

**U.S. Department of Housing and Urban Development
Community Planning and Development
Pathways to Removing Obstacles to Housing (PRO Housing)**

FR-6800-N-98

Proposal for the City of Kansas City

PUBLIC REVIEW DRAFT 9/27/2024

Table of Contents

EXHIBIT A Executive Summary.....3

EXHIBIT B Threshold Requirements and Other Submission Requirements.....6

EXHIBIT C Need.....6

EXHIBIT D Soundness of Approach.....13

EXHIBIT E Capacity.....26

EXHIBIT F Leverage.....28

EXHIBIT G Long-Term Effect.....29

ATTACHMENT A34

ATTACHMENT B34

ATTACHMENT C34

ATTACHMENT D36

ATTACHMENT E36

DRAFT

- **Exhibit A: Executive Summary**

Like most major urban metropolitan Cities in the United States, Kansas City faces a myriad of significant barriers to encouraging and supporting the development of affordable housing units. Despite a tangible availability of Kansas City Land Bank properties which can be renovated and sold as affordable units, the City faces prominent barriers to such development such as environmental investigation and remediation, a complex permitting process, voucher allocation, legal support for title clearance, and funding for individual property assessment and plan development. Among these barriers, the most prominent for the City of Kansas City are a severe need for environmental assessment and remediation, as well as legal support. To address these barriers and enhance the availability of affordable housing throughout disadvantaged areas of the community, Kansas City seeks to acquire and strategically allocate the use of a \$7,000,000 HUD PRO Housing Grant. Upon receipt of an award, the City is prepared to quantitatively show an increase in the availability of affordable housing units by 750 units, subsequently achieving alignment with HUD's Community Development Block Grant (CDBG) National Objectives.

Description of Barriers to Be Addressed

1. Environmental Remediation – The City of Kansas City's Land Bank owns approximately three thousand properties which hold the potential to be refurbished and reused as affordable housing. However, many of these properties require either environmental assessment or cleanup in order to attract developers. Currently, developers must invest heavily to facilitate property readiness to support reuse as affordable housing units. Moreover, contaminated properties require extensive cleanup before they can be redeveloped.
2. Permitting – Despite recent improvements, the City's permitting process can become complicated and lengthy, ultimately delaying or preventing housing projects. As designed, funding would be utilized to reduce the length of time it takes for projects to be approved, remove zoning restrictions which hinder development, provide funding toward expedited environmental assessment and remediation, and provide increased legal support to enhance regulatory efficiency.
3. Housing Vouchers – Access to housing vouchers is currently complicated due to a lack of affordable units, inconsistent landlord participation, administrative challenges, and a resulting lengthy wait list.
4. Legal Support: There is a definitive need for additional legal assistance to be provided to ease the administrative process in connection with supporting the ultimate clearance of title for new affordable units.
5. Property Assessment and Plan Development: The cost of comprehensive property planning (environmental, survey, inspection) hinders the availability of properties and the development of new housing units, as these costs discourage developers from moving forward.
6. Advertising and Community Outreach – Despite the suite of programs, incentives, and enforcements offered by Kansas City, and the City's efforts to connect with residents directly, outreach can often fall short in making residents aware of the opportunities available to them. Due to a modern landscape saturated with distractions and engagement with products and services, governmental programs can often go overlooked in the hustle-and-bustle of daily life, even those connected to matters as critical as housing and Civil Rights.

7. Incentives to Housing Providers – Despite the key community asset that affordable housing represents, many landlords are relatively small business operations meant to provide upward mobility to individuals and families already enjoying a middle class lifestyle. While many landlords hold no ill will towards those in need of affordable housing opportunities, they may nonetheless be unwilling to potentially lose revenue by offering more flexible tenant selection plans.

Initiative Overview

The proposed project seeks to directly address the barriers identified, with a core focus upon providing new levers to effectuate environmental investigation and remediation, as well as streamlining the administrative process surrounding the development of affordable units. Specifically, funds will be used to improve the speed of property permitting, voucher acquisition and overall legal support. Grant funds will be used in a variety of ways to achieve the project goals, including:

1. Direct funding for Kansas City Land Bank Property Environmental Investigation and Remediation: \$3,000,000
2. Creation of a Revolving Loan Fund for Environmental Remediation: \$1,000,000
3. Supporting Process Improvements and Property Assessment and Development: \$3,000,000

Subgrant Program for Environmental Remediation

Kansas City will allocate \$3,000,000 to fund environmental investigation and remediation at 750 properties owned by the Kansas City Land Bank, including \$1,500,000 set aside for Phase 1, and \$1,500,000 for Phase 2 remediation actions. This program will provide direct financial support to evaluate and clean-up properties in order to encourage their acquisition and redevelopment as affordable units by private developers and nonprofit organizations. The objective of this funding is to enable the immediate availability of properties which can be used for affordable housing development, ensuring that they meet health and safety standards. By mitigating environmental hazards, this program will unlock the potential of otherwise unusable properties, facilitating the creation of new affordable housing units.

Revolving Loan Fund for Environmental Remediation

The City will allocate \$1,000,000 of the grant to establish a revolving loan fund for environmental assessment and remediation. This fund will offer low-interest loans to developers and other property owners, enabling them to undertake necessary environmental investigation and cleanup activities. The revolving nature of the new fund will ensure long-term sustainability, as loan repayments will replenish the fund and allow for the continued enablement of new projects beyond the term of the grant. This fund will guarantee that the project will not only address immediate environmental needs but also provide a long-term resource that can be leveraged by developers for future affordable housing development.

Addressing Remaining Barriers

The remaining \$3,000,000 will be used to tackle other barriers to affordable housing development:

1. Permitting (\$250,000): Streamlining the permitting process by investing in technology and staffing to expedite approvals.
2. Vouchers (\$1,000,000): Enhancing the voucher system through increased funding and improved approval processes, in order to significantly reduce the City's waitlist.
3. Legal Support (\$250,000): Provide a fund for legal assistance to expedite the clearance property titles, ensuring that land can be developed in a streamlined manner, without encumbrances.
4. Property Assessment and Plan Development (\$500,000): Supporting comprehensive property investigation (environmental, survey, inspection) and the development of construction plans to support affordable housing development that align with community needs.
5. Community Outreach, Second Chance Eviction Rehabilitation Program, and Contractor Incentives (\$1,000,000): The City will conduct a robust community outreach program coupled with contractor incentives as well as a second chance eviction rehabilitation program.

Alignment with CDBG National Objectives

The initiative aligns with the CDBG National Objectives in the following ways:

1. Benefit to Low- and Moderate-Income (LMI) Persons: The proposed project seeks to eliminate barriers which currently hinder access to affordable housing units for low-income individuals, ultimately increasing the availability of safe, affordable living options for LMI Persons throughout the City of Kansas City.
2. Elimination of Slums and Blight: The project incorporates funding to directly provide environmental assessment and cleanup of properties which are blighted throughout the City, transforming them into viable housing developments and improving overall community aesthetics.
3. Urgent Need: The Project seeks to remove environmental hazards and legal obstacles which currently act as barriers to affordable housing development to meet an urgent need for affordable housing in the city. According to the Kansas City Community Needs Assessment, 711 individuals were identified as unsheltered homeless in January of 2022. This statistic highlights a severe need for additional shelter space and affordable housing units, particularly units which are affordable to households with incomes at or below 30% of the HUD-adjusted Area Median Income (AMI). In Kansas City, for a four-person household, this translates to an annual income of \$29,050 and a housing cost of \$726 per month, including utilities. The City's assessment also revealed a deficit of 27,563 rental units affordable and available to extremely low-income (ELI) households, which underscores the critical need for targeted subsidies and housing production.

It is the City's goal to eliminate the referenced barriers to effectuate a comprehensive approach that enables affordable housing production. By focusing on environmental remediation, legal support, and other key issues, the City will be able to effectively ready 750 units to proceed towards redevelopment as affordable housing stock, ultimately benefiting low-income families in alignment with the CDBG National Objectives. This proposed initiative not only addresses immediate housing needs but also sets the stage for sustainable, long-term development.

The City is seeking to provide direct support to some of the most vulnerable members of its population through this scope of work. The City recognizes that housing providers can often hold renters to a largely unregulated set of standards in order to qualify for housing, and that prior complications such as evictions, poor credit, or negative references can be seen as automatically disqualifying in the eyes of potential housing providers. While Kansas City supports the rights of property owners, it nonetheless acknowledges that these kinds of complications are oftentimes not a sign of a problematic tenant, but of unfortunate circumstances beyond an individual's control; this is especially relevant in especially in situations in which that individual lacks opportunity due to their socioeconomic status. By bolstering the stock of available housing and expanding access for these otherwise underserved residents, the City hopes to offer broader opportunities for 'second chances' to those seeking to provide proof of rehabilitation that counters the troubling aspects of their rental history.

- **Exhibit B: Threshold Requirements and Other Submission Requirements**

This proposal meets all threshold requirements and other submission requirements for the PRO Housing grant, including Threshold Eligibility Requirements in Section III.D and submission requirements in Section IV.G. Moreover, the City of Kansas City does not currently have any outstanding Civil Rights matters to be resolved. The application was posted and is submitted timely in accordance with the grant program. Moreover, the City of Kansas City is a City government (municipality), and is therefore eligible to submit this grant proposal. This is the only application being submitted by the City of Kansas City.

- **Exhibit C: NEED**

- a. **Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.**

- **Improved laws, regulations, or land use local policies**

Kansas City has spent recent years conducting a comprehensive housing community needs assessment and developing a strategy to end homelessness. Both of these planning actions have been necessary steps to inform and develop a path forward to meet the City's housing-related needs. Data has shown an acute need for affordable housing, especially for families with incomes at or below 30% of the HUD-adjusted Area Median Income (AMI). Based on the figures included in the Kansas City Community Needs Assessment, a four-person household earning 30% API would be taking home \$29,050 annually, with a maximum affordable rent of \$726 (including utilities). On top of this, there is a significant deficit of affordable, available, and livable rental units for extremely low-income (ELI) households, as evidenced by the current shortfall of 27,563 units. This affordability gap places immense pressure on the City's existing housing stock and increases the risk of homelessness for its most vulnerable residents. The 2022 point-in-time count undertaken as part of Kansas City's Community Needs Assessment identified 711 unsheltered individuals, representing an urgent need for shelter space and other emergency services and resources.

There are several noteworthy barriers that the City has been working to try and overcome in order to increase its affordable housing stock. The first is the City's existing zoning and land-use policies, particularly those that apply to the City's suburban districts such as Northland and South Kansas City. These policies serve to concentrate the City's available affordable housing opportunities within its urban core, exacerbating existing shortfalls by largely limiting them to the City's most densely populated areas. While urban spaces like these provide opportunities for housing remediation in the form of environmental remediation and blight mitigation, these approaches are both costly and limited in their overall impact due to the lack of available space for wholly new development. As such Kansas City has recognized the need to amend current exclusionary zoning policies in such a way that expand affordable housing opportunities within suburban areas of the City.

