



*creating equitable neighborhood development strengthened by walkable access to public transit*

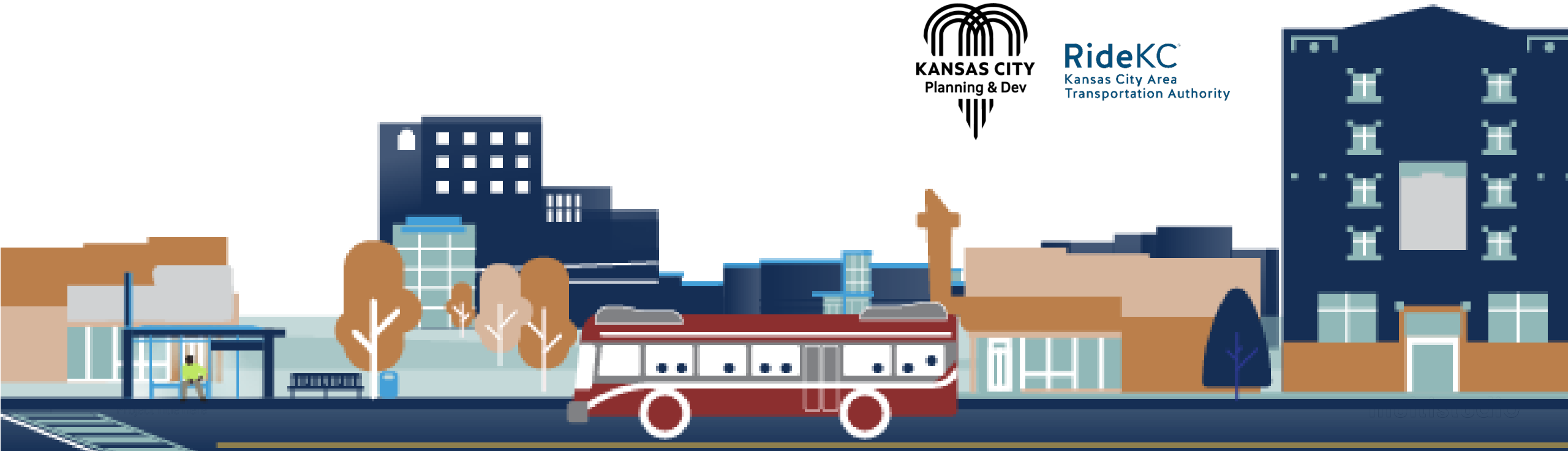
## Funding & Financing Work Session

Round #3 | Work Session #3

August 22, 2023



**RideKC**  
Kansas City Area  
Transportation Authority



# AGENDA

1. Project Overview
2. Recommendations
  - Building Transit Villages
3. Funding & Financing Resources
4. Development without Displacement
  - Displacement Prevention
5. Discussion
6. Next Steps



# PROSPECTUS OVERVIEW



# PROSPECTUS – MISSION STATEMENT

*creating equitable neighborhood development  
strengthened by walkable access to public transit*

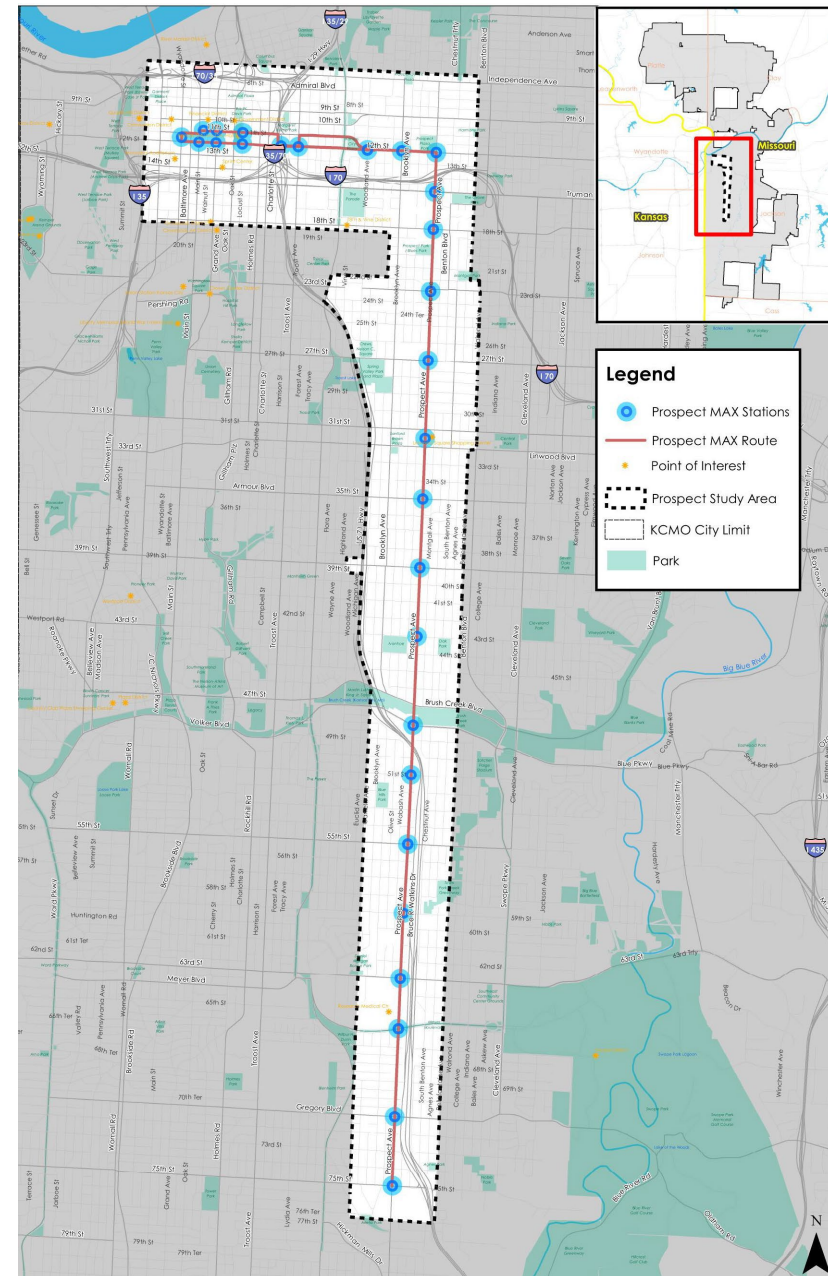
# STUDY AREA

## Prospect Avenue:

- 12th Street to 75th Street

## 12th Street:

- Prospect Avenue to Charlotte Street  
(*KCATA Hub*)




# PROJECT FOCUS

- Measurable benefits for existing corridor residents.
- Avoid the displacement of residents and businesses.
- Support existing and new, residents and businesses, with effective and equitable growth.



