and additions — along with subcategories. The code includes a gradual increase in requirements as the scope of the project increases. It establishes specific requirements for each category of work, including products and practices, materials and methods, new building elements, basic requirements, and supplemental requirements.

Adoption Process

New Jersey's Rehabilitation Subcode was developed by the Department of Community Affairs (DCA), a state-level organization that offers a wide array of financial and technical-assistance programs to local governments, non-profit agencies and residents. These programs respond to issues of public concern, including fire and building safety, housing production, community planning and development, and local government management and finance. In addition, the

Case Studies: Policies

Other Regions

Rehabilitation Code, continued

department worked in concert with a 30-member committee under the coordination of the Center for Urban Policy Research at Rutgers University. This diverse committee included code officials, fire officials, architects, historic preservationists, advocates for the disabled and government representatives.

During a two-year period, the group met and discussed ways to ensure that while rehabilitation of older buildings should not be made cost prohibitive by requiring developers to meet all modern codes, certain standards would still be established. The committee submitted its draft to DCA staff in early 1997, and a proposal was presented at two public hearings where comments were received and discussed. After some minor clarifications and changes, the document was approved in December 1997.

Benefits of Implementation

Recognizing that some modern code requirements are unnecessary and cost prohibitive for developers and homeowners who want to improve existing buildings, the state of New Jersey proved that compromises do not have to mean a lower quality of development. First-ring suburbs in the Kansas City region can use this plan as an example of how to change their "building code philosophy." Instead of assuming that the goal is to have existing

buildings meet modern codes, the Rehabilitation Subcode allows the applicant to choose the scope of the project. The code allows the applicant to realize the positive effects of money invested in an existing building, even when it is not specifically put towards code compliance.

For first suburbs, removing barriers to investing in existing buildings is an important way to encourage residents and developers to actively pursue projects in their own neighborhoods. More sensible regulations can save money not only for private residents and developers, but also for taxpayers when a community undertakes a rehabilitation project.

Challenges

The state had to undertake an aggressive program to retrain officials and building industry members to apply the new code. The initial cost of the training was high.

Resources

Rules that Make Sense — *New Jersey's Rehabilitation Subcode*, William Connolly, www.state.nj.us/dca/codes/rehab/pioneerart.shtml

Programs Book, New Jersey Department of Community Affairs, www.nj.gov/dca/programsbook/programsbook.

State of New Jersey, www.state.nj.us/dca/codes/rehab/pioneerart.shtml

Case Studies: Policies

Other Regions

Smart Development Code Handbook: State of Oregon August, 1997

Community Description

Oregon has long been known for its dedication to various forms of growth management at both the state and local levels. With a growing population, Oregon felt the pressure of increased development, but the population's traditional "love of the land" forced officials to reevaluate how growth would take place in the state.

Policy Issue

The major issues involved with a Smart Growth code are the conservation of land and a more balanced approach to development. First-tier suburbs should be especially interested in a code that helps promote projects that offer the maximum use of the land.

Policy Description

In 1995, the Oregon State Legislature confirmed its support of land-use planning by passing House Bill 2079. Later codified as Oregon Revised Statute 197.296, the bill requires communities to identify and evaluate measures that will help them accommodate necessary development while ensuring a high quality of life for residents. Using funds from the Transportation and Growth Management (TGM) Program, the state Department of Transportation and Department of Land Conservation and Development worked together to create a document that drew on the best features of older neighborhoods and combined them with the best ideas of the present.

The result is the Smart Development Code Handbook, which provides guidance to communities in determining whether their local codes and standards encourage, support or impede smart development. The handbook outlines five principles of smart development: efficient land use, full utilization of urban services, mixed uses, transportation options, and detailed, human-scaled design. The handbook offers advice to communities in identifying the specific regulations that act as obstacles to smart development and

ways to achieve better development. By identifying different strategies that support the principles of smart development, the handbook serves as an easily accessible guide for local officials and citizens. The document includes examples of code language from communities in Oregon and around the country that cities can use to revise their own statutes.

Adoption Process

As discussed above, the project began as a result of a state-wide mandate for local communities to evaluate their codes against a set of smart development principles. The development of the actual handbook was funded through a joint project of the Department of Transportation and Department of Land Conservation and Development.

Benefits of Implementation

Easily accessible, this handbook clearly outlines specific steps that cities can take to change codes that are detrimental. For first-tier suburbs especially, a handbook such as this provides information on establishing higher densities, promoting accessory units and mixing uses. The use of specific examples from Oregon communities could help first-tier suburbs evaluate their own codes and see where changes may be appropriate.

Challenges

This state-level project involved the cooperation and coordination of numerous individuals. The work was also greatly supported by the state legislature and the majority of citizens. If a similar project were to take place in either Kansas or Missouri, elected official and citizen support would need to be developed.

Resources

Smart Development Code Handbook and Appendix, State of Oregon Transportation and Growth Management Program, www.lcd.state.or.us/tgm/publications.htm

Case Studies: Policies

Other Regions

Downtown Master Plan: Stoughton, Wisconsin June, 2000

Community Description

The city of Stoughton is located about 20 miles southeast of Madison in Dane County, Wisconsin. With a population of almost 12,500, Stoughton sees itself as a growing community that maintains a small-town flavor and a high quality of life. The city is home to a number of historical buildings and prides itself on its rich architectural history and well preserved downtown.

Policy Issue

Creating a vibrant commercial core can be key for a community to attract visitors to the area and provide residents with necessary amenities. A downtown can also create an identity for the community. Having a master plan allows a city to create a comprehensive vision, rather than approving projects in a piecemeal fashion.

Policy Description

With 67 historical buildings in the downtown area, the city recognized the importance of maintaining those buildings and creating a vibrant and interesting downtown area. The city was undertaking a number of different projects that included a renovated city hall. With the intention of making significant infrastructure and streetscape improvements to the downtown area and encouraging private reinvestment, the city decided that a master plan would be an essential tool for a successful downtown.

The plan consisted of several key elements, including public input, unified design, a need and cost analysis for infrastructure improvements, and identification of funding sources and financing options. By carefully establishing a prioritization schedule for improvements and implementation of the plan, the city was able to address the areas of most need first. Recommendations in the plan included simple steps, such as developing way-finding signage to promote downtown attractions and increase pedestrian activity, as well as complex financing options.

Adoption Process

The city contracted with a private firm in February 2000 to prepare the Downtown Master Plan. Vierbicher Associates, Inc. began the process with a series of initial meetings with city officials and staff, business owners, property owners and concerned citizens. During these meetings, the consultant gained a thorough understanding of each stakeholder group's goals and objectives.

Later the firm conducted data-gathering meetings where infrastructure needs, conditions and problems were identified and catalogued. Throughout the process, meetings and presentations allowed for discussion and input on all aspects of the plan.

Recommendations were made to the Stoughton City Council, and the plan was approved in June 2000.

Benefits of Implementation

Communities in the Kansas City area can consider the Stoughton Downtown Master Plan as an excellent example of a smaller city making a concerted effort to build on the positive aspects of its community. The city saw an opportunity to make substantial improvements to its downtown and build an area that would better serve residents and attract visitors.



Upper Façade restoration in progress on the Erickson Building in Downtown Stoughton (www.silberschmidtdental.com/office.htm)

Case Studies: Policies

Other Regions

Downtown Master Plan, continued

By refocusing on design elements of commercial areas, first-tier suburbs can increase the viability of businesses in their communities. The Stoughton plan also serves as a good example of the need for careful planning and cost analysis. Stoughton put a tremendous amount of energy into prioritizing improvements and analyzing funding options, an important lesson for any community struggling to provide necessary funding.

Challenges

Many first-tier suburbs in the Kansas City area may not have the clearly defined downtown area that Stoughton enjoyed. This may make it more difficult to implement the priority plan that they develop.