To address these policy-based and regulatory challenges to housing affordability, the City has developed a number of top-down strategies to bolster its existing housing stock and incentivize private entities to contribute to these efforts as well. These strategies are outlined in greater details in the City's recently drafted Zero KC: A Plan for Ending Homelessness in Kansas City. One such strategy is the implementation of Density Bonuses and Expedited Permitting, which allows developers to increase the number of units they are permitted to build so long as those developments include affordable housing structures. Besides the straightforward benefits of providing additional housing units, these policies are expected to reduce land holding costs and accelerate residential development overall.

It is worth noting as well that these density bonuses will not be solely meant for low-opportunity areas (where homelessness and lack of shelter are most acutely felt) but also in high-opportunity and mixed-income neighborhoods. While this may sound counterintuitive to the City's overall goals, local leadership has determined that this layered and multifaceted approach is the best way to avoid inadvertently generating areas of concentrated poverty further into the future.

The City has also shown leadership in identifying the value of utilizing a Housing Trust Fund, which has further incentivized developers to build housing for individuals at or below the 30% AMI threshold by covering 50-60% of construction costs over a 5-year commitment period, but solely for projects in which 100% of units are for individuals at or below 30% AMI. This Trust Fund, as well as other legislative strategies implementing financial incentives, are largely funded via excise taxes tied to legalized marijuana. This approach has already yielded results in local efforts to fund Veteran programs via medical cannabis sales; taxes tied to recreational cannabis are expected to generate even higher levels of revenue, allowing for a significant amount of funding to be funneled into efforts to end homelessness.

Aside from land use policies, another significant barrier the City has been planning to address involves the regulatory delays tied to permit processing. The slow pace of permit approvals and long waiting lists for housing assistance have not only historically been symptomatic of the City's existing struggles matching its supply of housing with local demand, but also worsens these issues by extending the length of time that would-be-tenants are left without support. Particularly with issues like housing, longer wait times for support have translated directly to increasingly severe financial distress and limited opportunities to recover from said distress.

The City has studied these issues and intends to deploy expedited permitting for projects with an affordable housing component, aiming to reduce land holding times in the leadup to development and provide developers with clearer and timelier responses throughout the development process. This expedited permitting would take the form of prioritized permit review/approval, and the establishment of a one-stop center for multi-agency reviews and permitting. Similar to aforementioned density bonuses, these approaches are expected to reduce development costs overall; furthermore, this approach represents significant cost-savings for the City, as expedited permitting only demands a marginal increase in personnel costs rather than robust public subsidies to accomplish the same goal of redoubled development support. To complement this approach, the City also intends to deploy fee waivers/reductions on building permit and impact fees, which can further reduce development costs and encourage projects that include affordable housing in their scope of work. As planned, much of the up-front cost of these actions will be covered by this Pro Housing Proposal.

The City has also conducted in-depth studies and collected data via both overarching HUD reporting and community-based research which points to a need for additional shelter space within the city, particularly within suburban areas such as Northland and South Kansas City where available housing is especially restricted due to exclusionary zoning policies. These issues are further intensified by a lack of shelter transportation, as “Safe Place” transportation programs meant to shepherd homeless youths are no longer available after they reach the age of 18, leaving many unsheltered residents without access due to the physical geographic distance between them and the facilities offering support. The general lack of capacity of existing shelters, limited availability of transportation to said shelters, and barriers-to-entry for certain shelters (shelters meant solely for women and their children, or shelters that exclude pets, for example), are all factors driving Kansas City’s approach to expedite and increase its affordable housing stock. Furthermore, qualitative data collected via direct interaction with constituents and service providers have revealed a need for additional wraparound mental health services in order to effectively manage housing programs; these participants expressed that while shelter and housing represent significant assets in the overarching efforts to combat homelessness, that they alone are insufficient to fully address these issues while the need for more robust mental health resources remain unaddressed. While the City recognizes that the most straightforward solution would be the development of new shelters in currently underserved suburban areas, the initial research undertaken as part of its Community Needs Assessment has revealed the complexity of this issue and the need to address it with a nuanced, multifaceted approach.

Ultimately, Kansas City’s approach to addressing the issues of homelessness and affordable housing must also be shaped by the City’s available funding, which is currently limited considering the significant challenges it currently faces. Targeted housing subsidies meant for ELI households are stymied by insufficient funding, making straightforward expansion of such programs untenable at this time. This is the single largest reason the City has elected to approach its immediate challenges via incentives that encourage coordination with private developers, seeking to accomplish goals that can be undertaken by City leadership and its bureaucratic staff without demanding significant financial investment. Grant funds disbursed through HUD’s PRO Housing grant program would significantly improve the City’s capacity to meet these challenges

by allowing these cost-effective strategies to move forward with greater expediency and allow the City to take on direct action in conjunction with these strategies that would otherwise be fiscally unfeasible.

- **Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation**

In addition to the aforementioned research actions and policy-driven approaches to furthering fair housing, Kansas City has implemented a number of housing strategies to meet its goals of ending homelessness as much as possible within its jurisdiction. These strategies seek to bolster the principles of fair housing, addressing homelessness and supporting the affordable housing market overall. One such strategy is the anti-displacement initiatives utilized by the City, which serve to protect current residents from being priced out of the neighborhoods in which they currently reside. By working to ensure that its current stock of affordable housing remains available to low-to-moderate income households, the City can ensure that it makes steady progress in meeting its affordable housing goals without needing to duplicate prior community investments.

Local policy efforts have also been buoyed by federal programs such as Low-Income Housing Tax Credits (LIHTC) and HOME-ARP funds, which are key to financing new affordable housing projects and efforts to rehabilitate properties that can serve as low-income housing. These funds are not only useful for the acquisition and restoration of existing structures, but can also be used as a subsidy layer for wholly new construction developments. The strategic utilization of these funds in conjunction with the aforementioned policy initiatives encourages the private development of affordable housing in a manner that is expected to yield significant results.

Kansas City also recognizes the inherent value of infrastructure as a means of bridging the gap in opportunities for those currently in need of support. This is especially true of digital infrastructure such as broadband internet, which has become increasingly necessary to link with housing programs, job opportunities, and community support networks in the modern age. Straightforward investments in housing infrastructure, that being the availability of housing units and shelter space, represent the most immediate approach to meeting the City's long-term goals. This is especially true considering the City's relative strength in the number of service providers available to connect individuals with housing. While these service providers are obviously unable to connect individuals in need with housing units that do not yet exist, they stand ready to act as a critical tool in the City's plan to accomplish its mission of providing a consistent assurance that newly available units can be paired with occupants expediently and efficiently. Unfortunately, investments in local housing infrastructure remain financially challenging without outside grant support, but nonetheless remains a key facet of the City's strategic planning.

Finally, Kansas City has engaged in several targeted outreach programs aimed at bolstering community resiliency, making them better protected against sudden, unforeseen, and severe financial distress that could otherwise jeopardize the financial wellbeing of entire neighborhoods. This includes the development of 200 new Rapid Rehousing Units, meant to provide short-and-medium-term support for households with children and efforts to identify funding streams such

as the Community Development Block Grant that can support short-term subsidies for the sake of long-term stability. The elimination of the ‘revolving door’ in which individuals exiting permanent housing quickly fall into homelessness, jail, and/or adjacent systems of care is a key objective for Kansas City, and is the main focus of its community resiliency efforts.

Furthermore, Kansas City has made active strides in seeking to examine, understand, and address marginalized groups, in order to actively reverse the effects of segregation and other forms of structural racism. The City has recognized that low-income residents do not just face the negative stigmas associated with housing in and of itself, but exist at the intersection of other marginalized identities including racial/ethnic minorities, single women without children, LGBTQ individuals, individuals with mental health diagnoses and/or intellectual disabilities, formerly incarcerated individuals, and veterans. Efforts to increase equity for such historically marginalized groups come with various challenges beyond those tied to housing accessibility, and the City is confident that it has developed a meaningful suite of initiatives to support these groups. Youth-specific programs and services are key to these efforts, maximizing the effectiveness of existing support networks via early intervention that can put individuals on a better path before their situation grows increasingly dire. Additionally, Kansas City has sought to meaningfully include individuals from such high-risk communities in its planning, implementation, and decision-making processes, recognizing their lived experiences as valuable assets in directly addressing the needs of the population at large.

The City recognizes the trend of overall disconnectedness between local governments and the people they serve, which seems to grow more imposing over time. The continued efforts of Kansas City to open its doors and provide transparency to its resident population represents an active initiative to reverse these patterns and reengage the populace with the governmental programs that can meaningfully change their lives for the better. Kansas City intends to foster these connections through a City Hall Open House, which would include a job fair for both public and private-sector career paths, free health screenings, signups for various housing services, music, food, childcare, and a booth for each City Department allowing municipal representatives to engage directly with residents. These proposed semi-annual events would serve not only to provide direct access to services that may otherwise be difficult for residents to locate otherwise, but gives City representatives the opportunity to share their own stories and hear the stories of residents.

b. Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?

Kansas City has a significant need for affordable housing and has undertaken significant work in drafting its Kansas City Community Needs Assessment in order to fully ascertain the extent and severity of existing housing constraints. Completed in 2022, the assessment revealed that the city faces a severe shortfall of affordable rental units for ELI households. Specifically, there is a deficit of 27,563 rental units affordable and available to households at or below 30% AMI. The challenge of increasing its local housing stock remains the most significant bulwark to the City’s overarching efforts to mitigate these problems, largely due to the costliness of environmental remediation. Affordable housing stock for households earning up to 100% AMI remains limited,

which drives the cost-burden of low-income households to spend over 50% of their income on housing. As of the assessment undertaken in 2022, nearly 63% of ELI renters experience severe housing cost burdens exceeding this 50% income threshold. The City suspects that the ongoing gap between supply of units and number of households demanding units is the root cause of this financial strain.

In short, the distinct lack of units that are affordable to households at 80% HAMFI is driving these renters into housing that is unaffordable, overcrowded, and/or substandard in its structural makeup, three issues that each grow more severe as inflation stretches household budgets increasingly thin. Households paying more than 30% of their gross monthly income on housing are unlikely to have sufficient resources to pay for necessities such as food, clothing, transportation, healthcare, and education, which puts these ELI households at severe risk of homelessness due to sudden, severe, but ultimately mundane expenses such as car repairs, illnesses, or loss of working hours. It is estimated that nearly 63% of renters in the Kansas City metropolitan region are severely cost burdened in this way. In this way, the City's efforts to bolster its housing stock and provide greater opportunities for ELI households is not only an effort to establish equitable solutions to historic disparities, but a proactive approach to address what could otherwise be a disastrous surge in displaced peoples. The Kansas City Community Needs Assessment demonstrates a clear and urgent need for affordable housing solutions and provides data-driven strategies that align with HUD's criteria for prioritizing affordable housing initiatives.

c. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

Key barriers to affordable housing in Kansas City all largely tie back to its lack of available housing stock, and represent the significant time and finances required to both construct new housing units and rehabilitate existing substandard units into adequate housing. These barriers include:

Constraints of Current Infrastructure: Perhaps more significant than any of the aforementioned barriers is the City's current shortfall of current housing infrastructure, specifically its lack of available suitable housing units. Programs like the Housing Trust Fund serve to mitigate the challenges presented by this lack of stock, but the core issue remains a significant bulwark to the City's progress in addressing homelessness.