# PROJECT TIMELINE



 Workgroups

 Community Meetings

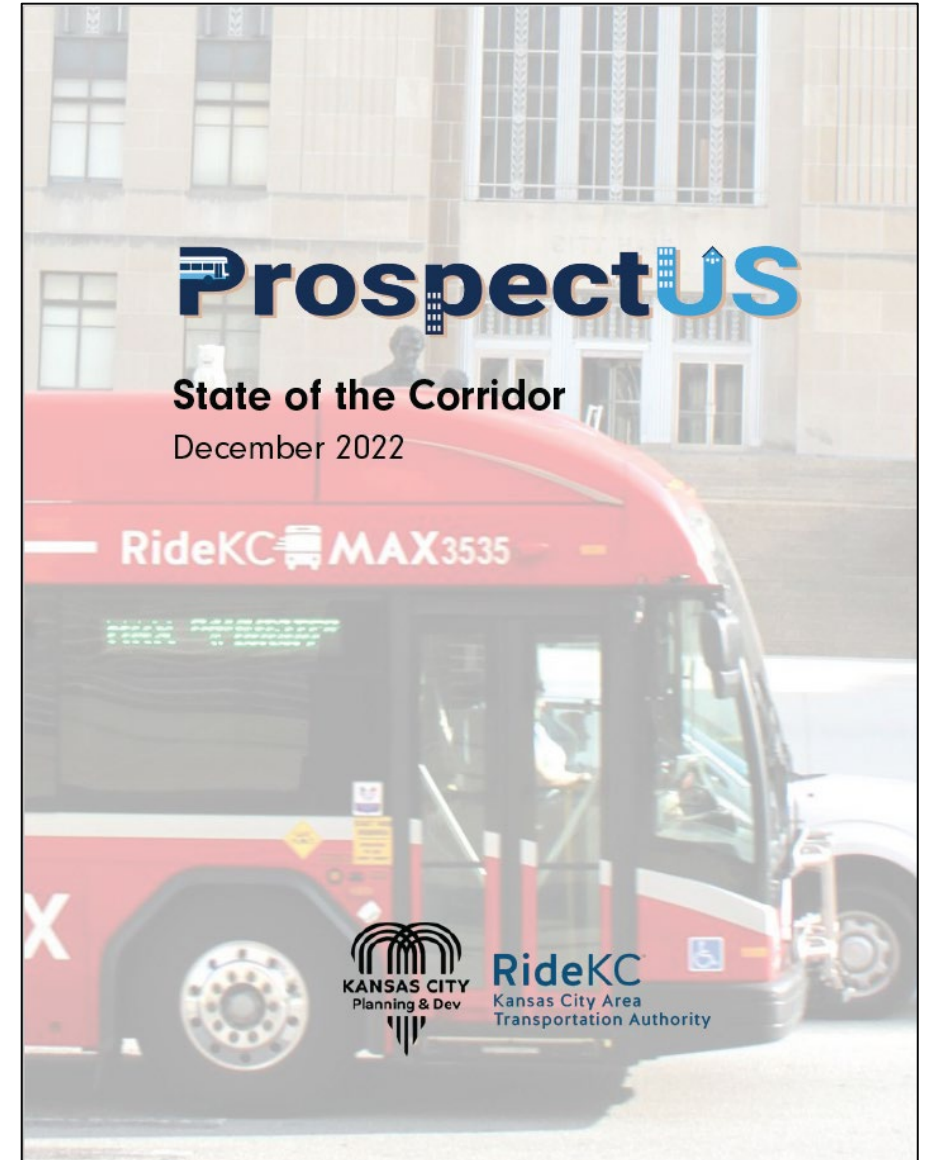
# KEY FINDINGS

**A Continued Public Commitment to the Prospect Corridor Is Needed**

**Affordable New Housing Needs Subsidy to be Built**

**Historic-Intentional Disinvestment Will Require Historic Reinvestment**

**Greater Understanding of the Implementation Economics of Small-Scale Infill and Rehabilitation Will Be Needed**





# WHAT WE HAVE HEARD

Need realistic strategies

Don't Overbuild

Cannot exclude people with more money

Need jobs in the corridor

How do we keep people in their homes

What are strategies for local entrepreneurs

We need to empower neighborhoods

Need locally & community owned

Need places to make & spend money

Need to build capacity, not just money

Need philanthropic support

Target Incentives to the corridor

Transition people into homeowners

Full-service community – needs, amenities, and facilities

Elevate awareness of situation and resources

Not “historic”, it was intentional disinvestment

Use land bank properties – in business zones

Need something other corridors don't have

Residents need to be responsible

# BUILDING TRANSIT VILLAGES



# CREATING TRANSIT VILLAGES

## An origin and a destination

- People traveling to work.
- People traveling to your community – work, shop, hang-out

## Visitors – Economic Engines

- Create and Sustain Jobs
- Wealth Creation
- Pay for Community Improvements

## MLK Station Today

- 77,000 customers & 83,000 workers can get there by transit in 30 mins. or less.

## Attractive to Employers



# WHAT WE HAVE HEARD

## Comments from Residents and Business Owners and Collaborative Partners in Evaluation Survey

Community Led, Mainstream Supported  
Economic Development & Placemaking At ALL  
stations

I can now shop without a car

I can now easily visit friends

I can now walk to full-service grocery stores

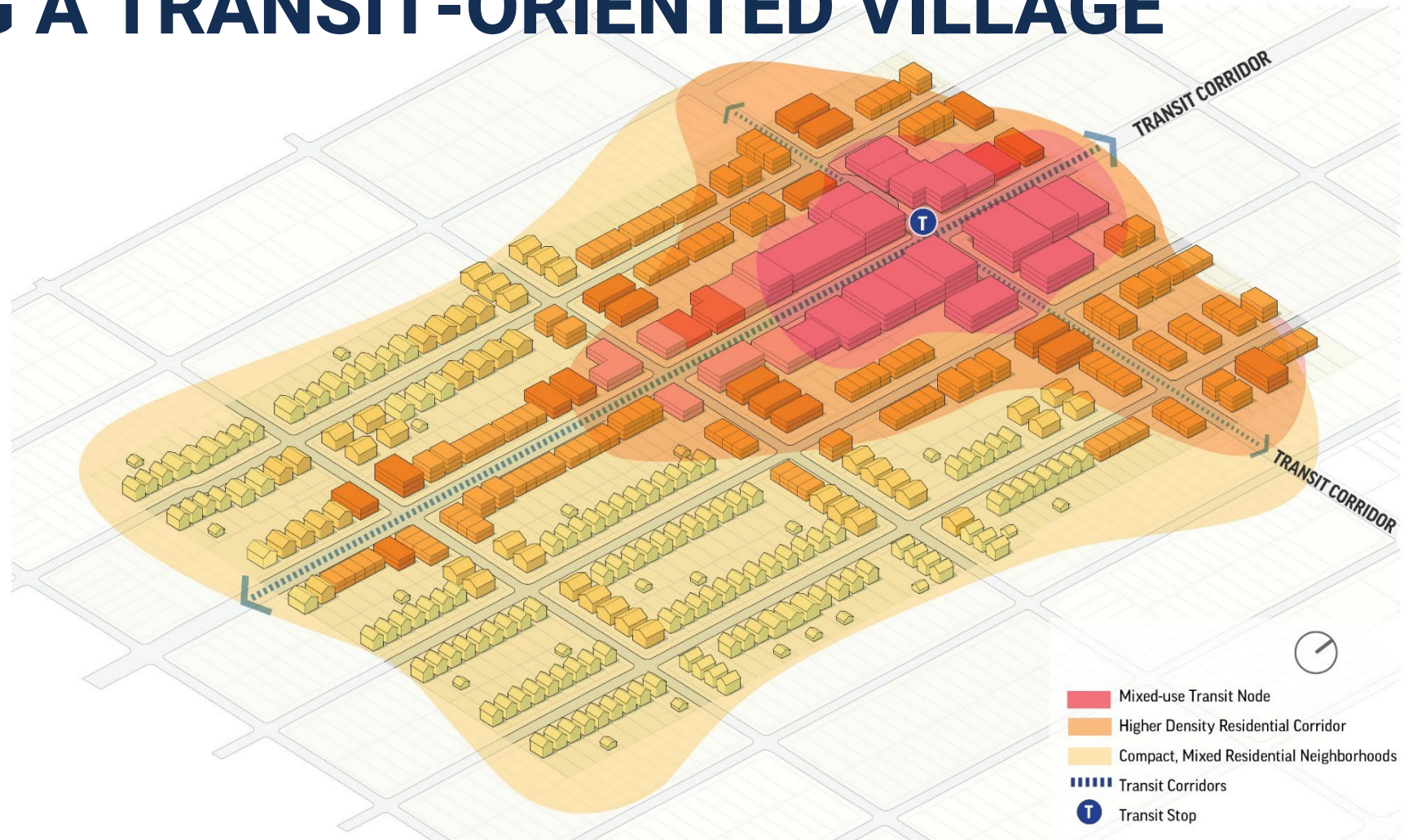
Neighbors & businesses put out tables & shading

Easier to get to work

Easier for our customers to reach us



# CREATING A TRANSIT-ORIENTED VILLAGE



# CREATING A TRANSIT-ORIENTED VILLAGE

## Sufficient Residential Density

- 8 units / acre
- Adding 500-600 units per/node
- 1,000 total units / ¼ mi.

## Non-residential Amenities

- Retail & Services - within ¼ mile
- 40 to 80 spaces for business
- 80 to 320 jobs