Resources

City of Stoughton Downtown Master Plan, prepared by Vierbicher Associates, Inc., www.co.dane.wi.us/plandev/build/stoughtonmasterplan.pdf

Case Studies: Policies

Other Regions

Downtown Design Guidelines: St. Cloud, Minnesota Spring, 2003

Community Description

St. Cloud, Minnesota, is a community of around 59,000 people located about 70 miles northwest of the Minneapolis/St. Paul metropolitan area. The city's boundaries extend into three counties, with 11 cities and townships forming its borders. This growing area has a diverse landscape that includes urban areas, smaller outlying towns and thriving farmland.

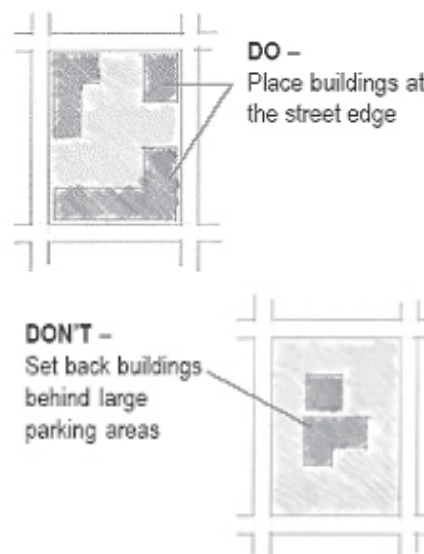
Policy Issue

Creating an attractive downtown area is, again, an important step to attract new residents and visitors into the area. With design guidelines, a city can be assured that development taking place will be consistent with plans and policies designed to create a community identity.

Policy Description

As part of the city's Comprehensive Plan, the Downtown Design Guidelines serve as a guide to development and redevelopment in and around the downtown area. The stated intent of the plan is to give character to the area through a series of principles on site design, building placement, materials and other issues. The city understands that not all the guidelines will be used by every project, but believes that through combined efforts a sense of place will be created.

Though not intended as a replacement of building and zoning codes, the guidelines offer 12 principles that affect both public and private spaces. Information regarding mixed uses, building placement close to the street, two-story buildings, architectural standards and focal points is included. With short descriptions and visual examples, the guidelines serve as a quick reference and complement the goals and objectives of the overall comprehensive plan for the community.



The Guidelines include a series of “Do’s and Don’ts” for each principle, like this example for building placement.
(<http://ci.stcloud.mn.us/Web/departments/Planning/complan>)

Adoption Process

Adoption of the design guidelines was part of a much larger process of creating and updating a comprehensive plan for the St. Cloud area. This process included developing a vision for the community's future, and the advisory committee charged with creating the document worked with numerous citizen groups and local officials to define that vision.

Benefits of Implementation

With a quick reference such as St. Cloud's Downtown Design Guidelines, first-tier suburbs can easily provide information to developers and residents about the city's desired direction. The guidelines can act as an initial set of standards to help improve the commercial areas of the

Downtown Design Guidelines, continued

community and create a sense of place. They can also establish a focus on design and sense of place that may not have been present before.

Challenges

The St. Cloud guidelines were part of a much larger process of community visioning and planning. If communities are not able to make the same investment into a comprehensive plan for their cities, then the guidelines may not have the necessary "teeth" to force compliance. There can also be substantial challenges if existing standards and regulations conflict with guidelines.

Resources

City of St. Cloud Comprehensive Plan, [http://ci.stcloud.mn.us/
Web/departments/Planning/compplan/compplan.htm](http://ci.stcloud.mn.us/Web/departments/Planning/compplan/compplan.htm)

Case Studies: Policies

Other Regions

Housing Preservation Plan: Shaker Heights, Ohio November, 2001

Community Description

Shaker Heights, Ohio, a first-ring suburb, is a community of just over 29,000 residents located eight miles from downtown Cleveland. City leaders describe the city as a "tranquil, yet cosmopolitan and distinctive suburb." In addition to a nationally acclaimed school system, Shaker Heights counts over 7,600 private homes and almost 4,300 rental properties within its boundaries. The city is also home to over 1,000 businesses.

Policy Issue

The age of infrastructure, especially housing stock, is an important issue facing first suburbs. Without private reinvestment, the deterioration of housing will cause lower property values and serve as a barrier to attracting new residents into the area.

Policy Description

Because of Shaker's history as Ohio's first planned garden city, community residents have long been proud of the tree-lined streets and extraordinary architecture in area neighborhoods. Like many first-ring suburbs, Shaker is concerned with preserving the quality of its housing stock and improving property values. In order to achieve this, the city developed a "Housing Preservation Plan" that identified four main areas in which interventions by the city can help fulfill the overall goal of strong property values and "desirable, diverse neighborhoods." These included: code enforcement, quality of housing stock, market demand and landscape setting. In the plan, the city outlined both short-term (1-2 years) and long-term (3-5 years) actions.

Some short-term actions include establishing the "Certified Shaker" program that highlights exemplary rental housing in the city; developing a citywide photographic inventory of all properties; and amending zoning codes to establish a consistent landscape framework throughout the city. The city also established actions for the long



Tree-lined streets are considered an important aspect to Shaker Heights neighborhoods. (www.shade-trees.tripod.com)

term. These included traffic calming in residential neighborhoods, tax-abatement for senior-friendly housing and an Apartment Improvement Program in which the city would offer 30–50 percent matching grants.



Fairhill Place is a professionally renovated Georgian colonial building. It has won state-level awards for excellence in renovation, as well as city recognition. (www.montlack.com/index.asp).

Case Studies: Policies

Other Regions

Housing Preservation Plan, continued

Adoption Process

The policy process seems to have benefited greatly from the support of city staff. This comprehensive preservation plan offers a proactive approach to city's management of its housing stock.

Benefits of Implementation

As a first-ring suburb, Shaker Heights risked falling property values and a deteriorating housing stock. Many first suburbs in the Kansas City region can benefit from adopting plans like Shaker's in their own communities. A housing preservation plan can allow the city to aggressively pursue programs and objectives that will help stop the decline of residential neighborhoods by attacking the problem in a number of different ways: citizen

involvement, financial assistance, up-to-date information and flexible zoning codes.

Challenges

In developing a comprehensive policy, there are a number of challenges for a city. Time and funding will be the biggest barriers to overcome. This type of plan requires a large investment of staff, time and energy to be successful, but it can also provide a city with a valuable tool and record of its housing stock.

Resources

About Shaker, www.shaker-hts.oh.us/about/

City of Shaker Heights Housing Preservation Plan, www.shaker-hts.oh.us/dept/revite/

Case Studies: Policies

Other Regions

Strategic Investment Plan: Shaker Heights, Ohio July, 2000

Community Description

Shaker Heights, Ohio, a first-ring suburb, is a community of just over 29,000 residents located eight miles from downtown Cleveland. City leaders describe the city as a "tranquil, yet cosmopolitan and distinctive suburb." In addition to a nationally acclaimed school system, Shaker Heights counts over 7,600 private homes and almost 4,300 rental properties within its boundaries. The city is also home to over 1,000 businesses.

Policy Issue

Focused plans for public investment and guidelines for encouraging private investment can help conserve financial resources and concentrate efforts on those areas that will have the most impact.

Policy Description

The purpose of Shaker Heights' Strategic Investment Plan is to advise the city on how best to leverage its limited assets to encourage

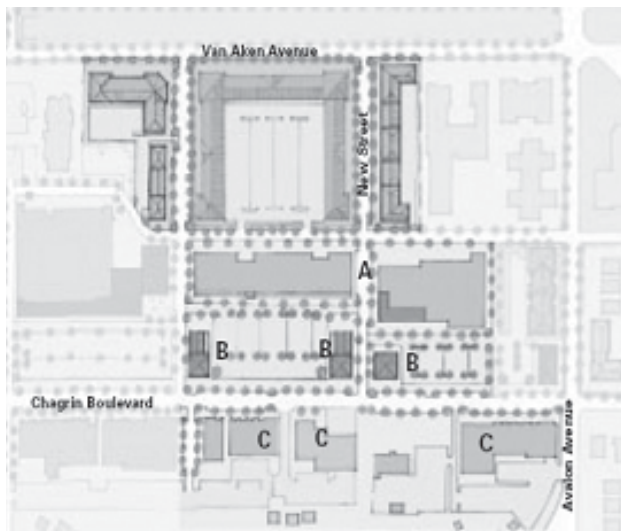
appropriate private investment. A private firm prepared the document for the city and conducted a number of conversations with members of the community. These interviews revealed both the endearing characteristics of Shaker Heights and current problems.