The lack of available open space for new construction has compelled the City to seek opportunities to restore and rehabilitate existing blighted properties for the purposes of future use as housing units, but this process comes with significant financial constraints. Environmental remediation comes with significant up-front costs in both the inspection process and the capital work required to physically rehabilitate these structures. These frontloaded costs are a major contributing factor to many private entities balking at affordable housing projects altogether, as dedicating significant funds to projects that, by their very nature as affordable housing structures, will deliver marginal returns-on-investment are obviously not especially attractive to would-be developers. While the City has aimed to provide a suite of incentives encouraging developers to

undergo projects that align with the City's goal, the need to bolster the local housing stock is a problem that can only be meaningfully remedied via an injection of outside funding dedicated largely to remediation work that is otherwise prohibitively expensive.

Continued efforts to bolster existing developer-facing incentives is not expected to yield meaningful results in the absence of robust financial support from an agency such as HUD, and any efforts the City makes to address these funding shortfalls using in-house capital would likely demand an increase on local taxes, which could easily exacerbate its existing challenges fostering community support for these initiatives and stymying the process altogether.

Advertising and Community Outreach: The modern world is full of distractions, advertisements, and demands to engage with products and services. As a result, government offerings can routinely go unnoticed as they are lost in the background noise of citizens' day-to-day lives. Through no fault of their own, residents are passively denied with civil rights due to a lack of awareness of the programs, incentives, and enforcement apparatuses put in place to protect them. Many underserved residents, especially those of low-to-moderate income below the 30% AMI, are unaware of the opportunities available to them due to the fact that traditional means of outreach have failed to bridge this gap, despite the City's best efforts. While Kansas City has endeavored to identify service providers who can serve to increase this awareness, but this still represents a somewhat disjointed effort that mitigates the City's lack of direct interaction with the public, rather than solving the issue altogether.

Lack of Timeliness in Permitting: Kansas City faces a slow permitting process with lengthy approval timelines, which causes developers to encounter significant delays when seeking to obtain necessary permits. This in turn increases overall costs, dissuading would-be developers from engaging with the production of affordable housing and driving these potential community investments elsewhere, either to different economic sectors or new geographic locations altogether. The City has acknowledged the need for expedited permitting to combat these issues, but this new initiative remains inconsistent in ensuring predictable, expedited engagement with developers driving new affordable housing projects. Furthermore, staffing shortages in the City's Housing and Community Development Department further exacerbates this issue, delaying the distribution of funds to support housing and homelessness services. While expedited permitting can somewhat mitigate these personnel challenges, the City remains limited in its raw capacity to address the bureaucratic requirements of project management without outside support.

Moreover, permit fees and accessory development costs remain high in Kansas City. While the City has sought to implement fee waivers and reductions for projects aligning with its affordable housing goals, these policies have yet to be implemented to the extent needed to meaningfully drive local housing stock. While these policies have made the process more convenient for developers already engaging with City goals, the extent to which it has brought new developers to the table (who would have otherwise balked at these expenses) remains to be seen.

Legal Support and Title Clearance: Similarly, Kansas City's efforts have been hindered by a lack of legal assistance, particularly assistance tied to Title Clearance, as many lots are encumbered by legal issues that have delayed construction. The City's Pro-Housing initiative has included

provisions to fund legal aid and would be used to resolve title disputes and remove legal complications from the property development process wherever possible. Furthermore, the City's scope of work would allocate resources towards thorough property evaluations, including surveys, inspections, and planning, which would serve to ease the financial burden on small developers, nonprofit organizations, and other local stakeholders who are eager to contribute to affordable housing goals but lack the individual capital to handle these evaluations themselves. These efforts to mitigate the upfront costs are meant to bolster the City's broader goals of removing the regulatory and procedural barriers currently impeding housing production. These goals are largely aligned with the City's Zero KC Initiative which strives to provide safe, affordable housing for all residents within Kansas City's municipal jurisdiction.

Limited Financing for Subsidies: While there is a clear need for greater financial support in various facets of Kansas City's supportable housing processes, a lack of available capital forces these programs to operate on protracted timeframes that only provide marginal, incremental progress. Given the nature of housing as a need and the realities of homelessness contributing to greater financial distress, these delays in service translate to significant and meaningful shortfalls in the City's capacity to address this community need.

- **Exhibit D: SOUNDESS OF APPROACH**

- a. **What is your vision?**

Describe your proposed activities and why they are appropriate, given identified Need and applicant Capacity.

The City of Kansas City plans to use \$7,000,000 in HUD PRO Housing Grant Funding to address significant local barriers which are hindering the development of new affordable housing units. These barriers include environmental investigation and remediation, permitting, voucher access, legal support for title clearance, and property planning. Collectively, the present challenges to ensuring the availability of affordable housing options in disadvantaged areas throughout the community.

A pillar of the program will be the allocation of \$3,000,000 in funding to support Phase 1 and 2 environmental investigation and remediation at 750 properties owned by the Kansas City Land Bank. This program will serve to eliminate significant financial hurdles that exist to ready properties for acquisition and redevelopment. At present, the cost of environmental investigation and remediation acts as a disincentive for developers interested in acquiring properties for redevelopment as affordable units. Unfortunately, many of the available properties must be remediated, and such action is critical to making properties safe and viable for redevelopment as affordable housing. In addition to this allocation, the City will also utilize \$1,000,000 to establish a revolving loan fund, offering low-interest loans to developers who seek to cover environmental cleanup costs. This fund will be replenished through repayments and will be dedicated for this use in perpetuity.

While bolstering existing housing stock will be key to program success, the City also recognizes the need to properly connect with residents to ensure they are made aware of expanding

opportunities. This project aims to focus strongly on these outreach and marketing efforts, incorporating more digital media alongside its traditional means to communicating with residents to ensure new programming is not lost in the shuffle of 21st century life. Kansas City will allocate grant funds towards direct advertising and community outreach efforts, led by the Civil Rights and Equal Opportunity Department. These efforts will seek to provide the citizens of Kansas City with a stronger, more consistent connection to local government via social media, television, radio, direct mail, and sponsorships at community events; this will serve to educate the local population about their rights and the City's mechanisms to protect those rights. By putting funding into these important streams, the City is hoping to make its resources all the more accessible to the greatest number of residents possible, connecting them with vital government services that benefit their everyday lives. This greater awareness will allow more people to be aware of their rights, and better prepare them to report employers or housing providers who are violating local and federal laws.

These advertising efforts will be bolstered by an additional allocation towards a semi-annual City Hall Open House, a service-oriented fair hosted by the Civil Rights and Equal Opportunity Department of Kansas City. This program would serve to connect residents with opportunities for rental assistance, voucher signups, government and non-government employment opportunities, and health screenings. This would serve as a one-stop event for residents experiencing housing insecurity, directly connecting them with the services they need most as well as a host of other programmatic opportunities provided by the City.

The City of Kansas City will also allocate funding toward its Second Chance Eviction Rehabilitation program, a service provided by the Civil Rights and Equal Opportunity Department. This program provides a 6-week suite of training for individuals with evictions, poor credit rating, or other circumstances that contributed to denials on housing applications. This training served to show renters best practices for avoiding future evictions such as housekeeping, budget management, interpersonal conflict resolution, and general household maintenance. Completion of the training earns each attendee a certificate as well as a list of housing providers that recognize the value of that certificate and opt-in to weigh this training against previous negative rental history. The objective of this training is to give people who have made mistakes in their past a path back to more positive rental experience, and to provide tangible proof to potential landlords that these individuals have committed to improving their eligibility for housing. To further encourage and streamline the development of affordable units, \$3,000,000 will be set aside to expedite permitting, improve the City's voucher system, provide legal support for title clearance, and subsidize property planning costs. Specific investments will be made to acquire and utilize enhanced technologies that will support the permitting process, as well as increased staffing. The City will also seek to enhance its vouch. In addition, the City will utilize funding to support additional property investigation including survey and inspection work, to support the development of plans for affordable units. These investments are critical to the City's ability to reduce delays and uncertainties that have discouraged developers from engaging in affordable housing projects, thereby making the development process more efficient and accessible.

The City of Kansas City also recognizes the need to coordinate directly with housing providers, not just expediting the process by which landlords can develop affordable housing units but encouraging current landlords to be more flexible with the kinds of tenants they are open to leasing with. Funding will be spent to fund an incentives program aimed at housing providers, in which they can receive a onetime stipend of \$2,000 for renting to a graduate of the Second Chance Eviction Rehabilitation Program for at least 6 months. Participating properties will be subject to routine inspections conducted by the Civil Rights and Equal Opportunity Department, and providers will be obligated to maintain the property in such a way that provides a safe and sanitary standard of living for residents. The purpose of this incentive is to remove the stigma of renting to households that may have evictions or low credit on their record, and provide individuals seeking housing with hope for future applications despite previous mistakes in their past.

The proposed activities align directly with HUD's Community Development Block Grant (CDBG) National Objectives. Through strategic investments, the City will ultimately be creating a large number of properties which are "ready to proceed", encouraging private investment and ultimately increasing the number of available affordable housing units over the long-term. The project benefits low-income households by ensuring that they will have access to safe, affordable living options. In addition, the proposed environmental investigatory and remediation efforts will serve to eliminate blight, transforming previously unusable properties into livable spaces. This will also serve to remove potential health hazards and improve the aesthetic character of Kansas City's most disadvantaged areas. Moreover, this project responds to an urgent need for affordable housing in Kansas City, where the community currently faces a deficit of more than 27,000 affordable units for extremely low-income households.

The proposed activities also align with program guidelines as eligible actions that will serve to remove existing barriers to housing development. Proposed funding for environmental remediation will guarantee that a significant number of land bank properties will consistently meet safety standards, encouraging their acquisition by developers for affordable housing development. In addition, legal and administrative support, such as title clearance and permitting improvements, will address obstacles that currently delay housing projects. Funding for survey, inspection, and property plans will ready properties for investment by a wide range of developers and nonprofits by removing significant upfront costs.

The benefits of these investments will begin to emerge within 12-24 months of project initiation, as a large number of properties will become ready to proceed towards acquisition and development. Moreover, the proposed environmental remediation revolving loan fund will have a long-term impact, providing a sustainable source of funding for future cleanup projects. Over the next two to five years, improvements in permitting processes, voucher systems, and legal support will both enhance the number of available units and increase the number of low-income residents who are able to utilize them.