## Affordable Rents

- Residential & Commercial



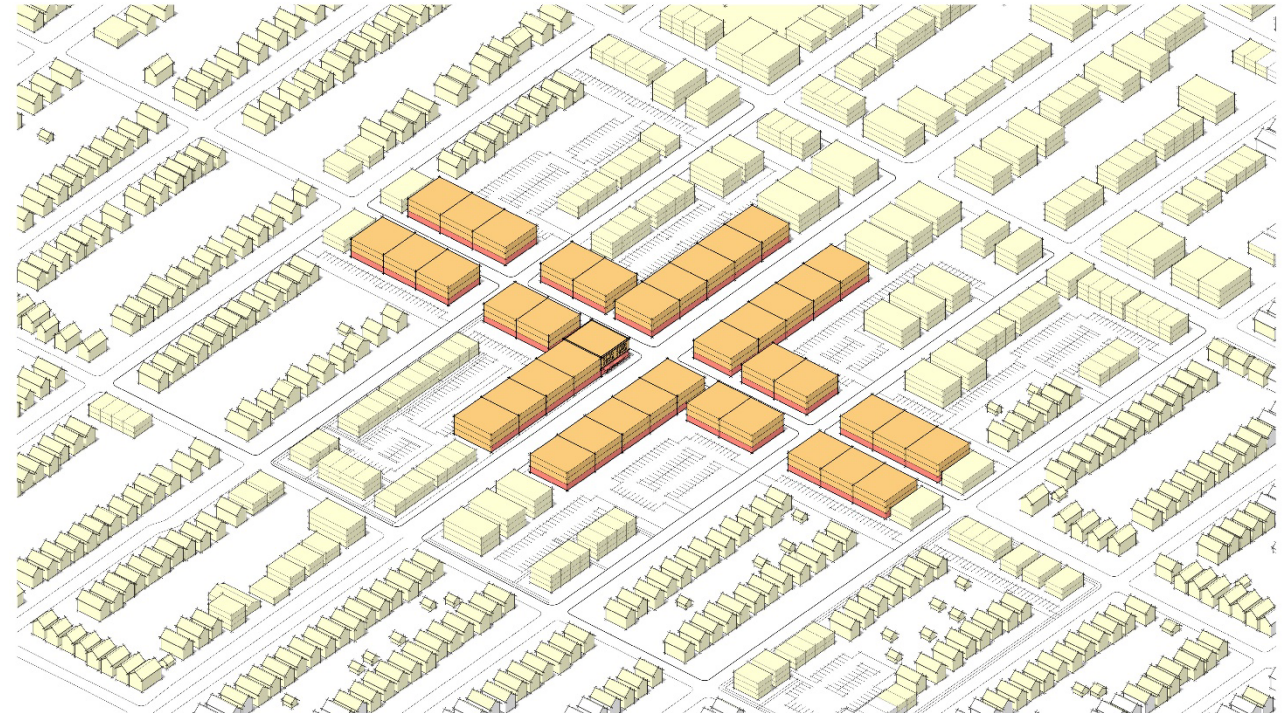
# CREATING A TRANSIT-ORIENTED VILLAGE

## Urban Form

- Development - 1 block each direction, both sides of the street
- Node – 40 Buildings, 3 Stories
- Sidewalks – walkable, support outdoor seating, transit station, and street trees
- Parking – no minimum parking within ¼ mi.

## Building

- 2,400 sq. ft. Each floor
- 2 store fronts – 1,200 sq. ft. per
- 2<sup>nd</sup> & 3<sup>rd</sup> Floor – Residential - 14 units total



# CREATING A TRANSIT-ORIENTED VILLAGE

## Sequencing Non-Residential Portion of Each Transit Village

- Aggregate - construct 10 buildings per each of 4 blocks adjacent to Prospect, with 2 storefronts per building
- Alternative - start by constructing 5 buildings on each of 4 blocks, and add 5 more later
- For our pilot Villages, would aim for 3-5 year buildout, and then then another 3-5 year buildout for the additional 20 buildings.





# CREATING A TRANSIT-ORIENTED VILLAGE

## Sequencing Non-Residential Portion of Each Transit Village

- Corridor - start with 3 catalytic or pilot Transit Villages
- Start 2 more each year with the same 3-5 year buildout and occupancy schedule.
- Corridor buildout is complete in 10-12 years
- Occupancy in ¼ mile is complete in 12-15 years



# CREATING A TRANSIT-ORIENTED VILLAGE

## Cost Reductions

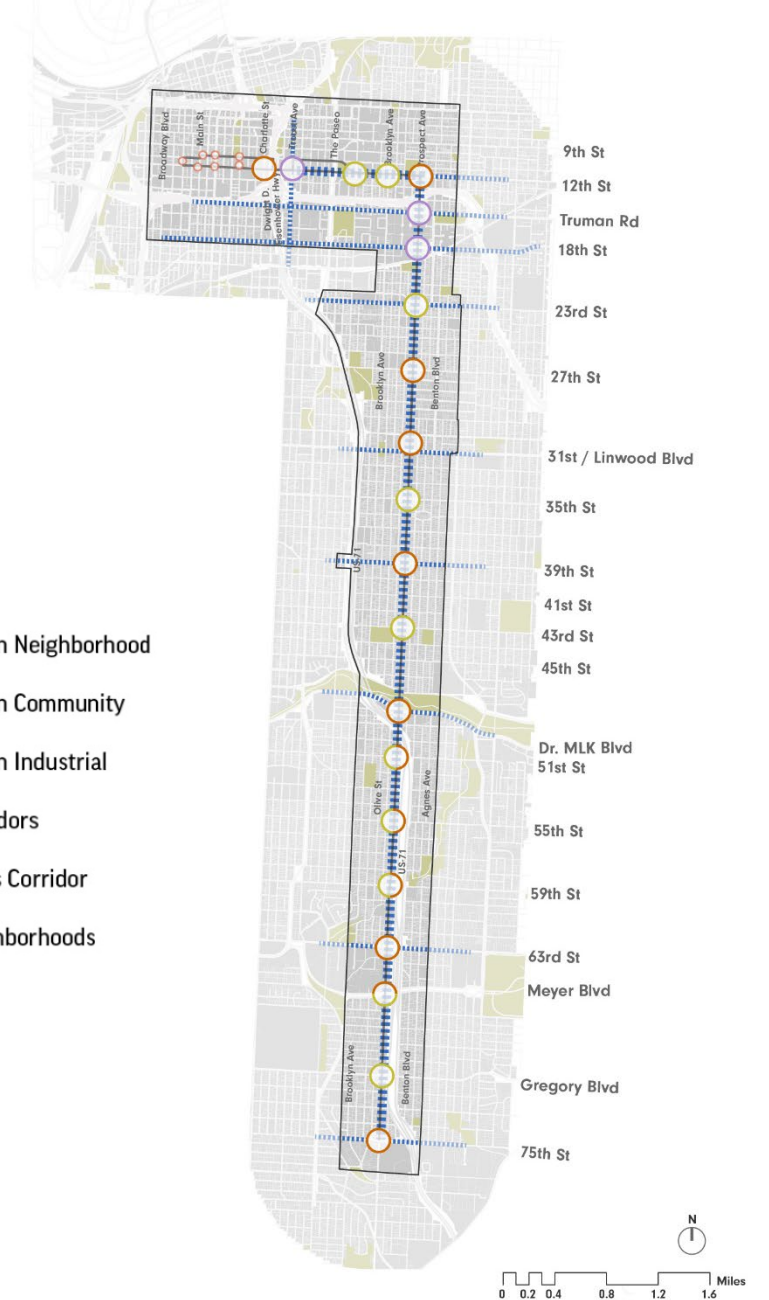
- Donation of Land – land bank & public properties
- Community Land Trust Ownership
- Tax Exemption
- Reduce Utility Costs – lower energy and water use, grant funded
- Financing – bulk financing agreement
- Improved Transit – 1 car household
- Support through SBA funds – working capital and financing
- Reduce business costs – coops or franchises



# CREATING A TRANSIT-ORIENTED VILLAGE

## Actions for Implementation

- Target Priority Development Areas
- Waive Development & Infrastructure Fees
- Dedicate CCED Funds to support development
- Reduce or Remove Parking Requirements
- Target Housing Subsidy from HUD
- Utility & Financing Subsidy
- Impact Financing – Philanthropy
- Transit Subsidy<sup>1</sup> – bulk or employer provided
- Other Public Funding Sources



<sup>1</sup> If fare-based service returns

# CREATING A TRANSIT-ORIENTED VILLAGE

## Successful Small Business Storefront Ecosystem

- Entrepreneurship support
- Capital access
- Credit enhancement
  - Community Development Financial Institutions (CDFI),
  - credit unions or bank commitments through Community Reinvestment Act
- Capitalization – by Foundations, Treasury CDFI Fund, SBA, and EDA
- Location Business Associations - Prospect Avenue Business Association



<sup>1</sup> If fare-based service returns

# CREATING A TRANSIT-ORIENTED VILLAGE

## Successful Small Business Storefront Ecosystem

- Business Improvement District or incremental tax revenue (TIF)
- Active Branding and both Physical and Digital Wayfinding
- Transit Village marketed as a destination not just “bedrooms” for “commuters”