Through an extensive process of community visioning, the city and its contract firm, Urban Design Associates, identified specific geographic areas that were in need of substantial attention, as well as "floating" problems for which prototype solutions and design standards were needed. They defined the "best" and "worst" that Shaker had to offer and developed six overall areas for the plan to address: transportation, visual and physical image, commercial/retail, housing, education and connections.

Principles and programs were established to give specific direction to developers and city officials who make decisions regarding development and redevelopment. The city looked to "undo the damage" caused by previous strategies, especially in the area of street design. City leaders also wanted to provide retail space to serve community residents and fill unmet needs in the city. To achieve these and many other goals, the Strategic Investment Plan offers a "shopping list of initiatives" that the city can use to choose from a number of different scenarios that will help attract investment into the area. The various scenarios are accompanied by different levels or steps of investment for projects.

Adoption Process

In 1998, the process of creating the Strategic Implementation Plan started with gaining consensus on goals for the future through a series of discussions of the city's strengths and weaknesses in general terms. There was no focus on locations or planning concepts. Through a telephone survey and public workshops, Urban Design Associates helped to formulate consensus on the program and initiatives.



The Strategic Investment Plan includes design plans that outline levels of initiatives for different locations throughout the City. (City of Shaker Heights SIP)

Case Studies: Policies

Other Regions

Strategic Investment Plan, continued

Benefits of Implementation

The Strategic Investment Plan, much like a comprehensive plan, provides the city with a document that can help shape the future of Shaker Heights. However, it gives a more specific list of options that the city can take advantage of to achieve its overall mission. First-tier suburbs would benefit from having a list of projects they want to undertake, all of which are a part of a greater community vision.

Challenges

Many of the challenges in developing a strategic investment plan revolve around the money, time and energy that are necessary to produce a substantial document such as the city of Shaker Heights' plan.

Resources

About Shaker, www.shaker-hts.oh.us/about/

City of Shaker Heights Strategic Investment Plan, www.shaker-hts.oh.us/Media/PDFs/Uploader/8222002142113sip.pdf

City of Shaker Heights Housing Preservation Plan, www.shaker-hts.oh.us/dept/revite/



The Plan also includes detailed sketches that represent the vision of the community for the future. (City of Shaker Heights SIP)

Using Development Tools

First suburbs have access to a wide range of residential and commercial development tools (see tables following). They also have the ability to create development tools and incentives. The question is to how best to use these tools in order to create the kind of development the community desires with the least amount of public expense.

The intent of development tools and incentives is to encourage developers to invest in projects that they would not normally invest in. Their reluctance in investing in a particular project may be because the costs of development are too high relative to the anticipated income, the anticipated income is too low relative to the costs of development, or there are too many uncertainties associated with the project thus making costs and return on investment unsure. These high costs, low returns, or uncertainty are measured against other projects that they might invest their time and money in, such as in conventional suburban developments. The intent of the tools and incentives is to level the playing field regarding these concerns.

Projects might have relative high costs because of unusual site conditions due to natural features such as rock, historic legacy issues such as old tanks that must be removed or environmental remediation. Projects involving redevelopment may have higher than normal site acquisition costs because of acquisition of structures or relocation of families or additional infrastructure costs. In some cases, a city may want a certain kind of development, use of certain design standards, or certain amenities included with the project that might add to the cost of the project. In all of these instances, the city must find a way to close the gap between "normal" development costs and the costs anticipated in redevelopment. The city needs to structure its development tools to reduce the costs of the project to the developer, either by assuming some of these additional costs, such as through the use of tax increment financing, Community Development Block Grant funds, or low interest loans, or offsetting these additional costs through such tools as tax abatement.

The flip side of the high cost problem is low return on investment due to low anticipated income. This is somewhat more difficult to quantify, but is just as much a problem for developers as high project costs. Lower than normal income may be due to low appraisals for property due to their location in a blighted neighborhood. This is especially the case early in a project. For example, City Vision Ministries in developing the Turtle Hill neighborhood of Kansas City, Kansas, found that the first new home that they constructed, for a cost of \$110,000, appraised for only \$60,000.

Commercial development can face the same problem with rents for commercial space in older communities, even first class space, not commanding the same level of rents that similar space commands in more affluent communities. The city must use development tools and incentives to overcome this revenue shortfall. Tools can include down payment and/or mortgage subsidies for residential homebuyers or tax abatement for commercial developers.

Uncertainties can be a major barrier to development. All developers face some level of uncertainty, especially as it relates to site geological features. However, redevelopment projects often involve additional cost uncertainties with regard to environmental issues, infrastructure condition and access, and site acquisition costs. Possibly of greater import is the time uncertainty in undertaking a redevelopment project. Redevelopment projects can take longer than conventional projects because of land acquisition issues, unexpected environmental issues, working with neighborhood groups, the difficulty in raising funds or developing markets, and the very process of implementing development tools and incentives. Cities can use development tools to reduce this uncertainty by paying for advance research that would identify problems such as those associated with infrastructure or environmental problems. The city can dedicate funds, such as Community Development Block Grant funds, to covering unexpected issues that arise because of

the nature of the property. Finally, cities can put in place processes that will assure an expedited development timetable and access to staff that can assist.

A city should carefully consider which development tools and incentives it wants to employ and what it hopes to accomplish with those tools. Once local officials have chosen a set of tools to use, they should lay out the process for using them and make sure that city staff are qualified to use them. A detailed description of each tool and the process to be used to implement them should be prepared for use by developers and staff.

Development tools and incentives in most circumstances are a contract between the developer and the city. This contract should include expectations for both the city and the developer. The city needs to think through the expectations it wants to place on developers in exchange for using the development tools and incentives. These can be in terms of the quality or content of the development, it can be in the

generation of jobs or other benefits, or it can be in direct participation in the project and sharing in returns, should the project be a success.

Following is a brief checklist that cities can use in the formulation of their development tools:

- ☐ Identify the issues that developers will face
- ☐ Identify the most appropriate tools for addressing those issues
- ☐ Identify the goals that are to be achieved by using those tools
- ☐ Identify the circumstances under which the tools will be used
- ☐ Identify the costs associated with using the tools
- ☐ Put in place the necessary legal mechanisms and staff to implement the tools
- ☐ Develop a written description of each tool and the process for using each tool
- ☐ Put in place a mechanism for evaluating the use of the development tools

Development Tools

Housing Programs

Residential Development Assistance Programs for Missouri

Brownfield Redevelopment Program

This program is aimed at providing incentives for the commercial development of sites that have been abandoned for over three years, but may also include mixed-use projects. The property owned must be publicly held or the project endorsed by local government, and the project must be located in a blighted redevelopment area. A minimum of 10 new jobs must be created. Tax credits, grants and/or loans may be issued to applicants (please see Web site for complete details).

www.ded.state.mo.us

Program administration:	State
Funding types:	Grants, loans, tax credits
Housing types:	Mixed use
Development types:	New and rehabilitation
Targeted users:	Developers

Chapter 353 Tax Abatement

An incentive that can be used by cities to encourage the redevelopment of blighted areas by providing real property tax abatement and use of eminent domain. During the first 10 years, the property is subject only to property taxes assessed on the land, not on any improvements. During the next 15 years the property may be assessed up to 50 percent of its true value.

www.ded.state.mo.us

Program administration:	Local government
Funding types:	Tax abatement
Housing types:	Market rate owner and rental; low income
Development types:	New and rehabilitation
Targeted users:	Cities

50 Percent Community Bank Tax Credit

"Fundors" (contributors or investors) may obtain state tax credits based on 50 percent of their investments or contributions to a pre-approved CDC or Community Bank. The CDC would then make equity investments or loans to a specific project within the designated redevelopment area (see also the discussion on CDCs). Limits are credit of up to \$750,000 on a \$1.5 million investment.

www.ded.state.mo.us

Program administration:	State
Funding types:	Tax credit
Housing types:	Low-income (homeowner only)
Development types:	New and rehabilitation
Targeted users:	Developers

Development Tools

Housing Programs

Residential Development Assistance Programs for Missouri, cont'd.