Kansas City's proposed activities are carefully tailored to address the community's needs. By focusing on environmental remediation, legal support, and process improvements, the city is removing a myriad of existing obstacles to affordable housing development. All of the proposed actions are aligned with the CDBG National Objectives and HUD's Pro-Housing Grant Program,

ensuring both immediate and long-term benefits for low-income households, while addressing the urgent need for affordable housing in the community.

Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal.

The proposed project focuses on eliminating the key barriers that prevent the production and preservation of affordable housing in Kansas City. The goal of the proposed program is to strategically invest grant funds in a manner which will remove obstacles that impede the attraction of development, resulting in a larger stock of affordable housing properties within the city limits.

The most pressing financial barrier for development remains the environmental investigation and remediation of vacant properties owned by the City's Land Bank. Many properties are in need of costly remediation to bring them to a condition where they can be feasibly bought by developers with the intention of making them affordable units. As this is the largest financial barrier to development, the city seeks to utilize \$3,000,000 to create an environmental investigation and remediation program that will ready properties for acquisition by developers and nonprofits. Such an investment is critical to the City's ability to facilitate the transformation contaminated properties into viable affordable housing units. Additionally, the City is proposing the utilization of a revolving loan fund of \$1,000,000 to offer low-interest loans to developers for environmental investigation and remediation, providing a sustainable mechanism for the enablement of future development.

Not surprisingly, property conditions also contribute to permitting delays and regulatory barriers can ultimately stifle housing production. Although Kansas City has made strides in improving the permitting process, it remains a challenge. The grant will seek to utilize funds in a manner which will serve to streamline the permitting process by investing in technology and staffing, ensuring faster approval timelines. These process improvements will also reduce upfront development costs and enable affordable housing projects to advance without unnecessary delays.

Legal support for title clearance is another barrier to housing development in Kansas City, as many properties face legal encumbrances, preventing them from being developed. In order to address this, the City's Pro Housing proposal includes funding for critical legal support which will serve to help clear titles, ensuring that land can be developed without legal disputes. Additionally, funding is planned to support comprehensive property investigations including survey, inspection, and planning. These up front investments will particularly assist smaller developers and nonprofits overcome the financial burdens associated with preparing land for development. These proposed activities align with local goals to reduce regulatory and procedural barriers that currently limit housing production. As planned, the achievement of these goals will further the objectives embedded within the City's Zero KC Initiative, which seeks to end homelessness and ensure that residents have access to safe, affordable housing.

The City's commitment to advertising and outreach efforts that engage with a broad range of digital mediums is also one that similar cities can replicate moving forward. Traditional media

has proven insufficient in Kansas City's efforts to make residents aware of the opportunities for housing and civil rights protections available to them, and so the City is hoping that its newfound focus on digital advertising via social media and the City website will yield significant dividends in its ongoing efforts to increase awareness and connect residents with the services they need.

The proposed investments have been chosen as they will serve to eliminate or minimize the most common barriers that City is facing in its effort to streamline the development of affordable units. Moreover, the City anticipates that the combination of these improvements, coupled with increased housing stock citywide, will support the creation of new housing opportunities without causing displacement. By design, the remediation and development of vacant and underutilized properties owned by the City will ensure that new housing is built on previously unusable land, avoiding the displacement of existing residents in the most disadvantaged areas of the community. The initiative also aligns with the city's strategy to provide affordable housing to the most vulnerable populations, including extremely low-income households and those at risk of homelessness. This achievement of the project goals will serve to ensure the preservation of existing affordable units while creating new ones, ultimately preventing displacement and ensuring housing stability for at-risk populations.

Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal.

The City of Kansas City has a history of successfully completing projects which are aimed at addressing its affordable housing challenges. Similar projects have centered upon the rehabilitation of vacant properties, the streamlining of development processes, and investments in supportive housing for vulnerable populations. Most significantly, in August of 2022, the City completed two essential planning studies which support the foundation of knowledge for which its Pro-Housing proposal is built. This included the "Kansas City Community Needs Assessment", as well as "Zero KC – A Plan for Ending Homelessness in Kansas City" which were led by the City's Homeless Task Force and Housing and Community Development Department. These past experiences offered valuable insights into what has worked and what has not, helping to evaluate how to ensure homelessness ends in the community. In direct correlation, it was identified that the City currently suffers from a severe lack of affordable units, during a time when inflation is deepening the divide between the most affluent and needy populations. The City's current proposal will serve to bridge this divide both over the long and short term.

Historically, one of the most significant successes in the City has been the utilization of its land bank program, which was established to manage vacant and abandoned properties. Over time, the land bank has managed and improved its process for acquiring, holding, and eventually transferring these properties to developers for redevelopment. Representative and relevant success has been its ability to make large volumes of land available for affordable housing development. By focusing on previously unused or abandoned properties, the Land Bank has enabled the creation of affordable housing without displacing existing residents. The proposed pro-housing project builds on this success by focusing heavily on environmental remediation, a costly step in turning vacant properties into habitable housing units. The allocation of \$3,000,000 towards environmental investigation and cleanup, supported by the creation of a brand new

\$1,000,000 revolving loan fund will eliminate the most costly barrier to redevelopment over both the short and long-term.

Another program worth highlighting has been the City's success implementing its Zero KC Initiative, which focuses on implementing solutions which will end chronic homelessness in Kansas City. As designed, the program seeks to secure housing for individuals experiencing homelessness, primarily by utilizing federal housing vouchers and local partnerships. One of the reasons for Zero KC's success to date has been its focus on collaboration, incorporating the skillsets of both governmental agencies and local nonprofits. This has supported the development of a holistic approach to address homelessness across the city. Similar to this initiative, the proposed project aligns with these past efforts by emphasizing collaboration, particularly through its legal support component that ensures clear property titles and its improvements to the housing voucher allocation system. These measures will support affordable housing development by ensuring that the legal and administrative barriers that previously slowed down development are addressed directly.

Yet, a main driver for the application remains the City's historical experience relating to permitting and regulatory delays. Despite improvements to the process over time, the city maintains a complex permitting process which can be a hurdle to the production of affordable housing. Delays can be tied to a wide variety of regulatory issues, ultimately increasing upfront costs and discouraging developers from moving forward. Due to this fact, the City is proposing a multi-lever approach to ensure that up-front costs are eliminated and the path to development is as streamlined as possible. If awarded, this will be seen through a dedicated \$3,000,000 fund aimed at streamlining the permitting process through investments in technology, staffing, legal support, and voucher availability, with an objective to ensure proper support for an increased housing stock, approvals, and expedited project timelines.

Most significantly, a major barrier that the City has experienced over time has been a severe lack of financing on both the public and private side to support environmental investigation and remediation for properties which have the potential of supporting the creation of new affordable units. Patchwork solutions have been tried over time, but to date no program has ever been put in place to support both short and long-term investigation and remediation needs for land bank properties. This has led to a backlog of properties which are contaminated and limited the number of available units of interest for developers to acquire and redevelopment as affordable properties. As planned, the project will implement both a short and long term solution for this issue, ensuring short term funding is available for property investigation and clean-up, and long-term support is offered to developers through a revolving-loan fund dedicated to investigation and remediation.

It is also important to note that the City has built its Pro Housing Program upon the bedrock of lessons learned from past experiences that have previously led to displacement in various disadvantaged neighborhoods. Of paramount concern is the City's ability to support a large-scale program which improves and offers affordable housing in a manner that avoids gentrification. Historically, there has been displacement of low-income residents even as new affordable housing units were being built. In order to break this pattern of displacement, the City is focusing on enabling the rehabilitation of properties owned by the Kansas City Land Bank, which are

either vacant or underutilized. The achievement of this goal is in alignment with the KCMO Community Needs Assessment, which outlines an objective to increase housing availability in a manner which preserves community stability.

Overall, Kansas City's past experiences provide a strong foundation for the proposed project. The successes of the Land Bank program, Zero KC initiative, and collaborative efforts to house vulnerable populations highlight the importance of focusing on vacant properties, environmental remediation, and legal support. At the same time, the proposed project addresses previous challenges, such as permitting delays and financing issues, by providing targeted solutions like process improvements, direct financial support for environmental remediation and the creation of a revolving loan fund. By learning from past projects and incorporating these lessons into the proposal, Kansas City is well-positioned to significantly increase its production of affordable housing by eliminating the potential of previous issues which have slowed such progress.

Discuss how your proposal advances or complements existing planning initiatives, updates to local land use policies, services, other community assets

The proposed project directly advances and complements several existing planning initiatives and policy updates which have been completed in Kansas City, particularly those focused on housing, transportation, and economic development. The focus of this Pro Housing application is to remove barriers to affordable housing production in a manner which aligns with both local and national goals. Such goals include but are not limited to enhancing public transit, promoting economic resilience, and preventing displacement.

First, the proposed project builds upon strategy which is laid forth within Kansas City's Zero KC Initiative, which seeks to end homelessness by creating a more equitable, efficient housing system that is integrated with health and social services. By addressing the core barriers which exist to the development of affordable housing in Kansas City, the project will unlock underutilized and vacant properties at minimal cost to third developers, creating an immediate pipeline of available housing stock for the purpose of reducing the City's existing affordable housing deficit. The end result will be a reduction in the number of homeless persons in Kansas City, coupled with reenergized infrastructure throughout the community's most disadvantaged areas. Additionally, the City will link voucher recipients with wrap-around social services to ensure that residents not only have access to housing but also receive supportive services such as healthcare, which aligns with Kansas City's holistic approach to ending homelessness.

The project will also serve to further transportation planning in the city, as a newfound focus on affordable housing includes provisions to improve access to public transportation, which is essential to low-income residents who desire to live and work in the city. To effectuate this, the City will target properties which lie in close proximity to public transit centers, in order to guide new housing developments that will enable critical access to essential public services and centers of place. This focus will support a greater balance between new housing and employment, supporting an elevated quality of life. This will ensure a widespread holistic benefit to the city's most disadvantaged populations.

In addition, the City's inclusion of funding for assets that will help provide procedural improvements that are essential to the achievement of the City's overall project goals. Permitting, legal, and property planning support will also align with citywide efforts to streamline land-use regulations throughout Kansas City. In particular, expediting the permitting process and reducing the upfront costs involved with affordable housing projects will serve to increase the number of interested developers and minimize delays thereafter. As planned, the City's strategy will ease regulatory burdens and encourage the rebirth of blighted areas, bolster the development of mixed-income neighborhoods, and help to prevent concentrated poverty.

In addition, the project's environmental focus will serve to further the City's climate resilience and mitigation goals. In practice, remediating contaminated properties will serve to prepare them for development, and also support overall environmental sustainability, while simultaneously improving public health. In the most direct sense, the clean-up of vacant and underutilized properties will accomplish the removal of blighted areas in a manner which will make them more resilient to future environmental issues.