<sup>1</sup> If fare-based service returns

# CREATING A TRANSIT-ORIENTED VILLAGE

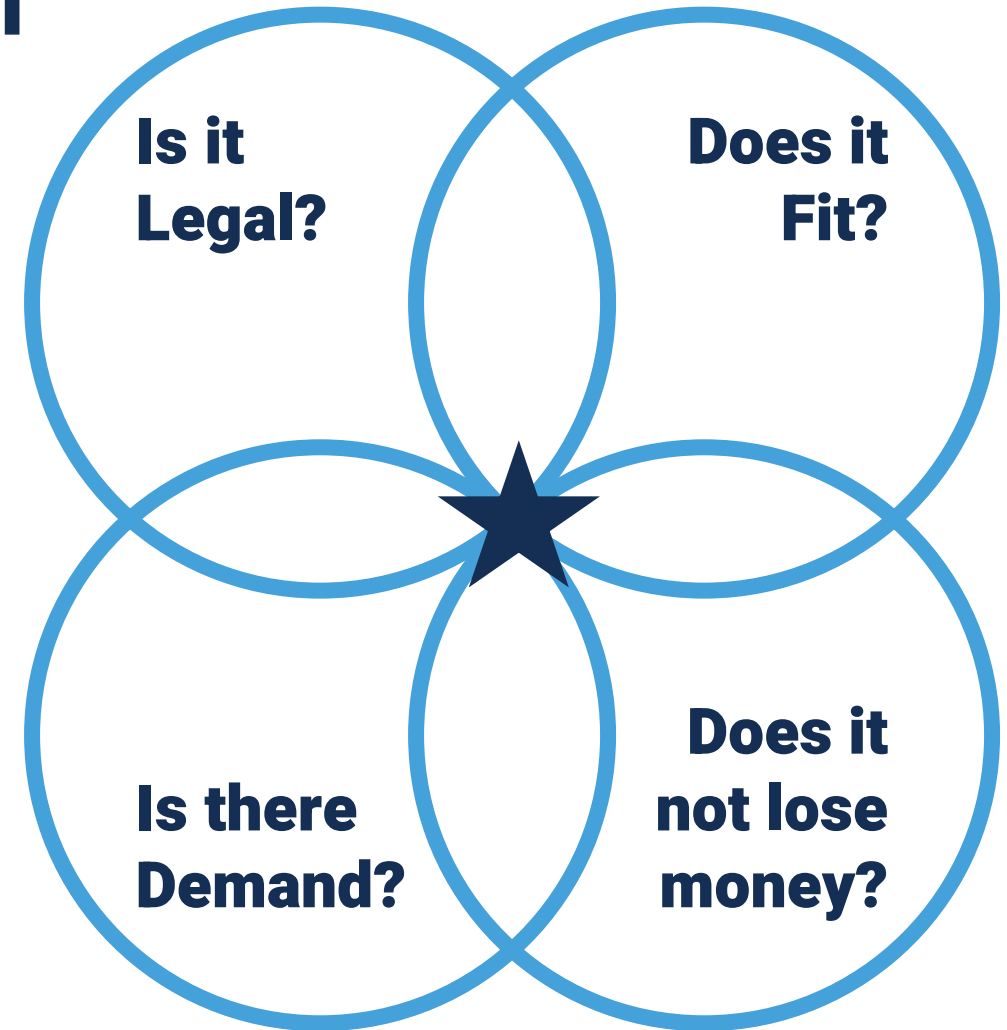
- Refine Proforma and Benefits for Priority Development Areas
  - Create a To Do List with Timeframe
- Establish Timetable – Current Authority vs. Legislative Actions
- Convene Development Partnership – dedicated to rebuilding the Prospect Corridor.



# INCREMENTAL HOUSING DEVELOPMENT

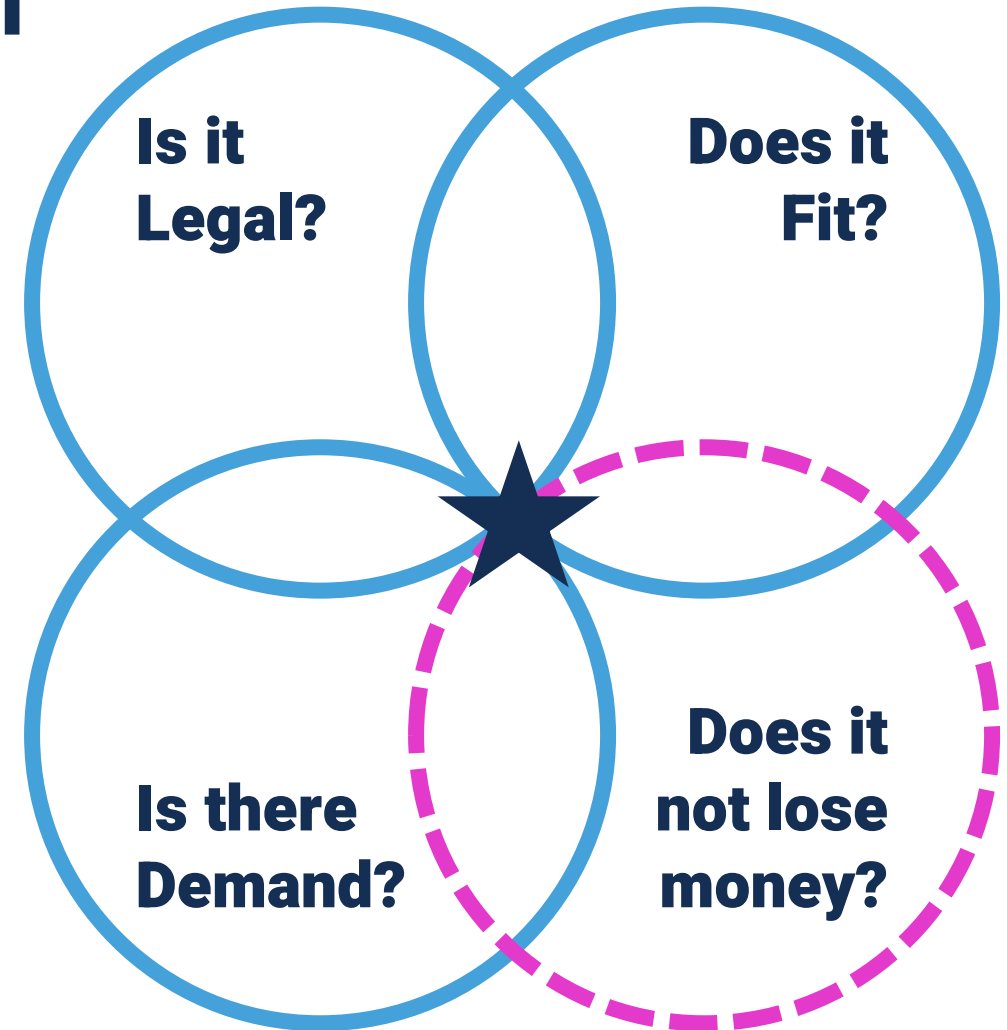


# HOW BUILDINGS GET BUILT





# HOW BUILDINGS GET BUILT



# HOW BUILDINGS GET BUILT

## Project Income > Project Expenses

| PROJECT INCOME  |                           |                   |                               |                 |                       | PROJECT EXPENSES   |     |  |
|---|---------------------------|-------------------|-------------------------------|-----------------|-----------------------|--|-----|--|
| 3.4 Calculate from year-to-date entries                             |                           |                   |                               |                 |                       | 3.0 Acquisition Cost of Land (and building, if there is one)     |     |  |
| 3.5 Type of Each Kind of Unit in Bldg (e.g. Studio, 1BR, 2BR, etc.) | 3.6 Number of those Units | 3.7 Rent per Unit | 3.8 Square Feet (SF) per Unit | 3.9 Rent per SF | 4.0 Total Square Feet | 4.1 Total Rent per Month   | 4.2 |  |
| a, Rent (total & per unit)  |                           |                   |                               |                 |                       | d. Property Acquisition  |     |  |
| 7.4   |                           |                   |                               |                 |                       | e. Hard Costs  |     |  |
| 7.5   |                           |                   |                               |                 |                       | f. Soft Costs  |     |  |
| 7.6   |                           |                   |                               |                 |                       | Total Project Costs  |     |  |
| 7.7   |                           |                   |                               |                 |                       | Total Hard Costs   |     |  |
| 7.8   |                           |                   |                               |                 |                       | Total Soft Costs (Use 25% for exercise of total hard costs)      |     |  |
| 7.9   |                           |                   |                               |                 |                       | Total Project Costs  |     |  |
| 7.9a Common Areas (10% of Gross)                                    |                           |                   |                               |                 |                       | 10.0 Total Soft Costs (Use 25% for exercise of total hard costs) |     |  |
| 8.0 Total Building Square Feet                                      |                           |                   |                               |                 |                       | 10.1 Total Project Costs   |     |  |
| 8.1 Total Monthly Rents   |                           |                   |                               |                 |                       | 10.2   |     |  |
| 8.2 Gross Potential Income (i.e., Total Annual Rents)               |                           |                   |                               |                 |                       | 10.3   |     |  |
| 8.3 Vacancy (Time without tenants during the year)                  |                           |                   |                               |                 |                       | 10.4   |     |  |
| 8.4 Assume 2% for this exercise                                     |                           |                   |                               |                 |                       | 10.5   |     |  |
| 8.5 ADI Gross Projected Income                                      |                           |                   |                               |                 |                       | 10.6   |     |  |
| 8.6 Gross Operating Expenses (GOE) or (Op Ex)                       |                           |                   |                               |                 |                       | 10.7   |     |  |
| 8.7 Assume 25% for this exercise                                    |                           |                   |                               |                 |                       | 10.8   |     |  |
| 8.8 Net Operating Income  |                           |                   |                               |                 |                       | 10.9   |     |  |
| 8.9 ADI GOI - ADI Gross Operating Exp = Net Operating Income (NOI)  |                           |                   |                               |                 |                       | 10.10  |     |  |
| 27 WHAT'S THE RETURN?   |                           |                   |                               |                 |                       | 11.0   |     |  |
| 28 Estimated Return on Project Cost (NOI/Project Cost)              |                           |                   |                               |                 |                       | 11.1   |     |  |
| 29 Cash-on-Cash Return (Net Annual Income divided by equity)        |                           |                   |                               |                 |                       | 11.2   |     |  |
| 30  |                           |                   |                               |                 |                       | 11.3   |     |  |