Community Development Block Grant (CDBG)

Annual grants used for the benefit of low- and moderate-income persons and/or preventing or eliminating blight. Areas not designated as either qualifying or eligible can receive federal monies through state administered CDBGs. Projects may include rehabilitation of private buildings, assistance to non-profits for community development, and reconstruction or construction of streets, water and sewer facilities, neighborhood centers, etc.

www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm

Program administration:	State
Funding types:	Grants
Housing types:	Low income
Development types:	New and rehabilitation
Targeted users:	Cities

Community Development Corporation (CDC)

Induced investment into CDCs or Community Banks, which then invest in new or growing real estate development, resulting in an elimination of blight, expansion of the tax base, etc. The CDC must prepare a revitalization plan to be approved by the Missouri Department of Social Services. Maximum special opportunity grant of \$100,000.

www.ded.state.mo.us

Program administration:	Federal, through state agencies
Funding types:	Grants
Housing types:	Low income
Development types:	New and rehabilitation
Targeted users:	Owners

First Place Program

Offers first-time homebuyers affordable mortgage financing. Residents must be within the limits of household income established by the state of Missouri and must be first-time homebuyers. Eligible locations are within federally targeted areas.

Program administration:	State
Funding types:	Low-interest loans
Housing types:	Low-income (homeowner only)
Development types:	New
Targeted users:	Owners

www.mhdc.com/homebuyer_programs/MRB_guidelines.htm

Development Tools

Housing Programs

Residential Development Assistance Programs for Missouri, cont'd.

Historic Tax Credit Program

State provides 25 percent of eligible costs and expenses of the rehabilitation of an approved historic structure. The federal government also offers a 20 percent tax credit on commercial or residential projects. The rehabilitation must be considered substantial and eligible activities may include work on the building itself, architectural fees, legal expenses and development fees. It may not include any work to expand the building or grounds. Note that federal credits cannot be sold, but credits received from the state can be.

www.ded.state.mo.us

Program administration:	Federal and state
Funding types:	Tax credit
Housing types:	Market rate owner (federal only), market rate rental and low income
Development types:	Rehabilitation
Targeted users:	Owners/developers

Low-Income Housing Tax Credit Program

A federal tax credit to investors in affordable housing that can be used each year for 10 years. The minimum number of qualifying units is (a) 40 percent of the total number of units affordable to persons at 60 percent of the median income; or (b) 20 percent affordable to persons at 50 percent of the median income. The state also has a credit, and may allocate an amount equal to 100 percent of the federal credit. Developers may sell tax credits to raise the equity to construct or acquire and rehabilitate rental housing.

www.mhdc.com/rental_production/low_inc_tax_pgrm.htm

Program administration:	Federal and state
Funding types:	Tax credit
Housing types:	Low-income rental
Development types:	New and rehabilitation
Targeted users:	Developers

Missouri Housing Trust Fund

Funding available for a variety of housing needs such as acquisition and/or rehabilitation or new construction of rental housing (and related services) for very low-income families, rental assistance, emergency housing aid, and home repair. Applicants must demonstrate prior, successful housing experiences and have the capacity to successfully complete and operate the housing and/or service proposed.

www.mhdc.com/rental_production/trust_fund/MHTF-info.htm

Program administration:	State
Funding types:	Grants, low-interest loans
Housing types:	Low-income rental
Development types:	New and rehabilitation
Targeted users:	Nonprofits/developers

Development Tools

Housing Programs

Residential Development Assistance Programs for Missouri, cont'd.

Neighborhood Assistance Program (NAP)

A qualifying nonprofit organization can be granted assistance to administer a community or neighborhood project if the community or neighborhood itself does not have the ability or resources. Up to a 50 percent tax credit for community services, physical revitalization, economic development can be granted to donors.

Program administration:	State
Funding types:	Tax credit
Housing types:	Market rate rental, market rate owner and low income
Development types:	New and rehabilitation
Targeted users:	Non-profits

www.ded.state.mo.us

Neighborhood Preservation Act (NPA)

Tax credits for residential rehabilitation and construction costs in distressed communities or specific census blocks. 15 percent tax credit for a new residence, limited to \$40,000 or \$25,000/residence/10-year period. There are two levels of neighborhoods eligible to receive credits. "Eligible" neighborhoods are census block groups with median income between 70-90 percent of the metropolitan area median. "Qualifying" areas are those with median household incomes below 70 percent of the metropolitan area median.

Program administration:	State
Funding types:	Tax credit
Housing types:	Market rate rental
Development types:	New and rehabilitation
Targeted users:	Owners

www.ded.state.mo.us

Tax Increment Financing (TIF)

Redirects an approved portion of certain local taxes caused by a redevelopment project or area to reduce project costs. The TIF Commission negotiates the amount and the length of the increment based on the least amount that would cause the project to occur. Eligible only in locally designated areas. May be up to 100 percent of the increased amount of real property taxes.

Program administration:	Local governments
Funding types:	Tax abatement
Housing types:	Market rate rental, market rate owner and low income
Development types:	New and rehabilitation
Targeted users:	Cities

www.ded.state.mo.us

Development Tools

Housing Programs

Residential Development Assistance Programs for Kansas

Community Development Block Grant (CDBG)

Annual grants used for the benefit of low- and moderate-income persons and/or in preventing or eliminating blight. Areas not designated as either qualifying or eligible can receive federal monies through state-administered CDBGs. Projects may include rehabilitation of private buildings, assistance to non-profits for community development, and reconstruction or construction of streets, water and sewer facilities, neighborhood centers, etc.

www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm
<http://kdoch.state.ks.us>

Program administration:	Federal, through state agencies; direct grants to larger cities and counties
Funding types:	Grants
Housing types:	Low income
Development types:	New and rehabilitation
Targeted users:	Cities

Community Housing Development Organization

Helps non-profit developers increase the supply of affordable housing. Non-profit organizations must meet certain criteria to be considered a CHDO, as defined by the HOME program regulations. CHDOs may apply for a loan of up to \$300,000 to help finance a development, allowing rents to be lowered. In developments of five or more units, 20 percent of the units must be rented to households at or below 50 percent of the area median income.

www.kshousingcorp.org/programs/chdo.shtml

Program administration:	State
Funding types:	Loan
Housing types:	Low income
Development types:	New and rehabilitation
Targeted users:	Non-profits

Emergency Repair Program

Assists homeowners with emergency repairs of existing owner-occupied properties to enable residents to maintain a safe environment in their home. Examples of emergencies that may be repaired are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc. Homeowners' income must not exceed 60 percent of the county median income. Initially the funds are in the form of a loan, but if the homeowner occupies the home as the primary residence for a period of three years from the date of funding, no repayment is required.

www.kshousingcorp.org/programs/erp.shtml

Program administration:	Federal
Funding types:	Loans, grants
Housing types:	Market rate and low-income owners
Targeted users:	Homeowners

Development Tools

Housing Programs

Residential Development Assistance Programs for Kansas, cont'd.

