



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 230937

Submitted Department/Preparer: City Planning

Revised 8/3/23

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

Executive Summary

A request to approve a the Westside Heritage Urban Renewal Plan and declare the area blighted and insanitary and in need of redevelopment and rehabilitation as required by the Land Clearance for Redevelopment Authority Law of Missouri, Section 99.300 on approximately 736 acres on an area generally bounded by I-670 on the north, Broadway/Southwest Boulevard/Southwest Trafficway on the east, W 31st Street on the south, and the Stateline/ 25th St./Kansas City Terminal Railway tracks on the west. (CD-CPC-2023-00141)

Discussion

The intent of the Westside Heritage Urban Renewal Plan is to stabilize and maintain the presence of long-term low- and moderate-income homeowners and long-term homeowners.

In order to stabilize and maintain the presence of long-term, low- and moderate-income homeowners within the Plan Area, the Plan sets forth the following eligibility and minimum investment criteria for the implementation of the Plan by eligible applicants:

1. Homeowners must demonstrate that they have owned and resided in the property for at least ten (10) consecutive years prior to the date of application for tax abatement;
2. Eligible homeowners must document that they meet the criteria as a low- or moderate-income person at the time of application for tax abatement;
3. Eligible homeowners must document that at least \$3,500.00 of physical improvements (notwithstanding the requirements of the Authority's Workable Program) have been or is the process of being completed at the time of application for tax abatement; and, further,
4. That at least 25% of funds spent are for improvements made or being made for exterior physical improvements.

These criteria are intended to reduce or eliminate the economic pressure of the ongoing gentrification of the Westside on the existing long-term, low- or moderate-income homeowners in the Plan Area.

The following types of entities shall also be eligible for tax abatement under the specified conditions:

1. Mixed-use properties with two (2) or more apartments and multifamily properties shall be eligible for property tax abatement if 50% or more of the apartments are leased to low- or moderate-income residents at the time of application and throughout the term of the tax abatement;
2. Rental single-family homes owned by long-term residents and occupied by low- or moderate-income residents of a family member;
3. Commercial properties owned by long-term (10 or more years) residents of the Westside neighborhood;
4. Vacant land owned by long-term, low- or moderate-income residents, provided, however, said vacant land must remain vacant throughout the term of the tax abatement except for the property owners use for agricultural uses; and
5. Any property placed into a community land trust intended for the creation or preservation of affordable housing.

The additional eligible property owners are intended to stabilize and maintain existing affordable rental housing, protect commercial properties owned by long-term neighborhood residents, reduce economic pressures on long-term, low- or moderate-income residents that own vacant land, and to encourage the maintenance and expansion of the number of affordable housing units within the Plan Area.

Property owners that do not meet these criteria shall not be eligible for tax abatement under the provisions of this Plan. Any tax abatement awarded shall terminate upon the sale, transfer, or lease to non-family persons or entities or if the dwelling is demolished. Projects seeking tax abatement under the provisions of this Plan must be approved within five years of the date of this Plan's approval by City Council.

At the City Plan Commission hearing on September 19, 2023, the City Plan Commission recommended a continuance of the Plan to October 17, 2023 to allow time for additional public engagement meetings. At the City Plan Commission on October 17, 2023 the Commission discussed the definition of blight, the public engagement process, and the contents of the Plan. After public testimony and discussion, the Commissioner's made a motion of No Recommendation for the application. There were multiple public comments made both in support and opposition of the project; written statements from the City Plan Commission hearing on September 19, 2023 and October 17, 2023 are attached to the ordinance.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
No City funding is required. Private equity and debt will be used to finance all home rehabilitation activities contemplated.

3. How does the legislation affect the current fiscal year?
No. Eligible properties will receive 10 years abatement of the increased property taxes resulting from construction or rehabilitation work.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
No. Eligible properties will receive 10 years abatement of the increased property taxes resulting from construction or rehabilitation work. Properties receiving tax abatement will continue to pay property taxes on their “frozen” assessed values.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
Eligible projects will use private equity and debt to finance their projects. No new revenues will be generated until the end of the 10 year property tax abatements.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No
2. This fund has a structural imbalance. ☐ Yes ☒ No
3. Account string has been verified/confirmed. ☐ Yes ☒ No

Additional Discussion (if needed)
Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Housing and Healthy Communities (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
 - ☒ Maintain and increase affordable housing supply to meet the demands of a diverse population
 - ☒ Broaden the capacity and innovative use of funding sources for affordable housing
 - ☒ Invest in neighborhood stabilization and revitalization to reduce blight, ensure sustainable housing, and improve the wellbeing of residents while sustaining their diverse cultures

- ☒ Ensure all occupants of residences have quality, efficient, and healthy housing with minimal economic or regulatory barriers
- ☐ Address the various needs of the City's most vulnerable population
- ☐ Utilize planning approaches to improve the City's neighborhoods

Prior Legislation

None.

Service Level Impacts

Residents within the Westside Heritage Urban Renewal Plan area will apply for tax abatement. Any application that meets the requirements for a Development Plan or Rezoning per Chapter 88, Kansas City Code of Ordinances, shall require approval of a rezoning to district UR along with the concurrent approval of a preliminary development plan and final plan as set forth in the same chapter.

Other Impacts

1. What will be the potential health impacts to any affected groups?
Housing stability is critical to the physical health and emotional well-being of our community's low- and moderate-income residents.
2. How have those groups been engaged and involved in the development of this ordinance?
The Hispanic Economic Development Corporation, in consultation with a variety of neighborhood residents, is the proponent of the Westside Heritage Urban Renewal Plan.
3. How does this legislation contribute to a sustainable Kansas City?
The removal of blight through housing rehabilitation by low- and moderate income homeowners will lead to the retention of existing housing throughout the Westside neighborhood.
4. Does this legislation create or preserve new housing units?
Yes (Press tab after selecting)

Total Number of Units 100

Number of Affordable Units 100

No, the legislation will not create new housing units. It will preserve existing housing units through the removal of blight and rehabilitation activities. Approximately 100 units of existing affordable housing will be preserved.

5. Department staff certifies the submission of any applicable Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), Non-Discrimination documents, and Letters of Intent to Subcontract (LOIs) to CREO prior to the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)

Please provide reasoning why not:

Privately-financed housing rehabilitation activities are not subject to this requirement.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No(Press tab after selecting)