**b. Total Building SF**

**c. Annual Operating Expenses**

**g. Developer downpayment**

**h. Interest Rate %**

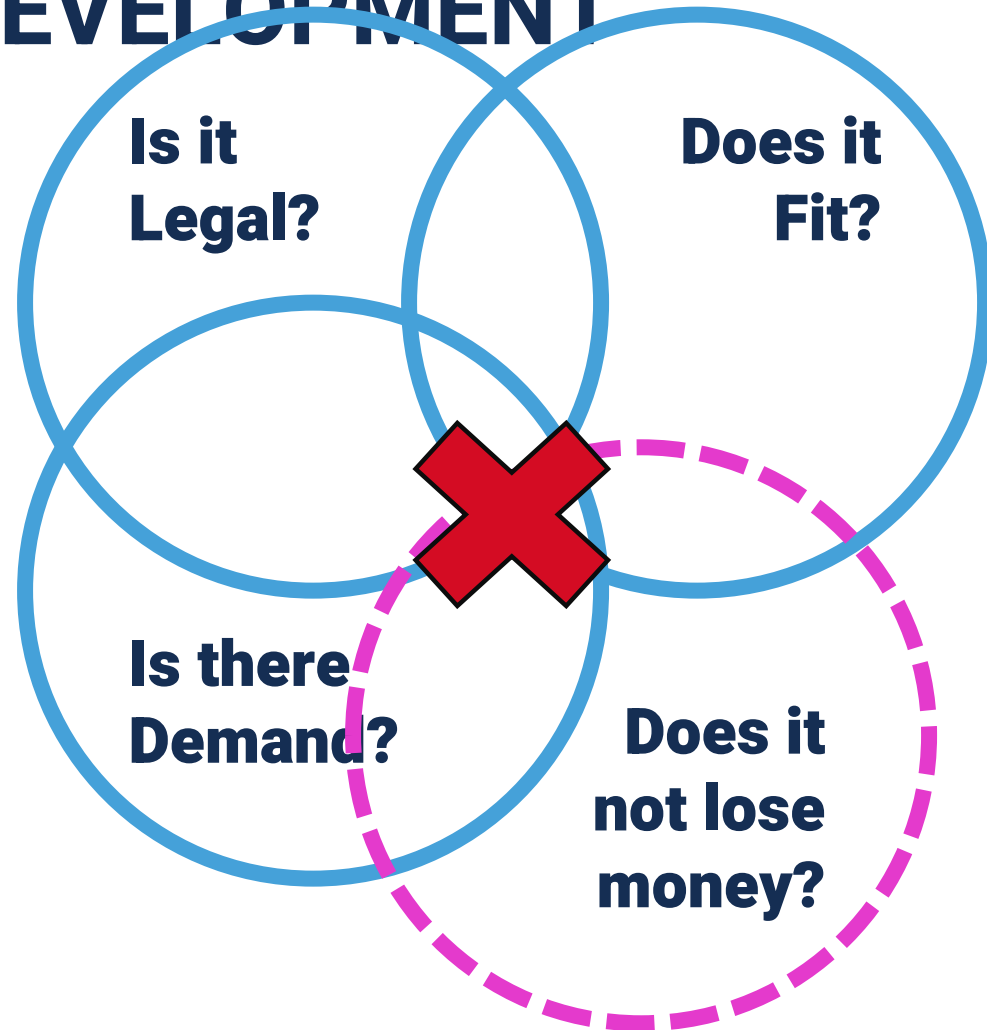
**Return on Investment %**

# INCREMENTAL HOUSING DEVELOPMENT

**Project Income > Project Expenses**

| PROJECT INCOME |   |                       |               |                           | PROJECT EXPENSES   |                  |  |  |  |
|----------------|---|-----------------------|---------------|---------------------------|--|------------------|--|--|--|
| 1.0            | Type of Each Kind of Unit in Bldg (e.g. Studio, 1BR, 2BR, etc.) | Number of these Units | Rent per Unit | Square Feet (SF) per Unit | Acquisition Cost of Land (and building, if there is one) |                  |  |  |  |
| 2.0            |   |                       |               |                           | Hard Costs   | Building Cost/SF |  |  |  |
| 3.0            | <b>a, Rent (total &amp; per unit)</b>                           |                       |               |                           | <b>d. Property Acquisition</b>                           |                  |  |  |  |
| 4.0            |   |                       |               |                           | <b>e. Hard Costs</b>                                     |                  |  |  |  |
| 5.0            |   |                       |               |                           | <b>f. Soft Costs</b>                                     |                  |  |  |  |
| 6.0            |   |                       |               |                           | <b>g. Developer downpayment</b>                          |                  |  |  |  |
| 7.0            |   |                       |               |                           | <b>h. Interest Rate %</b>                                |                  |  |  |  |
| 8.0            | Common Areas (10% of Gross)                                     |                       |               |                           |  |                  |  |  |  |
| 9.0            | Total Building Square Feet                                      |                       |               |                           |  |                  |  |  |  |
| 10.0           | Total Monthly Rent  |                       |               |                           |  |                  |  |  |  |
| 11.0           | <b>b. Total Building SF</b>                                     |                       |               |                           |  |                  |  |  |  |
| 12.0           | Gross Potential Income (i.e. Total Annual Rents)                |                       |               |                           |  |                  |  |  |  |
| 13.0           | Vacancy (Time without benefits during the year)                 |                       |               |                           |  |                  |  |  |  |
| 14.0           | Assume 2% for this exercise                                     |                       |               |                           |  |                  |  |  |  |
| 15.0           | ADJ Gross Projected Income                                      |                       |               |                           |  |                  |  |  |  |
| 16.0           | Gross Operating Expenses (GOp or 70% of GI)                     |                       |               |                           |  |                  |  |  |  |
| 17.0           | Assume 15% for this exercise                                    |                       |               |                           |  |                  |  |  |  |
| 18.0           | ADJ Gross Operating Expenses                                    |                       |               |                           |  |                  |  |  |  |
| 19.0           | ADJ Gross Operating Exp = Net Operating Income (NOI)            |                       |               |                           |  |                  |  |  |  |
| 20.0           |   |                       |               |                           |  |                  |  |  |  |
| 21.0           |   |                       |               |                           |  |                  |  |  |  |
| 22.0           |   |                       |               |                           |  |                  |  |  |  |
| 23.0           |   |                       |               |                           |  |                  |  |  |  |
| 24.0           |   |                       |               |                           |  |                  |  |  |  |
| 25.0           |   |                       |               |                           |  |                  |  |  |  |
| 26.0           |   |                       |               |                           |  |                  |  |  |  |
| 27.0           |   |                       |               |                           |  |                  |  |  |  |
| 28.0           |   |                       |               |                           |  |                  |  |  |  |
| 29.0           |   |                       |               |                           |  |                  |  |  |  |
| 30.0           |   |                       |               |                           |  |                  |  |  |  |
| 31.0           |   |                       |               |                           |  |                  |  |  |  |
| 32.0           |   |                       |               |                           |  |                  |  |  |  |
| 33.0           |   |                       |               |                           |  |                  |  |  |  |
| 34.0           |   |                       |               |                           |  |                  |  |  |  |
| 35.0           |   |                       |               |                           |  |                  |  |  |  |
| 36.0           |   |                       |               |                           |  |                  |  |  |  |
| 37.0           |   |                       |               |                           |  |                  |  |  |  |
| 38.0           |   |                       |               |                           |  |                  |  |  |  |
| 39.0           |   |                       |               |                           |  |                  |  |  |  |
| 40.0           |   |                       |               |                           |  |                  |  |  |  |
| 41.0           |   |                       |               |                           |  |                  |  |  |  |
| 42.0           |   |                       |               |                           |  |                  |  |  |  |
| 43.0           |   |                       |               |                           |  |                  |  |  |  |
| 44.0           |   |                       |               |                           |  |                  |  |  |  |
| 45.0           |   |                       |               |                           |  |                  |  |  |  |
| 46.0           |   |                       |               |                           |  |                  |  |  |  |
| 47.0           |   |                       |               |                           |  |                  |  |  |  |
| 48.0           |   |                       |               |                           |  |                  |  |  |  |
| 49.0           |   |                       |               |                           |  |                  |  |  |  |
| 50.0           |   |                       |               |                           |  |                  |  |  |  |
| 51.0           |   |                       |               |                           |  |                  |  |  |  |
| 52.0           |   |                       |               |                           |  |                  |  |  |  |
| 53.0           |   |                       |               |                           |  |                  |  |  |  |
| 54.0           |   |                       |               |                           |  |                  |  |  |  |
| 55.0           |   |                       |               |                           |  |                  |  |  |  |
| 56.0           |   |                       |               |                           |  |                  |  |  |  |
| 57.0           |   |                       |               |                           |  |                  |  |  |  |
| 58.0           |   |                       |               |                           |  |                  |  |  |  |
| 59.0           |   |                       |               |                           |  |                  |  |  |  |
| 60.0           |   |                       |               |                           |  |                  |  |  |  |
| 61.0           |   |                       |               |                           |  |                  |  |  |  |
| 62.0           |   |                       |               |                           |  |                  |  |  |  |
| 63.0           |   |                       |               |                           |  |                  |  |  |  |
| 64.0           |   |                       |               |                           |  |                  |  |  |  |
| 65.0           |   |                       |               |                           |  |                  |  |  |  |
| 66.0           |   |                       |               |                           |  |                  |  |  |  |
| 67.0           |   |                       |               |                           |  |                  |  |  |  |
| 68.0           |   |                       |               |                           |  |                  |  |  |  |
| 69.0           |   |                       |               |                           |  |                  |  |  |  |
| 70.0           |   |                       |               |                           |  |                  |  |  |  |
| 71.0           |   |                       |               |                           |  |                  |  |  |  |
| 72.0           |   |                       |               |                           |  |                  |  |  |  |
| 73.0           |   |                       |               |                           |  |                  |  |  |  |
| 74.0           |   |                       |               |                           |  |                  |  |  |  |
| 75.0           |   |                       |               |                           |  |                  |  |  |  |
| 76.0           |   |                       |               |                           |  |                  |  |  |  |
| 77.0           |   |                       |               |                           |  |                  |  |  |  |
| 78.0           |   |                       |               |                           |  |                  |  |  |  |
| 79.0           |   |                       |               |                           |  |                  |  |  |  |
| 80.0           |   |                       |               |                           |  |                  |  |  |  |
| 81.0           |   |                       |               |                           |  |                  |  |  |  |
| 82.0           |   |                       |               |                           |  |                  |  |  |  |
| 83.0           |   |                       |               |                           |  |                  |  |  |  |
| 84.0           |   |                       |               |                           |  |                  |  |  |  |
| 85.0           |   |                       |               |                           |  |                  |  |  |  |
| 86.0           |   |                       |               |                           |  |                  |  |  |  |
| 87.0           |   |                       |               |                           |  |                  |  |  |  |
| 88.0           |   |                       |               |                           |  |                  |  |  |  |
| 89.0           |   |                       |               |                           |  |                  |  |  |  |
| 90.0           |   |                       |               |                           |  |                  |  |  |  |
| 91.0           |   |                       |               |                           |  |                  |  |  |  |
| 92.0           |   |                       |               |                           |  |                  |  |  |  |
| 93.0           |   |                       |               |                           |  |                  |  |  |  |
| 94.0           |   |                       |               |                           |  |                  |  |  |  |
| 95.0           |   |                       |               |                           |  |                  |  |  |  |
| 96.0           |   |                       |               |                           |  |                  |  |  |  |
| 97.0           |   |                       |               |                           |  |                  |  |  |  |
| 98.0           |   |                       |               |                           |  |                  |  |  |  |
| 99.0           |   |                       |               |                           |  |                  |  |  |  |
| 100.0          |   |                       |               |                           |  |                  |  |  |  |