First-Time Homebuyers Program (FTHB)

Provides down-payment assistance to qualified buyers for the purchase of a first home. The program is for those who have incomes at or below 80 percent of the median income for their areas. The loan may be from 15–30 percent of the purchase price of the home, awarded on a sliding scale, depending on the applicant's income level. Buyers are expected to make a minimum investment of \$500 or 2 percent of the sale price, whichever is greater.

www.kshousingcorp.org/programs/fthb.shtml

Program administration:	State
Funding types:	Loans
Housing types:	Market rate owner
Targeted users:	Individuals

Historic Tax Incentives Program

The federal government offers a 20 percent tax credit on commercial or residential projects for certified historic structures. The rehabilitation must be considered substantial and eligible activities may include work on the building itself, architectural fees, legal expenses and development fees. It may not include any work to expand the building or grounds. Note that federal credits cannot be sold, but credits received from the state can be.

www2.cr.nps.gov/tps/tax/brochure2.htm#Rehabilitation%20Tax%20Credit

Program administration:	Federal
Funding types:	Tax credit
Housing types:	Market rate rental, market rate owner and low-income owners
Development types:	Rehabilitation
Targeted users:	Owners/developers

Homeowner Rehabilitation Program

Funded through the federal HOME Investment Partnerships Program, this program assists communities with repairing and rehabilitating owner-occupied housing. Cities and counties may apply for funds of up to \$300,000 for administering the program in their communities. Grants will pass through the cities and counties to homeowners on a reimbursement basis, and assistance is provided in the form of a loan. Homeowners may not earn more than 80 percent of the median income for the area.

www.kshousingcorp.org/programs/hr.shtml

Program administration:	Cities/counties administer state funds
Funding types:	Loans, grants
Housing types:	Market rate and low-income owners
Development types:	Rehabilitation
Targeted users:	Homeowners, local governments, non-profits

Development Tools

Housing Programs

Residential Development Assistance Programs for Kansas, cont'd.

Housing Tax Credit

Designed to secure private equity capital for the development of affordable rental housing, the Housing Tax Credit (HTC) can provide as much as 55-60 percent of the total development cost, which reduces the amount of debt financing in affordable rental-housing developments. It is an annual tax credit allocation for 10 years.

www.kshousingcorp.org/programs/htc.shtml

Program administration:	State
Funding types:	Tax credit
Housing types:	Low-income rental
Development types:	New and rehabilitation
Targeted users:	Non-profits, developers

HUD's 203 (k) Program

HUD's primary single-family mortgage insurance program assists homebuyers who want to purchase a home in need of repair or modernization with interim financing (acquisition and construction loans) at lower rates than traditional loans. The mortgage amount is based on the projected value of the property with the work completed, taking into account the cost of the work. The property must be a one- to four-family dwelling that has been completed for at least one year. Please see HUD's Web site for the entire list of requirements.

www.hud.gov/offices/hsg/sfh/203k/203kabou.cfm

Program administration:	Federal
Funding types:	Loan
Housing types:	Market rate rental, market rate owner and low income
Development types:	Rehabilitation
Targeted users:	Individuals

Kansas Accessibility Modification Program

The program has two basic purposes: (1) to provide accessibility modifications to residents allowing individuals to better fulfill their abilities to use their homes, and (2) to gather information for future planning about the need in the state for such modifications. Individuals with disabilities can request funds to assist with modifications to their primary residence. Total household income must not exceed 80 percent of the area median income.

www.kshousingcorp.org/programs/kamp.shtml

Program administration:	State
Funding types:	Grants
Housing types:	Market rate and low-income owners
Development types:	Rehabilitation
Targeted users:	Individuals

Development Tools

Housing Programs

Residential Development Assistance Programs for Kansas, cont'd.

Low-Income Housing Tax Credit Program

A federal tax credit to investors in affordable housing that can be used each year for 10 years. The minimum number of qualifying units is (a) 40 percent of the total number of units affordable to persons at 60 percent of the median income or (b) 20 percent affordable to persons at 50 percent of the median income. Developers may sell tax credits to raise the equity to construct or acquire and rehabilitate rental housing.

Program administration:	Federal
Funding types:	Tax credit
Housing types:	Low-income rental
Development types:	New and rehabilitation
Targeted users:	Developers

http://www.mhdc.com/rental_production/low_inc_tax_pgrm.htm

Weatherization Assistance Program

Funded through the U.S. Department of Energy and the Low-Income Energy Assistance Program, the WAP provides housing improvements that increase energy efficiency in income-eligible single- or multi-family dwellings, including manufactured homes. Eligible households are those with income of up to 150 percent of the federal poverty level or 60 percent of the state median income, whichever is higher. Target groups are elderly, persons with disabilities, and families with children.

Program administration:	Federal
Funding types:	Grants
Development types:	Rehabilitation
Targeted users:	Non-profits

<http://www.kshousingcorp.org/programs/wap.shtml>

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri

Action Fund Loan Program

Provides loans to certain types of for-profit companies that need funds for startup or expansion and have exhausted other sources. The DED will provide funds in the form of a loan to an approved company. The loan may be in a subordinate collateral position to the lead/primary lender at the sole discretion of DED. This determination is based on cash flow, collateral, credit history, character and other credit /collateral considerations of the business and owner. For-profit manufacturing, processing and assembly companies that will have wages above the county average and provide medical benefits are prioritized. Other types of companies will be considered if they do not negatively impact other area businesses. Must be in a non-entitlement area.

Program administration:	State
Funding types:	Loans
Project types:	Industrial
Eligible organizations:	Business owners

Eligible uses: The purchase of new machinery and equipment or working capital is eligible. Refinancing, pay out of stockholders, buyouts or lines of credit are not eligible.

www.ded.state.mo.us

Brownfield Redevelopment Program

This program is aimed at providing incentives for the commercial development of sites that have been abandoned for over three years, but may also include mixed-use projects. The project must result in the creation of at least 10 new jobs or the retention of 25 new jobs. New jobs are full time (35+ hours/week) for persons who were not employed by the business or related taxpayer for the prior year. Tax credits, grants or loans may be issued to applicants (please see Web site for complete details).

Eligible uses: the property must be owned by a public entity. If owned by a private entity, the city or county project must endorse the project. The property must be located in a blighted redevelopment area.

www.ded.state.mo.us

Program administration:	State
Funding types:	Grants, loans, tax credits
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Developers

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

Business Facility Tax Credit Program

State income tax credits are provided to businesses based on the number of new jobs and amount of new investment created at each qualifying facility. The credits are provided each tax year for up to 10 years after the project commences operations. Eligible projects include manufacturing, warehousing, wholesale distribution, mining, insurance, research and development, recycling operations, computer-related services and certain office activities, which have created at least two new jobs (25 for office) and \$100,000 in new investment (\$1,000,000 for replacement facilities). Facility eligibility is determined by its primary Standard Industrial Classification (SIC) code as designated by the Division of Workforce Development. The formula to earn the tax credits is based on:

- \$75 (or \$125 in a distressed community) for a new Missouri company for each new job, and for

Program administration:	State
Funding types:	Tax credit
Project types:	Industrial
Eligible organizations:	Certain businesses

each \$100,000 of new capital investment created at the project; OR

- \$100 (or \$150 in a distressed community) for an existing Missouri company for each new job, and for each \$100,000 of the new capital investment created at the project.

The business may reduce its total Missouri income tax by up to 100 percent, depending on whether it operates other Missouri facilities. The more jobs and investment created, the more Missouri income tax the earned credit can offset.

Chapter 353 Tax Abatement

An incentive that can be used by cities to encourage the redevelopment of blighted areas by providing real property tax abatement and use of eminent domain. During the first 10 years, the property is subject only to property taxes assessed on the land, not on any improvements. During the next 15 years it can be assessed up to 50 percent of its true value.

Eligible uses: redevelopment projects may include the clearance, replanning, reconstruction or rehabilitation of any blighted area. Provision for such commercial, industrial, residential, or public structures and spaces as may be appropriate.

www.ded.state.mo.us

Program administration:	Local government
Funding types:	Tax abatement
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Cities

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

50 Percent Community Bank Tax Credit

"Fundors" (contributors or investors) may obtain state tax credits based on 50 percent of their investments or contributions to a pre-approved CDC or Community Bank. The CDC would then make equity investments or loans to a specific project within the designated redevelopment area (see also the discussion on CDCs). Limits are credit of up to \$750,000 on a \$1.5 million investment.