Of paramount importance is the City's commitment to preventing displacement in the completion of the proposed project. As the City will be leveraging properties owned by the Kansas City Land Bank, the project team will be able to control the location and type of properties made available for affordable housing. This lever of control will allow the City to guide the creation of new housing stock in areas where residents already live, thus avoiding displacement and strengthening the targeted neighborhoods through improvement and diversity. The City's goal is to ensure that long-time residents, particularly in low-income neighborhoods, have the ability to remain in their communities. This will also support the City's capacity to create new units in areas where residents are in danger of being priced out of the local housing market.

In addition, the proposed project will serve to support job creation and retention, beyond just the housing developments themselves, the City's ability to guide the location of properties which can be rehabilitated for affordable housing is material in its ability to support the continuity of local business districts, and residential ability to access them. Particularly for low-income individuals in the City, the strategic remediation and availability of properties for redevelopment is important, as the City will have the ability to ensure their easy access to and from work and critical public services.

Describe the community's most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience.

Unfortunately, the City of Kansas City is not unique in the challenges it faces when it comes to environmental risk. In particular, the project seeks to address key environmental risks in relation to the development of affordable housing. Chief among these is the presence of contaminated land in the city's urban core, which pose health risks to residents and create barriers to development. The City is seeking to use grant funds to ready 750 properties which are owned by its land bank, many of which require extensive environmental remediation or are located in areas which are commonly impacted by extreme weather events. Public health risks posed by contaminated properties and natural disasters are numerous, and the City's pro-housing proposal

is seeking to devote \$4,000,000 to reduce these risks through targeted environmental remediation efforts. In particular, \$3,000,000 will be utilized for direct environmental investigation and remediation, while \$1,000,000 will be used to create a new revolving loan fund which will provide developers with access to low-interest loans for the purposes of remediation over the long-term. As planned, this will remove a great deal of upfront cost for developers, enabling the immediate development of safe, livable properties in neighborhoods which have historically suffered from the impact of environmental hazards. This will serve to promote the rebirth of the city's most dilapidated neighborhoods and ensure that they are redeveloped in a sustainable manner which protects public health.

In addition, extreme weather events, particularly heatwaves and heavy storms, act as constant environmental risks to Kansas City's infrastructure and residential population. Unfortunately, the greatest impact that these risks have on the City fall on the most underserved and low-income populations. This is due to the fact that such events greatly increase the potential environmental risks associated with vacant and contaminated properties that are not maintained, which tend to be located in pockets of acute economic distress. As planned, the project seeks to investigate and ready 750 high-risk properties, which will spur affordable housing development and also eliminate environmental risks posed to the surrounding neighborhoods by their condition. As feasible, the City will incorporate energy-efficient heating and cooling systems and utilize green building practices through the program. Moreover, an ancillary benefit will include the mitigation of the urban heat island effect, improving environmental conditions for both current and future residents.

Just as important is the City's focus on offering a project that will support community resilience in its most disadvantaged neighborhoods. Central to this goal is ensuring the creation of new affordable housing stock for development in targeted areas to avoid displacement. As designed, the City is confident that by preparing land bank properties for development in strategic locations will allow it to ensure that at-risk residents can stay within the neighborhoods which they current live. This will combat gentrification and help to stabilize Kansas City's poorest neighborhoods by enabling the development of long-term sustainable housing opportunities for low-income individuals.

Describe what roadblocks might impede the implementation of your proposal

The City recognizes several potential roadblocks, including delays to the permitting process, challenges related to environmental remediation, and regulatory hold-ups to title clearance. Despite these potential threats, the project is designed to help alleviate their associated risks in a variety of ways.

First, the City plans to use funding to support the streamlining of the permitting process through investments in technology and staff, which will support a reduction in approval times and prevent backlogs. This will also enable a fresh review of the permitting process and provide the means by which unexpected barriers can be eliminated.

Secondly, environmental remediation is typically expensive and time-consuming. That said, the City will first focus on properties which are known to have specific issues at reasonable costs. Next, the City will utilize funding to conduct either additional or new investigations at various properties to gain line of site relative to the cost of remediation. Garnering this information is essential to identifying the most appropriate structures for remediation and support a short-term pipeline of properties ready for redevelopment. In addition, establishing a revolving loan fund will ensure ongoing financial resources for environmental cleanup beyond the term of the grant. Offering a lifeline for the long-term continuation of what is anticipated to be a successful program to enable the creation of new affordable units.

Third, the City sees legal and regulatory issues surrounding title clearance as a potential roadblock. In practice, Kansas City has learned that unclear and/or disputed ownership of properties can delay their future development if not resolved in a timely manner. Legal assistance is critical to breaking through this barrier, and the City plans to utilize grant funding to support resolution at an expedited pace, facilitating the clearance and transfer of property titles at a faster pace. As a result, properties which are ready for redevelopment will not be held up by legal barriers, as sufficient resources will be available to support continued proceedings to completion.

b. What is your geographic scope?

As designed, the project is focused on delivering a major positive impact to Kansas City's most vulnerable populations, who live in underserved communities. The geographic limits of the project are the City of Kansas City's borders as a whole, but work will be targeted to benefit low-income populations within targeted neighborhoods. As planned, grant funding will serve to transform vacant, contaminated properties owned by the Kansas City Land Bank into viable, affordable housing units. Likewise, the improvement of these properties will provide long-term sustainability for their surrounding neighborhoods. Targeting properties for environmental remediation and legal clearance will encourage their acquisition and improvement by private and non-profit developers interested in creating affordable housing units. The end result will be a significant increase in the number of available affordable housing units in Kansas City, as well as the short-and long-term improvement to the development process itself, removing key barriers which currently exist.

Targeted properties will lie in areas where benefiting residents currently live, with access to jobs, schools, and public transportation. The project aligns with the City's anti-displacement strategies embedded within its 2022 Community Needs Assessment, ensuring that new developments in high-opportunity areas do not force out existing residents but instead create inclusive, mixed-income communities. Immediate benefits will be felt by the targeted community through the conversion of vacant, contaminated, and neglected properties to safe, affordable housing options. Moreover, by directly addressing long-standing barriers, the project will serve to support equitable development, ultimately creating housing that is affordable for extremely low-income households. Most importantly, this will directly address Kansas City's severe deficit in affordable housing units, greatly improving both economic and social opportunities for households at or below 30% of the area median income.

c. Who are your key stakeholders? How are you engaging them?

The City's key stakeholders include the Kansas City Land Trust, Trust Fund, and the City of Kansas City's Department of Housing and Community Development, who have taken the lead in drafting the City's chosen scope of work for this housing affordability initiative. Working in tandem with these key stakeholders and offering guidance on how best to plan and execute these goals has been a robust and diverse suite of small but vital community organizations. These stakeholders include residents with unmet housing needs, which includes numerous public-school students, resident-facing service providers such as the Greater Kansas City Coalition to End Homelessness and the City Union Mission, local advocacy groups seeking to represent the interests of otherwise underrepresented population segments (e.g. urban core residents, unaccompanied youth, LGBTQ+ individuals, etc.), and developers from both the private and nonprofit sectors.

The City conducted extensive community-based research in an effort to engage these stakeholders, and employed methodologies such as focus groups, interviews, and anonymous surveys to best capture the broad range of perspectives from households experiencing homelessness and housing issues as well as the service providers/professionals engaging with these households. Stakeholder organization meetings were conducted to address general issues, formulate strategies to prevent displacement, and concerns tied to specific facets of the population such as discrimination against minority groups or the challenges faced by domestic violence survivors. The Community Asset mapping undertaken as part of the City's 2022 Community Needs Assessment identified over 200 organizations aimed at improving service coordination and addressing gaps in support for affordable housing; the City is confident that by working to eliminate the financial and bureaucratic barriers these organizations face, that its overall goals to support affordable housing will be buoyed significantly by these organizations.

Outreach and engagement was conducted via focus groups targeting diverse populations, particularly urban core residents, unaccompanied youth, and families experiencing homelessness. Interviews were conducted on the street to ensure that homeless individuals from various areas of the City were able to make their opinions heard and contribute to the overall planning process. On top of this, the City engaged with its previously identified service providers through listening sessions in an effort to identify key community needs, which were then bolstered by anonymous surveys from community members.

Key priorities such as an increase in shelter space, the need for special support aimed at hygiene (showers, laundry services, etc.), and improved access to official documentation may not have been addressed without the City's efforts to connect with individuals directly impacted by homelessness and the shortage of affordable housing. These outreach efforts also illuminated a clear need for more streamlined communication and collaboration between housing providers and service organizations, who often have the same goals of providing more units that are affordable to individuals at or below 30% AMI but lack the capacity to pursue those goals in tandem without support from Kansas City. Stakeholder feedback was a critical influencing the need for environmental remediation, permitting improvements, legal support and enhanced

access to vouchers. These initiatives may not have made it into the City's overall project scope if not for the contributions of local stakeholders and the individuals they serve, and so the City is prepared to move forward all the more confidently knowing that its current project priorities have been shaped in this way.

d. How does your proposal align with requirements to affirmatively further fair housing?

The City's approach to meeting its pro-housing goals focuses on increasing access to affordable housing throughout Kansas City, in both its urban core and in high-opportunity suburban areas like Northland and South Kansas City. One measure to achieve this goal is by streamlining the permitting process and offering funds for the remediation of homes not currently habitable. The proposed actions are designed to reduce the barriers that private developers face when building affordable housing in areas typically limited to moderate-to-high-income households. By promoting the construction of affordable housing units in neighborhoods that currently have little to no such opportunities, the City hopes to provide greater access to otherwise underserved groups. This approach seeks to connect low income black, Hispanic, and other minority households with diverse and resource-rich communities, dismantling historical policies that perpetuated segregation and kept these populations separated to begin with. The City will supplement these efforts with top-down approaches to revising zoning and land-use policies, further eliminating barriers that have marginalized these communities over the last several decades.

On top of these approaches, the City's proposal includes anti-displacement measures, such as providing tenants with right-of-first-refusal and prioritizing the development of vacant properties. These strategies will ensure that vulnerable residents, especially those within communities of color, are accommodated as revitalization efforts take shape. This project further supports equitable housing development by actively promoting minority, women, and veteran-owned businesses throughout the production of its housing strategies, incorporating their input from the ground up as the City finalizes and executes its plans for developing diversity and equity. This commitment to Community-Based research, a collaborative approach to the co-creation of knowledge that actively involves community members, was key in the preparation of the City's Community Needs Assessment, and was used to gather vital and accurate information on community needs tied to homelessness. The City's proposal seeks to meet many of the barriers shown within its Community Needs Assessment and the public input therein to ensure that this scope of work aligns with both local and national equity-and-housing priorities for underserved communities. Equity considerations of Kansas City focus on revitalizing historically disinvested areas while also ensuring that long-time residents are not displaced in the process.