**Return on Investment %**



# WAYS TO INCREASE INCOME

## a. & b.

- Permitted Uses
- Onsite Parking
- Min lot size
- Setbacks
- FAR
- DUA
- Dimensional Standards
- Owner occupancy requirements
- Local adoption of State Building Code

## c.

- Code enforcement
- Tax abatements
- Other local regs
- Land trusts

## Project Income > Project Expenses

| PROJECT INCOME |  |                       |               |                           | PROJECT EXPENSES |                   |                      |   |   |  |
|----------------|--|-----------------------|---------------|---------------------------|------------------|-------------------|----------------------|---|---|--|
| 1.0            | Type of Each Kind of Unit in Bldg (e.g. Studio, 1BR, 2BR, etc) | Number of these Units | Rent per Unit | Square Feet (SF) per Unit | Rent per SF      | Total Square Feet | Total Rent per Month | 2.1   | Acquisition Cost of Land (and building, if there is one)                        |  |
| 1.1            |  |                       |               |                           |                  |                   |                      | 2.2   | Hard Costs (Building Cost/SF)   |  |
| 1.2            |  |                       |               |                           |                  |                   |                      | 2.3   | Total Hard Costs  |  |
| 1.3            |  |                       |               |                           |                  |                   |                      | 2.4   | Soft Costs (Commission of 12%)  |  |
| 1.4            |  |                       |               |                           |                  |                   |                      | 2.5   | Total Soft Costs (Use 25% for exercise of total hard costs)                     |  |
| 1.5            |  |                       |               |                           |                  |                   |                      | 2.6   | Total Project Costs   |  |
| 1.6            | Common Areas (30% of Gross)                                    |                       |               |                           |                  |                   |                      | COST OF MONEY (financing)   |   |  |
| 1.7            | Total Building Square Feet                                     |                       |               |                           |                  |                   |                      | 3.1   | Equity (your cash down payment - 30%)   |  |
| 1.8            | Total Monthly Rent   |                       |               |                           |                  |                   |                      | 3.2   | Amount Loaned   |  |
| 1.9            | Gross Potential Income (i.e., Total Annual Rents)              |                       |               |                           |                  |                   |                      | 3.3   | Monthly Debt Service** (Use 3% interest for a 30 yr mortgage for this exercise) |  |
| 1.10           | Vacancy (Time without tenants during the year)                 |                       |               |                           |                  |                   |                      | 3.4   | Annual Debt Service (multiply monthly by 12)                                    |  |
| 1.11           | Assume 3% for this exercise                                    |                       |               |                           |                  |                   |                      | 3.5   | Debt Service Coefficient (Ratio)  |  |
| 1.12           | ADJ Gross Projected Income                                     |                       |               |                           |                  |                   |                      | 3.6   | This is the amount of incoming cash vs. cost of debt service                    |  |
| 1.13           | Gross Operating Expenses (GOE or "Op Ex")                      |                       |               |                           |                  |                   |                      | 3.7   | Cost 1.25 or higher   |  |
| 1.14           | Assume 25% for this exercise                                   |                       |               |                           |                  |                   |                      | **Use a Web Loan Calculator <a href="https://tinyurl.com/EqLoanCalculator">https://tinyurl.com/EqLoanCalculator</a> |   |  |
| 1.15           | ADJ Gross Operating Expenses                                   |                       |               |                           |                  |                   |                      | 27. WOULD THE RETURN?   |   |  |
| 1.16           | ADJ GPI - ADJ Gross Operating Exp = Net Operating Income (NOI) |                       |               |                           |                  |                   |                      | 28  | Estimated Return on Project Cost (NOI/Project Cost) (line 26/13.6)              |  |
| 1.17           |  |                       |               |                           |                  |                   |                      | 29  | Estimated Return on Equity (NOI/Equity) (line 26/11.6)                          |  |
| 1.18           |  |                       |               |                           |                  |                   |                      | 30  | Cash-on-Cash Return (Net Annual Income divided by equity) (line 26/15.6)        |  |
| 1.19           |  |                       |               |                           |                  |                   |                      | (This is the return on your equity compare it to the return on other uses of that money)                            |   |  |

**Return on Investment %**

# WAYS TO DECREASE COSTS

**Project Income > Project Expenses**

The spreadsheet shows the following sections and annotations:

- PROJECT INCOME:**
  - a, Rent (total & per unit)
  - b. Total Building SF
  - c. Annual Operating Expenses
- PROJECT EXPENSES:**
  - d. Property Acquisition
  - e. Hard Costs
  - f. Soft Costs
  - g. Developer downpayment
  - h. Interest Rate %
- WHAT'S THE RETURN?**
  - Return on Investment %

- d.
  - Publicly controlled properties (e.g. land bank)
- e.
  - Site improvement policies
  - Greenspace & -stormwater regs
  - Decision making predictability and time, esp. “by right” -among others
- f.
  - Fees and time to approvals (Soft costs are % of Hard Costs)
- g.
  - Community capital
  - Public \$ sources allowed to be used as equity
- h.
  - Lower interest rate loans – grants
- i.
  - Understanding risk, and controlling timing, speed, and reliability of public decision making