Eligible uses: funds to the CDC or Community Bank may be used for acquisition of real estate or buildings, new capital improvements and working capital. Funds may also be used for real estate

Program administration:	State
Funding types:	Tax credit
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Developers

development or redevelopment projects, including certain types of housing infill and new construction for owner-occupied housing.

www.ded.state.mo.us

Community Colleges "New Jobs Training Program"

Provides assistance to companies creating a substantial number of new jobs in Missouri. Whether the company is expanding its workforce or locating a new facility in the state, this program is designed to assist with the costs of training the employees in the newly created jobs. Local community colleges initially finance training through the sale of certificates. The certificates are repaid by using tax credits from the employer's regular withholding, based on a percentage of the gross wages paid to employees in the new jobs. The tax withholding is equal to 2.5 percent of gross wages for the first 100 new jobs and 1.5 percent for remaining new jobs. To repay the training and certificate costs, the tax withholding for projects in excess of \$500,000 may be claimed up to eight years, and those projects not in excess of \$500,000 may be claimed up to 10 years. Businesses with a sound credit ratings currently located in or locating to Missouri, engaged in

Program administration:	State
Funding types:	Tax Credits
Eligible organizations:	Certain businesses

interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products are eligible. Companies that conduct research and development or provide services in interstate commerce are also eligible. Retail businesses do not qualify for the program.

Eligible uses: funding can be used toward reimbursement for the training and costs associated with the issuance of certificates. Training activities such as skill assessment, orientation, pre-employment training, occupational skill training, and on-the-job training can be included. Withholding tax credits claimed in excess of the amount of the project are returned to the Department of Revenue.

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

Community Development Block Grant (CDBG)

Annual grants used for the benefit of low- and moderate-income persons and/or in preventing or eliminating blight. Areas not designated as either qualifying or eligible can receive federal monies through state-administered CDBGs. Projects may include rehabilitation of private buildings, assistance to non-profits for community development, and reconstruction or construction of streets, water and sewer facilities, neighborhood centers, etc.

Eligible uses: funds are available to a wide range of projects from street repairs to industrial loans and job training.

Program administration:	Federal, through state agencies
Funding types:	Grants, loans
Project types:	Industrial and mixed use
Eligible organizations:	Cities

www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm

Community Development Corporation (CDC)

Induced investment into CDCs or Community Banks, which then invest in new or growing real estate developments, resulting in an elimination of blight, expansion of the tax base, etc. The CDC must prepare a revitalization plan to be approved by the Missouri Department of Social Services. No more than \$750,000 can be invested or loaned by the CDC for any one business. A minimum of one new job must be created/retained as a result of the investment of every \$4,000 to \$10,000 (depending on type of company) of tax credits provided to investors of the CDC.

Eligible uses: the use of contributed or invested funds provided to a Community Bank or CDC that were derived from the tax credits is limited to loans or equity investments to a business for acquisition

Program administration:	Federal, through state agencies
Funding types:	Grants
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Business owners

of land or an existing building; new capital improvements (real estate, machinery and equipment, furniture and fixtures); and certain working expenses, including new inventory, payroll, advertising and marketing and professional services.

www.ded.state.mo.us

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

Historic Tax Credit Program

The state provides 25 percent of eligible costs and expenses of the rehabilitation of an approved historic structure. The federal government also offers a 20 percent tax credit on commercial or residential projects. An eligible property must be (a) listed individually in the National Register of Historic Places, (b) certified by the Missouri Department of Natural Resources as contributing to the historical significance of a certified historic district listed on the National Register, or (c) part of a local historic district that has been certified by the US Department of the Interior. Rehabilitation costs must exceed 50 percent of the total basis of the property (acquisition cost).

Eligible uses: the rehabilitation must be considered substantial and eligible activities may include work on the building itself, architectural fees, legal

Program administration:	Federal and state
Funding types:	Tax credit
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Landowners, developers

expenses and development fees. It may not include any work to expand the building or grounds. Note that federal credits cannot be sold, but credits received from the state can be.

www.ded.state.mo.us

Missouri Downtown Economic Stimulus Act (MODESA)

This program is meant to help facilitate the redevelopment of downtown areas and the creation of jobs by providing essential public infrastructure. Households in municipalities must have an annual median income of \$62,000 or less, and the eligible areas are CBDs that are either designated as "blighted" or "conservation" areas. Portions of the new state and local taxes created by a project can be diverted to fund eligible public infrastructure and related costs for a period of up to 25 years. Local funds must match.

Eligible uses: funds can be either for projects for "community enhancement" or "job creation." The project costs and/or new job creation minimums are based on the population of the municipality.

www.ded.state.mo.us

Program administration:	State
Funding types:	Tax diversion
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Local governments

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

Missouri FIRST Linked Deposit

This program aims to facilitate a lower interest rate to approved businesses. Eligible businesses include new, existing or expanding firms with at least 10 employees that are able to create one new job for each \$25,000 borrowed within 12 months. Added emphasis is placed on higher-quality jobs, jobs created in targeted industries and economically depressed areas, and spin-off jobs. Loan approval is made by the financial institution subject to normal credit policy.

Eligible uses: there are few restrictions on the use of funds. Loan proceeds (related to the deposit)

Program administration:	State
Funding types:	Loans
Project types:	Industrial and commercial
Eligible organizations:	Business owners

may be for new capital expenditures or to assist with working capital. The program may also be used with federal or state loan guarantee programs.

www.treasurer.missouri.gov/link/deposit.htm

Neighborhood Assistance Program (NAP)

A qualifying non-profit organization can be granted assistance to administer a community or neighborhood project if the community or neighborhood itself does not have the ability or resources. Up to a 50 percent tax credit for community services, physical revitalization or economic development can be granted to donors.

Eligible uses: projects in the areas of community service, education, crime prevention, job training and physical revitalization.

Program administration:	State
Funding types:	Tax credit
Eligible organizations:	Non-profits

www.ded.state.mo.us

Neighborhood Preservation Act (NPA)

Tax credits for residential rehabilitation and construction costs in distressed communities or specific census blocks. 15 percent tax credit for a new residence, limited to \$40,000 or \$25,000/residence/10-year period. There are two levels of neighborhoods eligible to receive credits.

"Eligible" neighborhoods are census block groups with median income between 70–90 percent of the metropolitan area median. "Qualifying" areas are those with median household incomes below 70 percent of the metropolitan area median.

Eligible expenditures can include property acquisition, surveys, site preparation, architectural

Program administration:	State
Funding types:	Tax credit
Project types:	Mixed use
Eligible organizations:	Owners

and engineering services, utility extensions and many others. Non-eligible projects are those costs not directly attached to the building, such as landscaping.

www.ded.state.mo.us

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

Rebuilding Communities Tax Credit Program

Aimed at stimulating business activity in "Rebuilding areas." Check with Missouri Department of Economic Development for eligibility. Through this program, there are three options:

- (1) New or relocating eligible businesses may choose one of the 40 percent Tax Credits, plus obtain the 1.5 percent Employee Tax Credit. Options are: 40 percent Income Credit — tax credit to the taxpayer for three years based on 40 percent of their income taxes due; 40 percent Specialized Equipment Credit — Income tax credit based on the amount of funds expended on approved equipment; 1.5 percent Individual Credit— qualified employees may receive a tax credit against state individual income tax, equal to 1.5 percent of their gross salary paid at such a facility.
- (2) Existing businesses already located in a distressed area are eligible for a 25 percent tax credit if they expend funds for specialized equipment, exceeding their average

Program administration:	State
Funding types:	Tax credit
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Business owners

expenditure of the prior two years for such equipment.

- (3) "Enhanced" existing businesses that double their number of employees can apply for the 40 percent tax credits and the 1.5 percent individual credit.