On top of approaches meant to actively curb the lasting impacts of historic segregation, the City's project is committed to expanding affordable, accessible housing for residents with disabilities. By incorporating ADA-compliant designs, supportive public services, and remaining mindful of accessibility to public transit, the City has actively shaped its project scope in such a way to foster independent living and opportunities for individuals with disabilities. Targeted outreach and affirmative marketing will be utilized to ensure that underrepresented groups and

low-income families are made aware of these new housing opportunities, and a reinvigorated voucher process.

Kansas City's efforts to promote equitable access to affordable housing will be evaluated by tracking the development of affordable housing in diverse neighborhoods, in conjunction with analyses tied to racial and economic integration. Progress toward advancing racial equity will be tracked by monitoring the racial composition of housing beneficiaries, ensuring that the project contributes to the City's broader goals of desegregation and ending homelessness within its jurisdiction.

What are your budget and timeline proposals?

The City of Kansas City's proposal is a multi-year and multi-faceted approach to addressing the City's need for affordable housing. To achieve its objectives, the City intends to leverage various federal programs like Continuum of Care (CoC), Emergency Solutions Grants (ESG), and mainstream housing vouchers in conjunction with grant funds disbursed through HUD's PRO housing grant program and city-controlled resources such as the Housing Trust Fund and philanthropic contributions. The proposed scope of work includes varied levels of strategic funding to encourage affordable housing production intended to benefit low-income populations, including individuals experiencing chronic homelessness. The most significant costs to be incurred within this proposed scope of work is the a \$4,000,000 commitment to environmental investigation and remediation, enabling the readying of hundreds of units for acquisition and redevelopment as affordable properties. Kansas City evaluated its anticipated costs based on existing industry standards for housing development, ensuring cost-effectiveness wherever possible by utilizing resources such as Housing First models. The City is prepared to leverage private sector partnerships to cover gaps in funding, despite the HUD PRO housing grant's lack of a mandatory cost sharing requirement.

In the event that HUD provides less than the amount requested by Kansas City, the City would still move forward with its scope of work on a scaled-back basis. The City would likely need to manage reduced funding by narrowing the number of supporting housing projects it is prepared to undertake, and by limiting some service provisions, delaying the overall project timeline. Removal or scaling back of the City's proposed scope of work would primarily affect the breadth and timing of services in less critical areas, while maintaining core support in high-need locations.

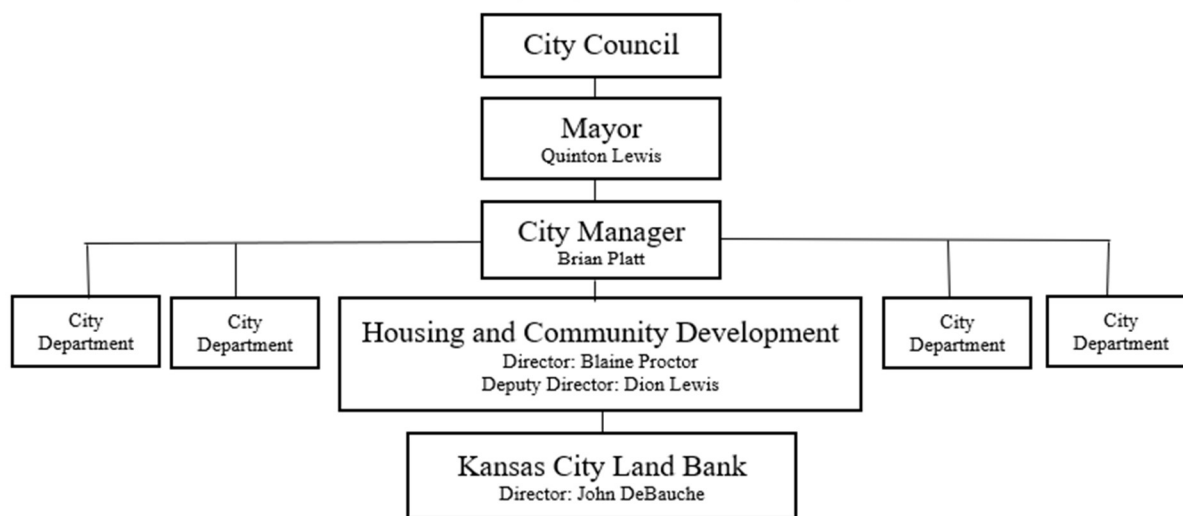
To reiterate, the City's core goal for the utilization of these grant funds is to develop new affordable housing units, primarily driven through environmental remediation of existing blighted properties owned by the City's Land Bank. While these developments will be required to meet applicable regulatory approvals and subsequent progressive engagement strategies to ensure long-term stability, the City's approach to leverage legal services and increased staff to expedite the permitting and approval process, in concert with a more robust voucher process will serve to better guarantee that these goals are met before the end of the grant project period. The City will track progress through quarterly reports, with adjustments made as needed to ensure timely completeness in line with programmatic standards.

- **Exhibit E: CAPACITY**

What capacity do you and your Partner(s) have? What is your staffing plan?

Applicant Information and Organizational Chart

The City of Kansas City is the primary applicant for this proposal to support the development of affordable housing. As planned, the City will work with the Kansas City Land Bank to remediate their owned properties to bring these properties to a sellable state. The Land Bank acquires, manages, and transfers properties to meet community needs, including inciting uses that spur economic development and neighborhood revitalization. The activities involved in this proposal specifically fall under the City’s Department of Housing and Community Development. This department supports the creation and retention of housing, including affordable housing, through tenant advocacy and homelessness prevention. The Land Bank operates as a separate entity but under the dominion of Kansas City and the Department of Housing and Community Development. As such, this is not a formal partnership to conduct grant activities, but rather an agreement to continue existing services. Please see the organization chart below.



Project Management Experience

Kansas City has robust experience in achieving and managing grant funding at the regional, state, and federal level. The City has successfully secured and managed millions in grant funding to conduct critical infrastructure activities, manage comprehensive planning projects, and enhance services for members of the community. To provide a snapshot relating to community development, this includes: 1) \$9 million through the U.S. Department of Energy’s Assistance for the Adoption of the Latest and Zero Building Energy Codes program for planning implementation of building performance standards, 2) \$135,000 through the Mid-America Regional Council Planning Sustainable Places Program to conduct an area planning study for the “Forgotten Homes” and “Independence Plaza” neighborhoods, and 3) \$2 million through the

SAMHSA Expand Substance Use Disorder Treatment Capacity in Adult and Family Treatment Drug Courts Grants Program to create an adult drug court program. These three grant projects, having been awarded in the last two years, are currently under contract.

The City effectively created a new Housing and Community Development Department in August of 2021 to oversee three core responsibilities: Rental Assistance Resource, Houseless Programs, and a new Housing Trust Fund supported by federal funds. As such, the City's Department of Housing and Community Development also has significant experience in leveraging federal funding and implementing grant projects. Specifically, the Department leverages investments from four U.S. Department of Housing and Urban Development (HUD) entitlement programs: the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the Emergency Solutions Grant (ESG).

Leadership Capacity

The City's highest elected official is Mayor Quinton Lucas, who created the City's first Housing Trust Fund, spurring the development of hundreds of affordable housing units for low-to-moderate income residents. Mayor Lucas serves alongside 12 additional members of the City Council and City Manager Brian Platt. The City Manager serves and advises the Mayor and City Council, appoints most department directors, and prepares a proposed annual budget for council consideration. The manager also enforces municipal laws and ordinances and coordinates City operations and programs.

Blaine Proctor serves as the Housing Director for the City's Department of Housing and Community Development, having been appointed to this position by the City Manager in July 2023. Mr. Proctor has assisted in the development of three affordable housing communities in Kansas City, including the creation of 95 affordable housing units include set-asides for those experiencing severe mental illness, as well as an overnight shelter for LGBTQ+ youth facing homelessness. These actions speak to Mr. Proctor's capacity and experience in delivering comprehensive, community-oriented services to residents in the housing sector. Mr. Proctor will effectively serve as Project Director for the proposed grant program, overseeing contract execution (in concert with the City's elected officials) and fiscal management (in concert with the City's Finance Department). Mr. Proctor will be supported by Deputy Director of the Department of Housing and Community Development, Dion Lewis, who will oversee day-to-day activities of the grant project, such as program outreach, collaboration with the Land Bank and contractors/providers, and grant reporting.

Stakeholders/Partners

While there are no direct partnerships to be formed through this project, the City will work with the Land Bank to perform environmental investigation and remediation to properties under their proprietorship. In addition, the City will work with environmental investigators, certified through the Environmental Protection Agency (EPA), to perform building assessments. The City will also work with general contractors, selected through a Request for Qualifications (RFQ) process to perform remediation work.

The City frequently works with stakeholders to support public outreach, receive valuable input/feedback, and foster crucial community partnerships. In supporting community development specifically, the City often collaborates with developers and builders, landlords and tenants, relevant boards and commissions, the public sector, non-profits and community groups, neighborhood leaders, and city staff and elected officials.

Application Preparation

This proposal was prepared internally but produced with support from grants consultants to ensure strict adherence to guidelines.

Civil Rights/Fair Housing

The City operates a Civil Rights & Equal Opportunity department to protect residents against discrimination in employment and public accommodations, such as housing, by investigating discrimination claims and enforcing civil rights laws. The Civil Rights division protects residents under Chapter 38 – Civil Rights Ordinance, Title VI of the Civil Rights Act of 1964, as well as the anti-discrimination provisions of the Revised Statutes of Missouri. In regards to housing, the City ensures equity amongst the protected classes, which include race, color, religion, national origin, sex, mental or physical disability, marital status, familial status, age, sexual orientation or gender identity, gender expression, ethnic background, or being a victim of domestic violence, sexual assault or stalking.

The City also adheres to Title VIII of the Civil Rights Act of 1968, or the Fair Housing Act. This prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, because of race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin, and disability. It also requires that all federal programs relating to housing and urban development be administered in a manner that affirmatively furthers fair housing. The City of Kansas City refers all fair housing complaints to HUD.

Sub-granting

One of the activities included in this proposal involves the sub-granting, or pass-through, of grant funds. The City is requesting \$1,000,000 in grant funding for the creation of a revolving loan fund. This will offer low-interest loans to developers and other property owners to complete environmental investigation and cleanup activities. The revolving nature of the new fund will ensure long-term sustainability, as loan repayments will replenish the fund and allow for the continued enablement of new projects beyond the term of the grant. The City has extensive experience both managing federal grant funds and subgranting funding to third party entities.

● **Exhibit F: LEVERAGE**

a. **Are you leveraging other funding or non-financial contributions?**

The City of Kansas City intends to leverage non-financial contributions in the form of project leadership and oversight from its Housing and Community Development office, specifically under the supervision of Housing Director Blaine Proctor and Deputy Director Dion Lewis.

Their experience working with similar projects in the past, including the development of the Zero KC Action Plan and the Community Needs Assessment that served as critical foundations for this grant application, puts them in a uniquely qualified position to continue to execute the City's affordable housing goals.