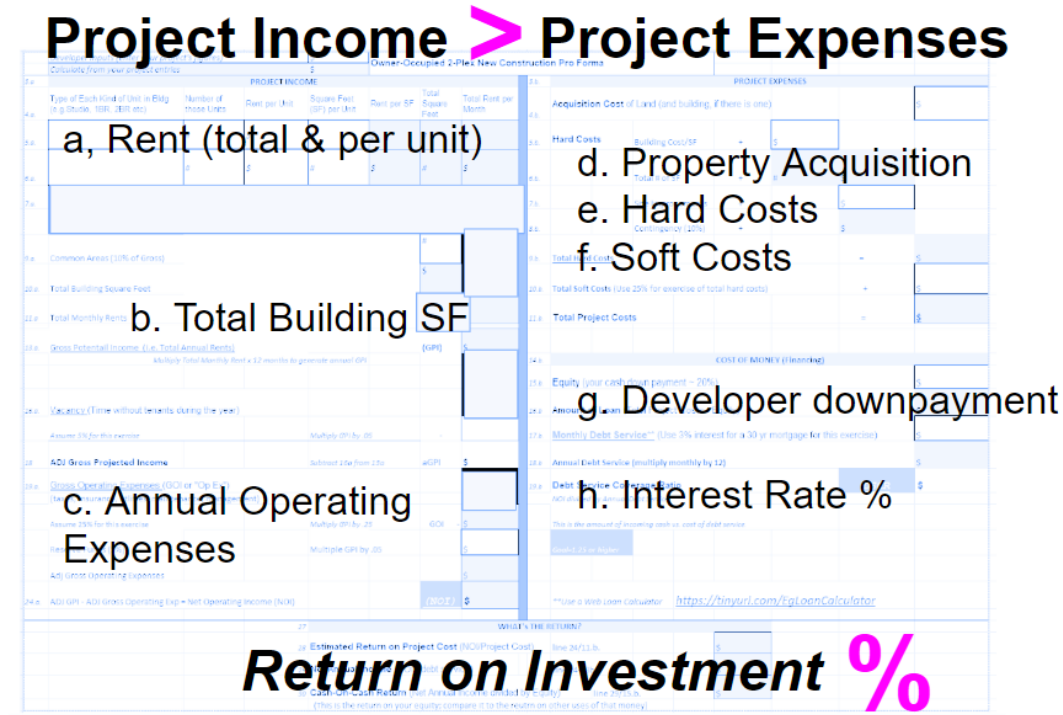
# WAYS TO DECREASE COSTS

## a. & b.

- Permitted Uses
- Onsite Parking
- Min lot size
- Setbacks
- FAR
- DUA
- Dimensional Standards
- Owner occupancy requirements
- Local adoption of State Building Code

## c.

- Code enforcement
- Tax abatements
- Other local regs
- Land trusts



- d. ■ Publicly controlled properties (e.g. land bank)
- e. ■ Site improvement policies
- Greenspace & -stormwater regs
- Decision making predictability and time, esp. "by right"
- among others
- f. ■ Fees and time to approvals (Soft costs are % of Hard Costs)
- g. ■ Community capital
- Public \$ sources allowed to be used as equity
- h. ■ Lower interest rate loans – grants
- i. ■ Understanding risk, and controlling timing, speed, and reliability of public decision making

# WHAT WORKS? For what types of tenants?



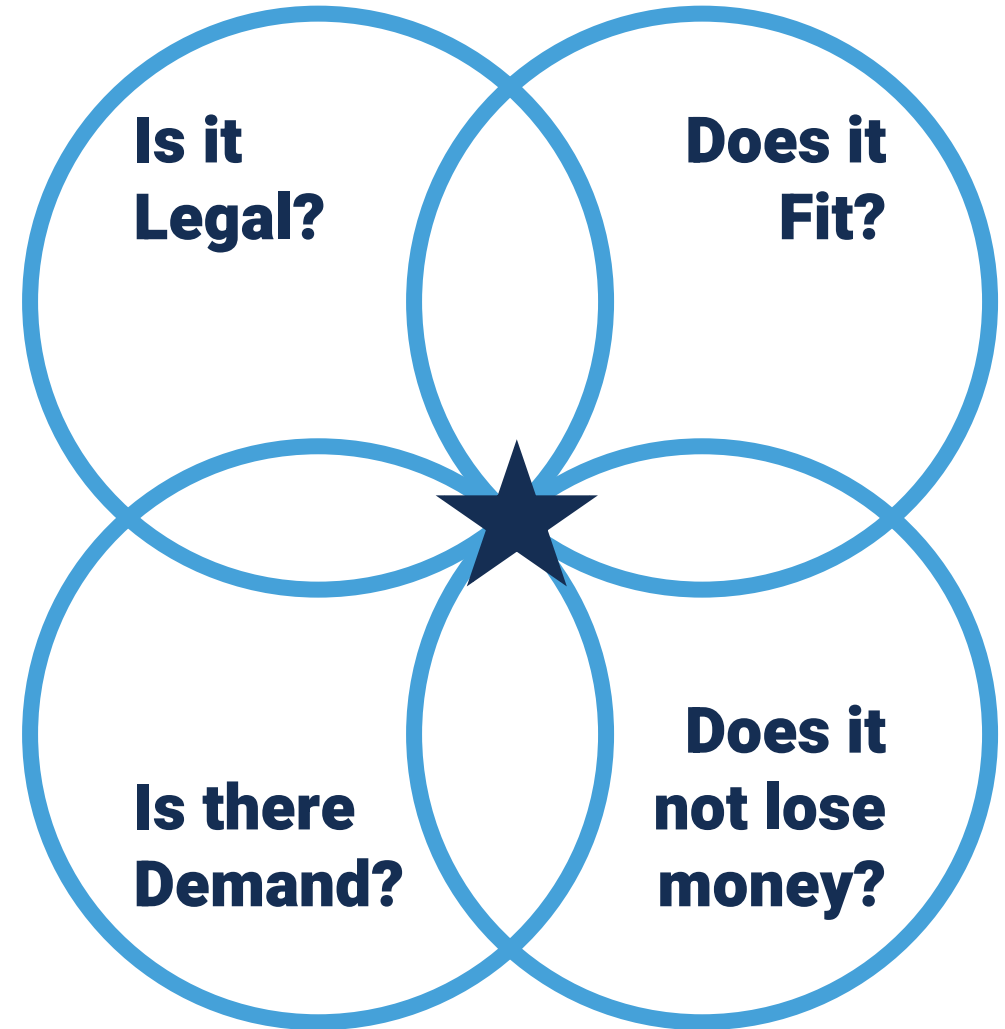
**Rehabs**



**Cottages**



**Townhouses**



# KEY FINDINGS

A Different Mix is Needed for Each Building Type





# RECOMMENDATIONS

## Developers:

- Need more neighborhood-focused incremental developers in the corridor
- Smaller, well-designed units
- Quality and cost-effective rehabs
- Acceptance of vouchers

## Public Sector:

Invite who's needed to start doing this in an integrated, interdisciplinary, iterative way to get the next building built and continuously identify and remove barriers for the next one, and the one after that...

# FUNDING & FINANCING RESOURCES



# RESOURCES

Local, State, & Federal

Focus Areas

- Be Strategic
- Use and Leverage Resources
- Housing
- Goods & Services
- Local - Empowerment & Ownership



# RECOMMENDATIONS

- Create Capacity
- Target & Expand Existing Resources
- Create Access to New or Underutilized Resources
- Encourage the Development of Housing
- Target Support for Small, Local Businesses



# IMPLEMENTATION

## 1. Create Capacity

- Anti-displacement Policy
- Public Sector – pursuing and distributing funding
- Community – improve knowledge of and access to resources
- Assistance – address challenges that limit development and lead to displacement



# IMPLEMENTATION

## 2. Target & Expand Existing Resources

- Housing Choice Vouchers
- Low-Income Housing Tax Credits
- Housing Trust Fund and Central City Economic Development Sales Tax District
- Tax Abatement - East Side Urban Renewal District
- Community Land Trust
- Tax Increment Financing – value capture
- CIP & PIAC Funding



# IMPLEMENTATION

## 3. Create Access to New or Underutilized Resources

- Prioritize Competing for Federal TOD Funds
- Tax Abatement – East Side Urban Renewal; Tax Abatement for Seniors (MO)
- Philanthropic, Banks, Private Equity – private funds that can leverage additional public funding
- Exactions or Linkage Fees – a fund supported by development for small –business or affordable housing
- Value Capture – secure new tax revenues to support continued development and investment



# RESOURCES

## Federal Funding Matrix

| SOURCES OF PUBLIC CAPITAL  | TARGET IMPLEMENTATION ACTIVITIES |                    |                |                    |          |
|--|----------------------------------|--------------------|----------------|--------------------|----------|
|  | HOUSING                          | AFFORDABLE HOUSING | SMALL BUSINESS | PUBLIC INVESTMENTS | TRANSIT  |
| <b>TOD Specific</b>  |                                  |                    |                |                    |          |
| FTA's Joint Development Program  | <b>X</b>                         |                    | <b>X</b>       |                    |          |
| USDOT's Build America Bureau - TIFIA program                             |                                  |                    |                | <b>X</b>           | <b>X</b> |
| FTA/FHWA's - Metropolitan Planning                                       |                                  |                    |                |                    |          |
| Flexible Funding Provisions - formerly FAST Act and Prior Authorizations |                                  |                    | <b>X</b>       | <b>X</b>           | <b>X</b> |
| FTA - Transit-owned Property for Affordable Housing                      |                                  | <b>X</b>           |                |                    |          |
| USDOT Reconnecting Communities Grants                                    | <b>X</b>                         | <b>X</b>           | <b>X</b>       | <b>X</b>           | <b>X</b> |
| USDOT Neighborhood Equity and Access Grants                              |                                  |                    |                | <b>X</b>           | <b>X</b> |
| USDOT RAISE Grants   | <b>X</b>                         | <b>X</b>           | <b>X</b>       | <b>X</b>           | <b>X</b> |
| FTA Areas of Persistent Poverty Program                                  |                                  |                    |                | <b>X</b>           | <b>X</b> |
| FTA Mobility on Demand Sandbox Demonstration                             |                                  |                    |                |                    | <b>X</b> |