Eligible uses: business must be manufacturing, biomedical, medical devices, etc (see Web site for complete list). The business must also have 75 percent of employees at the facility in the distressed community, prior to the issuance of tax credits and have fewer than 100 employees total for all facilities at the time a pre-application is completed.

www.ded.state.mo.us

Redevelopment Plan Resources

The applicability of many state, federal, and local resources depends on many factors that are best relayed in an overall redevelopment plan. This plan should address the issues of an entire area, helping to reduce spot development. The Missouri Department of Economic Development provides advice to community groups and developers on creating and financing such a plan.

Eligible uses: groups wanting to create a comprehensive redevelopment plan and search for financial assistance programs, qualified planning and law firms and similar projects.

www.ded.state.mo.us

Program administration:	State
Funding types:	Technical assistance
Eligible organizations:	Landowners, developers, cities

Development Tools

Economic Development

Economic Development Assistance Programs for Missouri, cont'd.

Small Business Incubator Tax Credit Program

This program is designed to generate private funds to establish a "protective business environment" (incubator) in which a number of small businesses can collectively operate to foster growth and development during their start-up periods. Any taxpayer who makes a cash contribution to an approved incubator sponsor or the fund itself is entitled to claim a tax credit equal to 50 percent of the contribution. Minimum tax credit is \$1,500 per contributor; maximum tax credit is \$50,000 per contribution if made to a single incubator and \$100,000 if made to multiple incubators. There is no maximum if contribution is made directly to the Incubator Fund. Loan must be made in cooperation with a city or county sponsor in a "non-entitlement" area where the project will be located. (Kansas City, Independence, and Lee's Summit are not eligible.)

Program administration:	State
Funding types:	Grants, loans and loan guarantees
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Taxpayers

Eligible uses: contributions are used to establish and maintain incubators for small businesses. Funds must be expended to purchase or lease land, buildings, machinery, equipment, furniture and fixtures or to construct new or rehabilitate existing buildings.

www.ded.state.mo.us

Tax Increment Financing (TIF)

Redirects an approved portion of certain local taxes caused by a redevelopment project or area to cover project costs. The TIF Commission negotiates the amount and the length of the increment based on the least amount that would cause the project to occur. Eligible only in locally designated areas. May be up to 100 percent of the increased amount of real property taxes.

Redevelopment project costs include the costs of studies, surveys, plans and specifications, land acquisition, land preparation, professional service costs and fees, and construction costs of both public and private improvements. Most TIF projects involve the development of public infrastructure to support a project; however, redevelopment of buildings is also typical.

www.ded.state.mo.us

Program administration:	Local governments
Funding types:	Tax abatement
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Cities

Development Tools

Economic Development

Economic Development Assistance Programs for Kansas

Comprehensive Development Program

This is a community planning process designed to help a community create jobs, foster a more stable and diversified local economy, and improve living conditions. The funds help communities do an assessment of the overall needs and opportunities they have to offer. The plan establishes priorities for action.

Eligible uses: planning processes that include significant citizen participation

Program administration:	State
Funding types:	Grants, loans
Eligible organizations:	Cities

<http://kdoch.state.ks.us/>

Community Capacity Building Program

This program encourages collaborative community development planning in the state. The community must form an active partnership among key community-based organizations for the purpose of developing a shared vision for the future and a plan of action to achieve that vision. A qualified professional planner must facilitate the process.

Eligible uses: the program for metropolitan communities targets neighborhoods, growth management in rapidly growing cities and counties under 50,000 in population, and downtowns.

Program administration:	State
Funding types:	Grants, services
Eligible organizations:	Cities

Grants are subject to extensive review and require matching local funds

<http://kdoch.state.ks.us>

Community Development Block Grant (CDBG)

Annual grants used for the benefit of low- and moderate-income persons and/or preventing or eliminating blight. Areas not designated as either qualifying or eligible can receive federal monies through state-administered CDBGs. Projects may include rehabilitation of private buildings, assistance to non-profits for community development, and reconstruction or construction of streets, water and sewer facilities, neighborhood centers, etc.

Eligible uses: funds are available for a wide range of projects, from street repairs to industrial loans and job training.

Program administration:	Local governments
Funding types:	Tax abatement
Project types:	Industrial and mixed use
Eligible organizations:	Cities

Development Tools

Economic Development

Economic Development Assistance Programs for Kansas, cont'd.

Certified Development Company (CDC)

A CDC is authorized by the Small Business Administration (SBA) to market and service SBA loan guarantees to assist small businesses with financing for expansion and growth. A CDC assists businesses by developing loan packages that offer a number of financing avenues, providing resources for preparing a business plan, assistance with strategic planning and many other services.

Eligible uses: many different uses can be funded by loans obtained through a CDC. The group also offers numerous services for a variety of business development needs.

Program administration:	Federal, through state agencies
Funding types:	Loans, services
Project types:	Industrial, commercial and mixed use
Eligible organizations:	Business owners

<http://kdoch.state.ks.us>

Downtown Revitalization

The purpose of the program is to make improvements in a downtown designated area. It is modeled after the National Main Street Program, and requires an organized, long-term approach to revitalize the original business district of a community.

Eligible uses: a designated downtown manager who does not have a conflicting role with the city oversees funds granted to cities. A professional

Program administration:	State
Funding types:	Grants
Eligible organizations:	Cities

architect must develop design guidelines to be adopted.

<http://kdoch.state.ks.us>

High Performance Incentive Program (HPIP)

This program offers businesses five potential benefits: a 10 percent income tax credit for eligible capital investment that exceeds \$50,000 at a company's qualified business facility; a sales tax exemption to use in conjunction with the company's eligible capital investment; a training tax credit of up to \$50,000; priority consideration for other assistance and programs; and grant funding for half of consulting costs, up to \$12,500. Qualified recipients must meet a list of requirements.

Eligible uses: HPIP funds are used as an incentive program, not a retroactive entitlement.

Program administration:	State
Funding types:	Grants, tax credits and services
Project types:	Industrial and commercial
Eligible organizations:	Specific businesses

Qualification is based on accomplished satisfaction of HPIP criteria, rather than a promise of future performance. Project descriptions must be submitted for approval prior to commencement.

<http://kdoch.state.ks.us>

Development Tools

Economic Development

Economic Development Assistance Programs for Kansas, cont'd.

IMPACT Program

The Investments in Major Projects and Comprehensive Training (IMPACT) program provides employers seeking to relocate or expand their business operations within Kansas with financial assistance to train employees hired to fill the jobs created by the relocation or expansion. Eligible industries include basic enterprises creating a large number of new jobs and paying higher-than-average wages. These include those businesses involved in manufacturing, multi-state distribution, national service, agriculture, mining, research and development, interstate transportation and tourism activities that create at least 100 new jobs.

Program administration:	State
Funding types:	Grants
Eligible organizations:	Businesses

Eligible uses: funding can be used for on-the-job training, classroom training, curriculum development, training related travel, supplies and training equipment, equipment relocation, building and equipment purchases and labor recruitment.

<http://kdoch.state.ks.us>

Kansas Business First Program

This program is a business retention and expansion visitation program. Local volunteers visit businesses with a questionnaire or survey to gather information about the firm's development plans, economic concerns and opinions about the community as a place to do business.

The program helps local community organizations to form task forces to manage the program and use the resulting information.

Program administration:	State
Funding types:	Technical assistance
Eligible organizations:	Valid Kansas community organizations

Eligible uses: administration of the visitation program and the formation of an action plan.

<http://kdoch.state.ks.us>

Kansas Economic Opportunity Initiatives Fund (KEOIF)

KEOIF applications must be made by the supporting city or county on behalf of a business. Eligible projects include those which generate new jobs and capital investment through business recruitment; generate new jobs and capital investment through the major expansion of an existing business; prevent the loss of jobs brought about by potential closure or out-of-state relocation of an existing business; mitigate the effects of the closure of major state or federal facilities; or require matching funds for significant grants.

Program administration:	State
Funding types:	Loans
Project types:	Industrial and Commercial
Eligible organizations:	Cities, businesses

Eligible uses: Site and facility construction, improvements, equipment purchases and other project-related costs associated with the establishment or expansion of a Kansas facility.