Blaine Proctor's experience as a long-time advocate for affordable housing and deep-rooted connection to vulnerable communities make him an invaluable asset for projects such as these. His tenure at SAVE Inc, during which he spearheaded transformative Pro-Housing community projects like Alhaven, Bodhi, and Pride Haven, demonstrates his commitment to establishing inclusive, safe, and supportive housing for vulnerable populations like those suffering from mental illness, LGBTQ+ individuals, and youth facing homelessness. His personal experience as a community advocate and member of the LGBTQ+ community coupled with the formal authority granted by his station as Housing Director will serve to better ensure that Kansas City's affordable housing initiatives are designed and executed with empathy, expertise, and equity-driven deliverables at the forefront.

Proctor's prior work with underserved communities not only underscores his own capacity to advocate for these communities as part of this project, but also Proctor's experience building and maintaining relationships with the local nonprofits, service providers, and public agencies that will be key to the success of this large-scale housing affordability initiative. His previous collaborations developing mixed-income housing communities illustrates his ability to unite stakeholders around a common goal, and forge public-private partnerships that strengthen the City's capacity to engage in transformative projects overall.

Under Proctor's leadership, Kansas City's approach to affordable housing has transcended the straightforward immediate needs to provide shelter space. By leveraging both his individual experience and the testimonials gathered through community outreach and engagement, the city will guide the proposed actions to achieve its project goals, thereby significantly increasing affordable housing stock. While elements such as leadership, commitments to inclusivity, and holistic service delivery are non-quantifiable, they nonetheless reflect Kansas City's intended contributions to project delivery and the City's overall capacity to ensure the long-term success of this project throughout the performance period and beyond.

- **Exhibit G LONG-TERM EFFECT**

What permanent, long-term effects will your proposal have? What outcomes do you expect?

Simply put, the City of Kansas City's long-term goal for this proposal is to enable a significant increase in the availability of affordable housing units. Housing affordability is a major issue within the City, especially for households earning 30% or less of the area median income (AMI), and the most straightforward means of mitigating this issue is by increasing the number of affordable housing units. Realistically, the City's best opportunity to do so is through the restoration and remediation of properties that are unused, blighted, or otherwise currently unfit for occupancy. This approach has proven to come without significant up-front costs that have dissuaded private development, and so the City has thus far aimed to streamline its bureaucratic

processes tied both to developer-facing permitting and resident-facing support services, serving the twofold aim of encouraging residential development wherever possible to mitigate wait times while also supporting the needs of individuals who are patiently standing by on waitlists in preparation for new units to become available. This service-oriented approach has been helpful, but is insufficient to meet the City's overall goals of protecting against displacement and eliminating homelessness. Moreover, the City has sought to bolster economic stability via wraparound services, including job training and financial assistance, in order to better avoid sudden surges in homelessness tied to economic hardship, but these efforts in tandem with accelerated permitting and developer-facing-incentives have largely served to prevent homelessness rates from growing more severe, whereas they were intended to steadily decrease these rates.

With all this in mind, the City recognizes that its overall housing issues are multifaceted and complex, and aims to utilize grant funds to eliminate specific barriers it currently faces in its efforts to increase the number of affordable housing units. The city recognizes that its slow permitting process discourages would-be-developers from pursuing housing projects. To mitigate this, the City has begun to formally expedite permits for affordable housing projects, though these practices are still early in their usage and prone to inconsistent implementation. The City's long-term goal is to further engage with these expedited permitting processes and, with the support of grant funding, commit additional legal support and city personnel to the permitting process to ensure that developers' interactions with Kansas City's bureaucratic mechanisms are straightforward, transparent, and expeditious.

Another similar barrier is the prohibitively expensive permitting that has stymied efforts at developing widespread affordable housing thus far. The City has thus far implemented fee waivers and cost reductions for developers that actively align with its affordable housing goals, but these measures have yet to yield a meaningful influx of new developers. This approach was designed to incentivize developers without needing to provide them with robust up-front subsidies, which the City lacks the financial capital for. By focusing on service-oriented incentives that can be undertaken by City personnel at minimal additional cost, the City hopes to serve the twofold purpose of encouraging new development while also reserving its in-house funds to be dedicated elsewhere. While recent policies have provided some cost savings for potential developers, the reality is that accessory permitting costs are somewhat insignificant compared to the overarching costs of environmental remediation, blight mitigation, and the structural improvements required to transform the City's current stock of unused structures into livable dwellings that can bolster its existing housing stock. While the City will continue to offer these incentives to developers, its long-term strategy must include a solution to the costliness of environmental remediation, which is a key focus of the City's application for HUD funding. Without a solution to this core barrier, developers will likely remain only nominally attracted to cost savings targeting the more accessory costs.

As mentioned before, the City's most significant barrier to accomplishing its pro-housing goals is its lack of available housing stock, which is made especially challenging given the City's lack of available capital to bolster said stock. Kansas City's shortage of suitable housing units forces

would-be tenants to endure long wait lists for resources that are in high demand and short supply. The City only has limited potential for wholly new construction as the City's urban core lacks available space, and the space available in suburban corridors are limited by exclusionary zoning policies that have yet to be formally revised due to community pushback. As such, the City's best option for bolstering its housing stock is via rehabilitative work to adaptively reuse currently unoccupied structures owned by the Kansas City Land Bank. While it is the best alternative the City has for its ultimate goals, it comes with significant challenges in and of itself, specifically the financial constraints of undertaking environmental investigation and remediation to turn these blighted or otherwise unused facilities into livable dwellings. Such projects are not only highly expensive, but provide a limited return on investment due to their very nature as affordable housing work. This has made the process of identifying and working with private developers an uphill battle for Kansas City, and it is precisely why the City is so determined to secure outside financial support through programs such as HUD pro-housing. By utilizing grant funds to undertake the up-front work of remediating blighted properties, the City can better position itself to approach developers with newly and/or nearly refurbished properties that require minimal financial commitment to activate into proper housing units, supporting the goal of avoiding displacement. This would allow the City to remove its single most meaningful barrier and allow all other facets of its approach towards pro-housing to move forward with greater ease and expediency.

With grant funds used to rehabilitate unused structures into proper affordable dwellings, Kansas City is confident that the remainder of its approaches will yield even more effective results in removing their own specific barriers. Expedited and low-cost permitting will better connect developers with new projects since these projects come with significantly fewer up-front costs for construction. Furthermore, mitigating these substantial frontloaded costs will serve to better encourage private developers who would otherwise be averse to marginal returns-on-investment. While it does not alleviate all resident concerns tied to individual home values, the opportunity to pursue the proposed scope of work without raising taxes or otherwise straining the local tax base will certainly give the City better positioning to pursue its overall goals without fear of widespread opposition. The utilization of grant funds for this purpose would also give the City greater flexibility to dedicate its in-house capital towards incentives and subsidies that can work alongside Low-Income Housing Tax Credit (LIHTC), Housing Trust Funds, and funds gathered through philanthropic entities to yield even more significant results. In short, Kansas City's single most meaningful barrier, from which all other barriers branch off of and connect to, is the financial burden of transforming currently unused structures into livable dwellings that can bolster the local housing stock. This is the barrier that would most meaningfully be addressed through the utilization of grant funds and is a core focus of Kansas City's request for funding outlined in this grant application.

Kansas City's priorities for implementation are best outlined in its Zero KC strategic plan, which was drafted in tandem with its preliminary assessments measuring the specific needs of its residential population. The City's five core strategies are as follows:

- 1) Implementation of encampment strategies that promote health, safety, and quality of life for all, and quickly re-house individuals who live unsheltered
- 2) An increase to affordable housing stock and a focus on housing stability
- 3) Investments in equitable, evidence-informed housing solutions and high-quality wraparound services
- 4) Continued examination of the needs of marginalized groups and underserved populations
- 5) Maximization of funding opportunities to support the implementation of creative solutions

The City of Kansas City faces significant barriers to developing affordable housing and is requesting \$7,000,000 in HUD PRO Housing grant funding to eliminate these barriers and realize its goal of increasing the availability of affordable housing stock. The primary focus of the work to be done using these grant funds will be environmental investigation and remediation, as it represents the most significant financial hurdle to the City's overall goals. More than any other individual factor, it is expected that the elimination of this barrier will provide the most meaningful improvements to the expediency and efficacy of the City's other supplemental approaches. Environmental remediation would serve to transform hundreds of properties within disadvantaged areas currently owned by the City's Land bank into structures viable for housing, whereas they currently lie blighted and require extensive cleanup. The City expects to utilize roughly \$4,000,000 of its \$7,000,000 request towards these environmental remediation efforts, using these funds to incentivize developers and nonprofits undertaking property acquisition and redevelopment. The remaining \$3,000,000 will supplement the City's accessory efforts to removing aforementioned barriers, streamlining the permitting process, improving the voucher allocation system, providing legal support for title clearance, and supporting comprehensive property planning. These initiatives will serve to address the needs of Kansas City residents while also aligning with HUD's objectives to benefit low-to-moderate-income persons, eliminate urban blight, and address urgent community needs.

The City of Kansas City's highest aspiration is to fully end homelessness within its jurisdiction, and a significant increase in the availability of affordable housing is a critical goal towards achieve this objective. The City recognizes that while this ultimate goal may not be feasible in the short-term, that every household that is matched with a livable home through its new programming is a worthwhile accomplishment in and of itself. Upon completion of its grant-funded activities, Kansas City will have achieved several key outcomes that will have a lasting impact on its continued efforts to develop affordable housing and reduce homelessness. Specifically, the City intends to dedicate a majority of grant funds towards environmental investigations and direct remediation required to transform currently unlivable properties in its urban core into habitable dwellings. These units would bolster the City's currently limited capacity of affordable housing structures and serve to provide stable, permanent housing for households experiencing both chronic and episodic homelessness, representing lasting support for some of the City's most vulnerable individuals in a manner which mitigates displacement. While the City currently possesses a sufficient number of properties which can be redeveloped through its existing land bank, the financial commitments required to ensure that they meet

health and safety standards is too significant to address without outside support, especially considering their limited attractiveness to private developers as affordable housing structures with marginal return-on-investment. While the costs per unit are high, and there are a significant number of units in need of such remediation, the City is confident that this work will yield long-term success in that such restoration work will only need to take place once per-unit. Once the frontloaded cost of remediation is finished for each unit, the City expects that its accessory efforts to spur housing development will yield even more significant results as the financial burden of activating these dwellings is met.

While not as immediately impactful as the remediation of homes currently owned via the land-bank, the City also sees great potential in its emphasis on youth-based programming to connect residents with housing resources. Through investments in emergency and transitional housing for vulnerable populations, including local youth, the City hopes to better curb the cycle of recidivism and ensure that the temporarily displaced do not fall into deeper patterns of long-term homelessness. Over 3,100 homeless students were identified as part of the City's Community Needs Assessment, many of whom do not qualify for HUD assistance under its strict definitions for eligibility, and so the City is seeking to implement local solutions to satisfy this need for inclusive housing support.