# IMPLEMENTATION

## 4. Encourage the Development of Housing

- Create Mixed Income Community
  - Target 1/3 Affordable, 1/3 Attainable, & 1/3 Market Rate
- Prioritize Rehabilitation of Existing Housing Stock
- Prioritize Small-scale, Incremental Development
- Leverage all Sources of Funding to Close the Development “Gap”
- Build the Market



# IMPLEMENTATION

## 5. Target Support for Small, Local Businesses

- Attract Small-scale, Local Business to the Corridor
- Work with the EDC to create a retention, attraction and expansion strategy for businesses in the corridor
- Create Job Training Opportunities for Residents



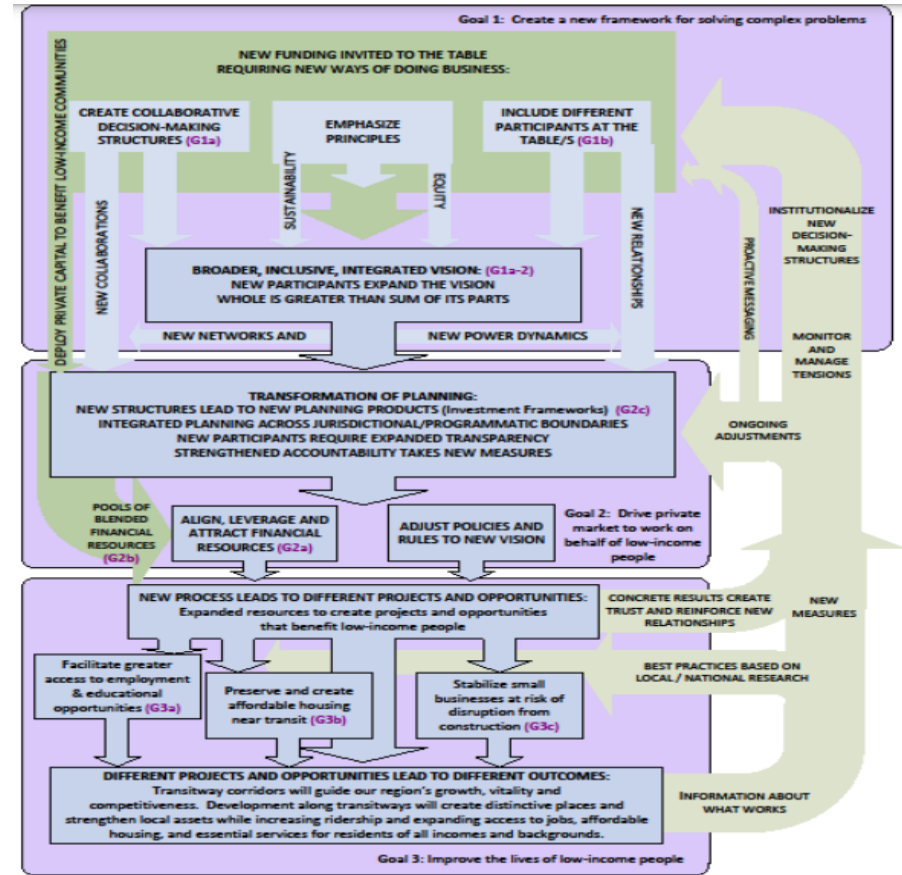
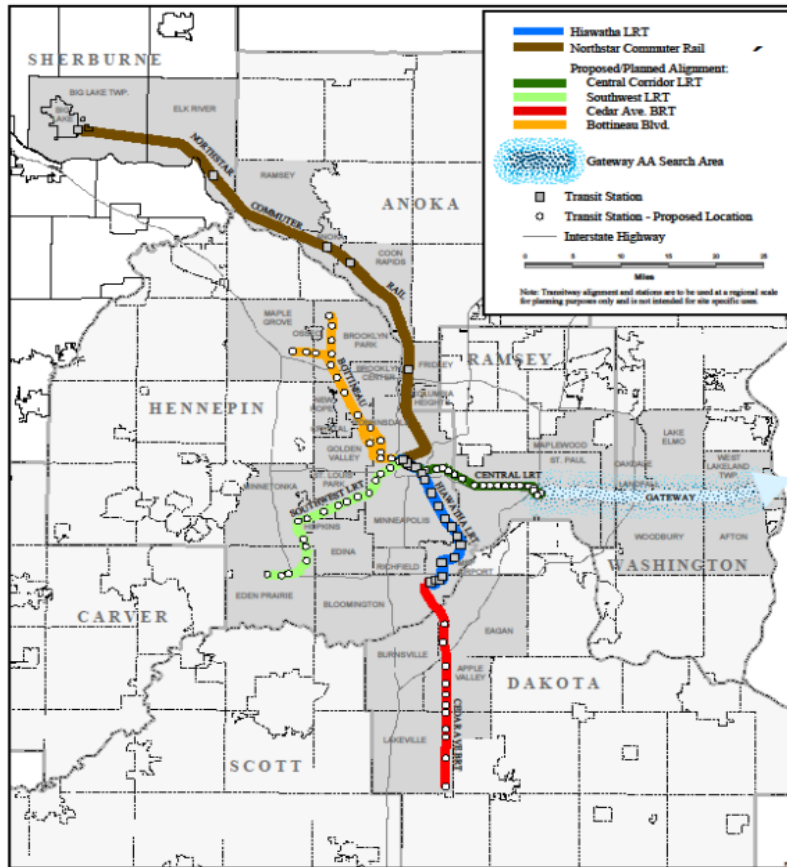
# Twin Cities Central Avenue Funders Collaborative

## Investing Beyond the Rail + Partners Working Together for Opportunity



# Twin Cities Corridors of Opportunity Initiative:

One Table, Leverage Private Commitments, Improve the Lives of Low-Income People



“One Table” = A common organization to align, coordinate, and get mutual accountability from community, private sector, foundation and local/regional/state public leaders and organizations

# COMMITTED PARTNERS – 10 YEARS

- Annie E. Casey Foundation
- Bush Foundation
- Ford Foundation
- F. R. Bigelow Foundation
- Jay and Rose Phillips Family Foundation of Minnesota
- John S. & James L. Knight Foundation
- Living Cities, Inc.
- McKnight Foundation
- The Minneapolis Foundation
- Northwest Area Foundation
- Otto Bremer Foundation
- The Saint Paul Foundation
- Surdna Foundation
- Travelers Foundation

## Corridors of Opportunity Initiative Partners

- All Collaborative Partners
- Citywide revolving funds and Community Development Financial Institutions
- Metropolitan Council (area equivalent of MARC)
- State of MN's departments of transportation, housing, commerce and treasurer
- Local elected officials
- Community-based developers
- Multi-issue coalitions who signed on to the Initiative

# DEVELOPMENT WITHOUT DISPLACEMENT



# CAUSES OF DISPLACEMENT

Increased rents & utility expenses

Regulatory actions – high building expenses

Increased building value - rapid increase in property taxes

Loss of income

Eviction



# DISPLACEMENT PREVENTION

Create an early warning system to track changes

Counseling Services - how to lower costs, obtain financial assistance

Targeted Assistance Programs – utility & financial

Rent to ownership – community land trust to facilitate





# DISCUSSION



# NEXT STEPS



# UPCOMING MEETINGS

## Neighborhoods & Housing

- Thursday, August 24 at 6:00-8:00PM | Southeast Community Center

## Public Space Improvements

- Tuesday, August 29 at 6:00-8:00PM | Mohart Center

## Neighborhoods & Housing

- Tuesday, September 12th at 6:00-8:00PM | Gregg-Klice Community Center

## Final Community Meeting

- Tuesday, September 19th at 6:00-8:00PM | Mohart Center



# STAFF CONTACTS

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# PROJECT WEBSITE

[www.prospectUSKC.com](http://www.prospectUSKC.com)



**RideKC**  
Kansas City Area  
Transportation Authority



*creating equitable neighborhood development strengthened by walkable access to public transit*

## Funding & Financing Work Session

Round #3 | Work Session #3

August 22, 2023



**RideKC**  
Kansas City Area  
Transportation Authority