<http://kdoch.state.ks.us>

Development Tools

Economic Development

Economic Development Assistance Programs for Kansas, cont'd.

Kansas Existing Industries Expansion Program (KEIEP)

KEIEP is designed to meet the expansion-related needs of existing Kansas businesses. Like the KEOIF program, KEIEP is performance-based, with a focus on the expansion/retention of jobs. Companies wishing to access funds are required to commit to specific employment and payroll performance levels as a prerequisite to funding.

Eligible projects include those which generate new jobs and capital investment through the expansion or renovation of an existing business or prevent the loss of jobs brought about by potential closure or out-of-state relocation of an existing business.

<http://kdoch.state.ks.us>

Program administration:	State
Funding types:	Loans
Project types:	Industrial and commercial
Eligible organizations:	Cities, businesses

Kansas Main Street Program

The program provides funds to help communities deal with the complex issues of revitalizing central business districts, capitalizing on their downtown's history, and identifying the resources of the community itself. The program focuses on cities of under 50,000 in population. After a competitive process to become designated a Kansas Main Street City, the community must establish a board of directors and develop a local program to revitalize the historic commercial area.

Eligible uses: Plans must address the "Four Points" of the program: organization (overall mission, consensus and cooperation), promotion or marketing, design (street lighting, landscaping, signage, etc.), and economic restructuring (diversifying the economic base).

<http://kdoch.state.ks.us>

Program administration:	State
Funding types:	Grants, loans, technical assistance
Eligible organizations:	Cities

Development Tools

Economic Development

Economic Development Assistance Programs for Kansas, cont'd.

Tax Increment Financing (TIF)

Redirects an approved portion of certain local taxes caused by a redevelopment project or area to cover project costs. The TIF Commission negotiates the amount and the length of the increment, based on the least amount that would cause the project to occur. Eligible only in locally designated areas. May be up to 100 percent of the increased amount of real property taxes.

Eligible uses: Redevelopment project costs include the costs of studies, surveys, plans and specifications, land acquisition, land preparation, professional service costs and fees and construction costs of both public and private improvements. Most TIF projects involve the development of public infrastructure to support a project; however, redevelopment of buildings is also typical.

Program administration:	Local governments
Funding types:	Tax abatement
Project types:	Industrial and mixed use
Eligible organizations:	Cities

Training Equipment Grant Program

This is a funding mechanism that provides community colleges, area technical schools and area technical colleges an opportunity to purchase instructional equipment to train or retrain the workforce. The awards are granted based on the need for equipment and the potential for stimulating economic growth and enhancing employment opportunities.

Eligible uses: Projects to purchase equipment used in a Kansas basic industry — manufacturing, interstate distribution, regional or national service, agriculture, mining, research and development or interstate transportation — are given priority.

<http://kdoch.state.ks.us>

Program administration:	State
Funding types:	Grants
Eligible organizations:	Community colleges, technical schools and colleges

Conclusion

First suburbs face a number of issues that have the potential to adversely affect their cities' future. However, first suburbs are not alone and they are not helpless. This handbook has attempted to demonstrate some of the many ways that first suburbs are addressing these issues and some of the tools that are available. While the state, federal government and private developers are important elements in a successful first suburb strategy, it is clear that cities have the ability to take the initiative and develop a strategy that can move their communities into a prosperous and resident-friendly future.

Local officials from first suburbs in the Kansas City metro area have discussed possible solutions to their common challenges over the past two years. Many of the solutions profiled in this handbook have come from those discussions and from the individual members of the First Suburb Coalition. The coalition and MARC will use these discussions and the handbook as a jumping-off point for the first suburb agenda. The agenda will be oriented to helping local governments implement strategies that will begin to address the first suburb issues facing their communities.

The First Suburbs Coalition will focus on information and dialogue on:

- Local housing plans and policies, including plan contents, the process used to develop the information, expected benefits, and how such a plan is used to address housing and neighborhood reinvestment and preservation
- How to develop, implement and use the results from housing and property surveys
- The issues involved in land assembly to allow cities to more proactively encourage reinvestment
- Steps to form and how to work with a community development corporation
- The pros and cons of a city acting as developer and how to go about it
- How to move forward on a First Suburbs Coalition legislative agenda.



Appendix A

Northgate Village Redevelopment — The TIF Process

Project Description

In 1996, North Kansas City updated its community Master Plan. In it, Northgate Village was identified as an area needing improvement. The Master Plan also discussed the need for the city to achieve a better balance between rental and owner-occupied housing. As a result, the redevelopment project was born. In 1999, the city drafted an RFP and proactively solicited proposals from the Kansas City area development community. The city's Tax Increment Finance (TIF) Commission received five proposals. The city assigned a professional staff review committee to review the proposals and report back with recommendations. At the end of the process, the TIF Commission and city council agreed to enter into negotiations with the developer partnership of Hunt-Midwest and the Rainen Companies.

In January 2000, after approximately seven months of negotiations with the developers, the city council approved both the TIF Plan and development agreement.

That spring, the city began the process of acquiring the land. After it was determined that the city and the owner of the property would be unable to come to agreement for the city's purchase of the property, condemnation proceedings were initiated under the authority of the TIF statute. The condemnation process took approximately 18 months.

In 2002, relocation and demolition were accomplished for Phase 1 (two-thirds of project area). Much of 2003 was spent on infrastructure construction, zoning the property to a Planned Unit Development. Platting approvals were completed between February and August 2003. As of early 2004, the early stages of construction are underway in the single-family area and the senior apartments area.

Public Finances

The city currently estimates costs of \$27 million by the time the project is completed. Based on estimates made in 1999, the city anticipated income from TIF proceeds, land sales and rents from remaining apartments to be \$17.7 million over the 28-year period of the TIF plan. The city considers the \$10 million difference an investment in the community, which they might have had to spend anyway, over the same 28-year time period, for infrastructure replacement, etc.

Significant Elements of the Development Agreement/TIF Plan

- The city took on up-front costs but receives the TIF revenue in return — contrary to most TIF plans.
- The senior apartments are a 60-percent-affordable/40 percent-market-rate split. The affordable-rate units are based on the developer's award of affordable housing tax credits.
- The project was divided into two phases so some existing apartments could remain for those who wanted a new unit in the redevelopment.
- *Property Management* — In order to execute the relocation program and provide for interim housing for those waiting for new units, the city had to fulfill the role of property owner.
- *Relocation Program* — At the time the city took possession of the property, existing residents occupied the apartments. A program of relocation had to be undertaken to provide those existing residents with other housing.
- *Prohibited Commercial Uses* — Given their level of investment in the project, the city was able to negotiate a list of prohibited commercial uses within the commercial component of the project.

Appendix A

Northgate Village Redevelopment — The TIF Process, continued

- *Architectural Design Requirements* — Again, based on the city's level of investment, architectural design guidelines were made a part of the development agreement.
- *Project Complexity* — The city took an aggressive step to improve the community in taking on this project. To undertake it, the city had to establish a TIF Commission, go through two rounds of proposals, work through an extended condemnation process, work with two developers with consistent and inconsistent goals, manage the existing property, execute a program of relocation for over 400 residents, install new infrastructure, approve four different development components, and bear the brunt of criticism from some members of the public and the media in the early years. Finally, the city has had to commit to more funding than was originally planned. Fortitude and commitment are essential to a project of this size and complexity.

Major Obstacles

- *Condemnation Process* — Condemnation was by far the biggest obstacle to the project. There were a number of legal procedures that had to be dealt with in order to prevail.
- *Tax-Credit Financing for the Senior Apartments* — It was critical to the city that the Senior Apartments provide both affordable and market-rate alternatives. Agreement was eventually reached that there would be 60 percent affordable and 40 percent market-rate apartments. The developer made it very clear that for a project such as this to be funded, an award of 9 percent affordable housing tax credits was essential — an extremely competitive process. The city had to play an active role in promoting the development to MHDC.

Resources

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