Key elements of Kansas City's proposal can serve as a model for other jurisdictions. The City's focus on the remediation of blighted properties owned by the City is one that numerous urban entities can emulate, as many other metropolitan entities like Kansas City find themselves in the undesirable circumstance of owning numerous properties that are structurally sound but severely dilapidated, thus limiting their usefulness without significant restoration. This strategy of transforming these blighted or otherwise underutilized properties into viable units for affordable housing is a blueprint for several other cities can utilize. Similarly, the City's efforts to streamline its permitting process for priority projects and its emphasis on including vulnerable populations in its planning and implementation processes represent best practices that any municipality can mimic, regardless of whether their goals are tied to affordable housing or not. Furthermore, the City's model of utilizing targeted investments to address systemic barriers is one that is easily scalable for a variety of municipalities regardless of their size; smaller cities can implement reduced versions of Kansas City's plans, while larger metropolitan areas can expand upon them. While not every entity will have the same barriers as Kansas City, this approach of utilizing preliminary assessments informing proactive planning, which in turn informs robust implementation efforts, is a methodology that is replicable to numerous municipalities in their efforts to draft focused, locally applicable solutions to their given barriers.

Success at the conclusion of the project period will be defined based on 1) the production and preservation of affordable housing units and 2) the permanent removal of barriers that inhibited access to said housing for vulnerable populations. In terms of specific metrics to measure success, Kansas City's intended scope of work benefits from several quantifiable markers of program success. Firstly, the City's key outcome of producing new affordable housing units, whether that be via the remediation of existing blighted properties or the construction of new affordable housing units where none currently exist, can be measured by the number of titles

cleared and affordable units created annually, as well as the number of these units that are promptly matched with new occupants and the raw acreage of land remediated and readied for development. The City's focus on expedited permitting can be measured by the reduction in average wait time to issue permits compared to the typical non-accelerated process, as well as the reduction in the number of discretionary approvals required in these streamlined bureaucratic practices. Presumably these service-oriented solutions would also result in a greater number of housing vouchers allocated annually, especially those allocated to vulnerable populations, and so the City will also track the number of vouchers disbursed as another quantifiable performance metric. Addressing the needs of vulnerable populations can be more difficult to demonstrate, but the City will still seek to track the number of affordable housing units specifically matched with households representing these populations in order to better understand how its program implementation properly addresses known patterns of inequity.

The City of Kansas City's proposal will have long-lasting effects on removing both immediate and systemic barriers to affordable housing, which are inextricably linked to the same discriminatory practices that have perpetuated segregation and inhibited access to well-resourced neighborhoods. The City's twofold approach to use environmental remediation to bolster its existing housing stock while removing barriers-to-entry for vulnerable populations to access these new units will serve to permanently open up new areas for affordable housing development, reduce acute concentrations of poverty within the City, and revitalize existing communities with greater access to housing.

ATTACHMENTS:

- **Attachment A Summary of comments received on published Application and list of commenters by name/organization.**

To be received/incorporated.

- **Attachment B Certification of compliance with NOFO public participation requirements.** Provide evidence of the reasonable notice of your public hearing and the publication of the application for public comment, consistent with Section VI.E of the NOFO.

To be received/incorporated.

- **Attachment C Advancing Racial Equity Narrative** per Section III.F of the NOFO:

Kansas City has already undertaken significant work to assess the current needs of its resident population, particularly underserved communities that have endured historic patterns of institutional racism and seeks to implement the findings of these assessments in its KC Zero Action Plan. In 2022, when these assessments were undertaken, 36.4% of Kansas City's homeless population was identified as Black/African American, which is disproportionately higher than the overall black population of the city at large. While other racial groups were represented in not insignificant numbers (54.2% white, 1.9% Native American/Alaska Native) the overwhelming presence of the black community in these demographics underscores the need for

targeted improvements in this area. The city expects that these populations will benefit directly from affordable housing and other programs providing support to the local homeless population.

While barriers to equitable benefits are often unseen, they are no less present and potent in metropolitan centers like Kansas City. Barriers to equitable access to communities of color are largely systemic, and include things like discriminatory housing practices, exclusionary zoning, and concentrated poverty. These factors, which were historically treated as matter-of-fact facets of urban life, have been reexamined in a modern context and recognized as endemic of racist attitudes and structural inequality. Exclusionary zoning practices, in theory meant to provide comfort and town-and-country amenities to those living outside the urban core of cities like Kansas City, have served to severely limit affordable housing options in predominantly white, affluent neighborhoods. This has served to further marginalize communities of color by concentrating affordable housing in lower-income, urban neighborhoods where both physical space and opportunities are much more limited. Patterns of poverty that have disproportionately affected Kansas City's black communities only further redouble these issues as housing becomes increasingly expensive. High rents, predatory lending, and enduring racial biases in employment all contribute to the economic disparities that maintain these undesirable patterns of inequality.

While Kansas City has endeavored to both understand these problems and devise solutions, it recognizes that there is much work to be done in establishing a more equitable future for these underserved populations. First, the City has aimed to revise current zoning policies in such a way that will promote new affordable housing developments in areas currently reserved solely for suburban construction projects. These efforts will make use of available space for new construction in tandem with the City's efforts to revitalize existing structures within its urban core, promoting housing developments that can serve a broader variety of income levels over a wider geographic area. It will also allow for opportunities for lower-income families of color to access homes in neighborhoods that they would otherwise be excluded from, with all the community amenities and resources therein.

The City is also implementing targeted subsidies for households earning 30% or less AMI, a demographic that disproportionately includes black and Hispanic residents. These subsidies, employed in tandem with more transparent and streamlined bureaucratic processes for tenants and housing developers alike, are expected to yield meaningful results in connecting more would-be-tenants with affordable, livable dwellings. The City has sought to include individuals with firsthand experience with housing inequality and the detrimental effects of concentrated poverty in the development of its Action Plan, and continues to seek opportunities to establish strong partnerships with organizations serving communities of color. By including such leadership throughout these processes, Kansas City seeks to make sure that communities of color are made aware of the new opportunities brought about via this new suite of programming, and are given the tools they need to fully take advantage of these new opportunities.

Kansas City intends to track its progress through a combination of quantitative data collection, qualitative community feedback, and routine evaluations of service delivery. The City will utilize disaggregated data to track who is accessing affordable housing by race, in order to better understand whether communities of color are equitably benefitting from its pro-housing

strategies. Furthermore, the City is currently working to implement community-based participatory research in order to receive a steady, continuous flow of feedback from affected communities, including those most directly affected by racial inequality. Regular progress reports will be issued to HUD to track the effectiveness of these data collection methods and adjustments to project scoping therein, with specific metrics aimed to track increases in access for communities of color. These strategies reflect Kansas City's commitment to advancing racial equity in its pro-housing strategies, and its dedication to reversing the historic patterns of racism that contributed to its current disparities. The City wishes to ensure that all communities are able to benefit from local efforts to reduce homelessness and expand affordable housing, and is prepared to make active efforts to monitor the effectiveness of its approach to this end.

- **Attachment D Affirmative Marketing and Outreach Narrative** per Section III.F of the NOFO:

The City of Kansas City will aim to ensure varied and broad awareness and participation in the proposed project, which will seek to significantly increase the number of affordable housing units in the City's jurisdiction. The project will target a broad range of disadvantaged demographic groups, individuals with limited English proficiency, individuals with disabilities, and families with children.

As planned, the City will actively partner with local community centers and non-profit organizations who serve the targeted demographics, incorporating workshops, public meetings, informational sessions, and direct engagement to ensure widespread awareness of the project, and its intended benefits. Moreover, additional community outreach will include collaboration with the city's faith-based community, in order to reach marginalized and diverse community groups. The project, as designed, will ensure the availability of new housing stock for affordable development, as well as the improvement of the bureaucratic process to activate these properties. Coupled with the enhancement of the City's voucher system, it is essential that program staff communicate to both public and private partners effectively to match new housing stock with those who are housing insecure.

The City will also promote and educate the public about the project via its social media platforms, website, television and radio. This step, combined with more traditional print media and brochures, will ensure widespread awareness, and encourage developers to engage the city in the process. Simultaneously, City staff will participate in and help sponsor local events including community fairs, cultural festivals and other public gatherings in order to reach the public.

All public outreach to community partners and the public at large will include feedback mechanisms to offer surveys and mediums for feedback to answer questions and/or establish real-time needs related to the project. All public outreach, as well as participation will be tracked, as well as responses received.

- **Attachment E Experience Promoting Racial Equity Narrative** per Section III.F of the NOFO:

The City of Kansas City has demonstrated significant experience in promoting racial equity in its efforts to address the unique challenges faced by historically marginalized communities. The City recognizes that the pattern of housing insecurity currently experienced within its jurisdiction is an issue resulting from decades of discriminatory housing and land-use policies that disproportionately affect black, indigenous, and other people of color (BIPOC). Kansas City is determined to eradicating the conditions contributing to these discriminatory practices, and ensuring that its strategies to end homelessness are inclusive, effective, and culturally responsive; this includes an active approach in involving those directly impacted by these conditions throughout the planning process for this scope of work, as well as program development and decision-making processes.

Kansas City's approach to addressing its affordable housing shortage has been informed by examinations of the historic and structural causes of homelessness such as segregation and biases in housing, employment, and educational opportunities. The City acknowledges that marginalized groups, including racial/ethnic minorities, single women, LGBTQ individuals, and others, are overrepresented in the homeless population within its jurisdiction, and will typically face greater challenges in recovering from homelessness. To address these challenges, the City intends to prioritize youth-specific services, deploy policies preventing recidivism into homelessness, and ensuring that marginalized communities play a meaningful role in the project management.

Kansas City's community asset mapping, which was undertaken as part of its larger Community Needs Assessment, identified over 200 organizations providing services for unhoused persons. By recognizing these organizations as potential partners in implementing much needed community services, the City is better poised to connect directly with marginalized populations and ensure their voices are heard throughout the implementation of new programming.

In short, the City of Kansas City's work to assess the needs of its resident population, particularly residents belonging to historically marginalized groups, have informed a threefold approach to combatting housing insecurity. It is the City's hope that these approaches serve to create more equitable conditions overall, which can serve to course-correct against decades of discriminatory practices: First is a focus on youth-specific programs and services that can serve to provide young people with valuable community resources prior to their individual circumstances becoming more severe; Second is the elimination of the "revolving door" of recidivism in which individuals exiting permanent housing can quickly fall into homelessness, jail, institutions, or other adjacent systems of care. The City recognizes that individuals returning to housing after having been unsheltered for some time are especially vulnerable to falling into these cycles; Third, the City will continue to meaningfully include, from the beginning, persons impacted by housing insecurity in its planning, implementation, and decision-making processes, especially members of high-risk communities and subpopulations. This will leverage the efforts for inclusivity already undertaken in the development of its Community Needs Assessment and Zero KC Strategic Plan.