

KANSAS CITY STREETCAR MAIN STREET EXTENSION

Economic Development



Submitted by

Kansas City Streetcar

Applicant: City of Kansas City, Missouri

Partner: Kansas City Streetcar Authority

Partner: Kansas City Area Transportation Authority

September 7, 2018

Table of Contents

1.0	Introduction	1
2.0	Economic Opportunities.....	3
3.0	Transit-Supportive Plans and Programs	6
3.1	Growth Management.....	7
3.1.1	Concentration of Development around Established Activity Centers and Regional Transit	7
3.1.2	Land Conservation and Management.....	10
3.2	Transit Supportive Corridor Policies.....	12
3.2.1	Plan and Policies to Increase Corridor and Station Area Development.....	12
3.2.2	Plan and Policies to Enhance Transit-Friendly Character of Corridor and Station Area Development.....	15
3.2.3	Plans to Improve Pedestrian Facilities, Including Facilities for Persons with Disabilities	18
3.2.4	Parking Policies.....	19
3.3	Supportive Zoning Regulations neat Transit Stations	20
3.3.1	Zoning Ordinances that supports increased development Density in Transit Station Areas	20
3.3.2	Zoning Ordinances that Enhance Transit-Oriented Character of Station Area Development and Pedestrian Access.....	24
3.3.3	Zoning Allowances for Reduced Parking and Traffic Mitigation	25
3.4	Tools to Implement Land Use Policies.....	26
3.4.1	Outreach to Government Agencies and the Community in Support of Transit-Supportive Planning.....	26
3.4.2	Regulatory and Financial Incentives to Promote Transit-Supportive Development	28
3.4.3	Efforts to Engage the Development Community in Station Area Planning and Transit-Supportive Development	29
4.0	Performance and Impacts of Land Use Policies	31
4.1	Performance of Land Use Policies.....	31
4.1.1	Demonstrated Cases of Developments Affected by Transit-Supportive Policies	31
4.1.2	Station Area Development Proposals and Status.....	33
4.2	Potential Impact of Transit Project on Regional Land Use	35
4.2.1	Adaptability of Station Area Land for Development	35
4.2.2	Corridor Economic Environment	36

5.0	Tools to Maintain or Increase the Share of Affordable Housing	41
5.1	Evaluation of Corridor-specific Affordable Housing Needs and Supply	41
5.2	Plan and Policies to Preserve and Increase Affordable Housing in the Region and/or Corridor.....	43
5.3	Adopted Financing Tools and Strategies Targeted to Preserving and Increasing Affordable Housing in the Region and/or Corridor	44
5.4	Evidence of Developer and Public Sector Activity to Preserve and Increase Affordable Housing in the Corridor	46
5.5	Extend to Which Plans and Policies Account for Long-Term Affordability and Needs of the Very-and Extremely-Low Income Households in the Corridor	47

List of Figures

Figure 1.	Overlay Zones from Main Street Overlay Document.....	9
Figure 2.	MetroGreen Map.....	10
Figure 3.	Kansas City TOD Plan (Excerpted Elements).....	13
Figure 4.	Corridor Zoning Map.....	22
Figure 5.	TIF Incentive Area along the Corridor.....	29
Figure 6.	TDD Projects since Streetcar Implementation (\$2.2 Billion)	32
Figure 7.	Notable Recent Developments within the Corridor	33
Figure 8.	Crown Center Development Site	34
Figure 9.	Vacant Land within the Corridor.....	36
Figure 10.	Corridor Population	37
Figure 11.	Median Income within the Corridor	37
Figure 13.	Corridor Employment Characteristics.....	38
Figure 12.	Corridor Assessed Property Values.....	39
Figure 14.	Corridor Real Estate Market.....	40
Figure 15.	KCMO Housing Survey Question.....	41
Figure 16.	Corridor Affordable Housing Condition	42
Figure 17.	City Council Housing Goals and Objectives	44

1.0 Introduction

The Kansas City Downtown Streetcar starter line went into service on May 6, 2016. The 2.2-mile line has provided more than 4.9 million trips since opening day (over twice the projections). Due to overwhelming support and enthusiastic public interest in extending the streetcar route, a three-pronged partnership – the City of Kansas City, Missouri (City), the Kansas City Area Transportation Authority (KCATA), and the Kansas City Streetcar Authority (KCSA) – is currently developing Federal Transit Administration (FTA) Section 5309 Capital Investment Grant Program – New Starts Project justification materials and data in support of extending the streetcar approximately 3.5 miles south from its current terminus. The proposed alignment would continue south along Main Street, ending at the Country Club Plaza/University of Missouri – Kansas City (Plaza/UMKC) area. The project would connect the City’s two largest activity centers and would greatly increase and extend the community benefits already being seen from the Downtown Streetcar starter line. This expansion of the streetcar in the Main Street corridor was identified and extensively studied in the NextRail KC study completed in 2013, and is included in the region’s adopted long-range transportation plan, Transportation Outlook 2040.

As mentioned, in 2012 and 2013, the City, in coordination with KCATA, MARC, and Jackson County, initiated a \$1.9 million planning study called NextRail KC to evaluate the potential impacts, feasibility, and cost of streetcar expansions in eight designated corridors. Through a phased process that included public/stakeholder engagement, systems overview, route screening, and detailed route analysis, the Main Street corridor streetcar extension, along with two others, was selected by the City Council for endorsement. The Main Street corridor is a key component of the overall regional system and would connect major activity centers, while serving a key redevelopment corridor.

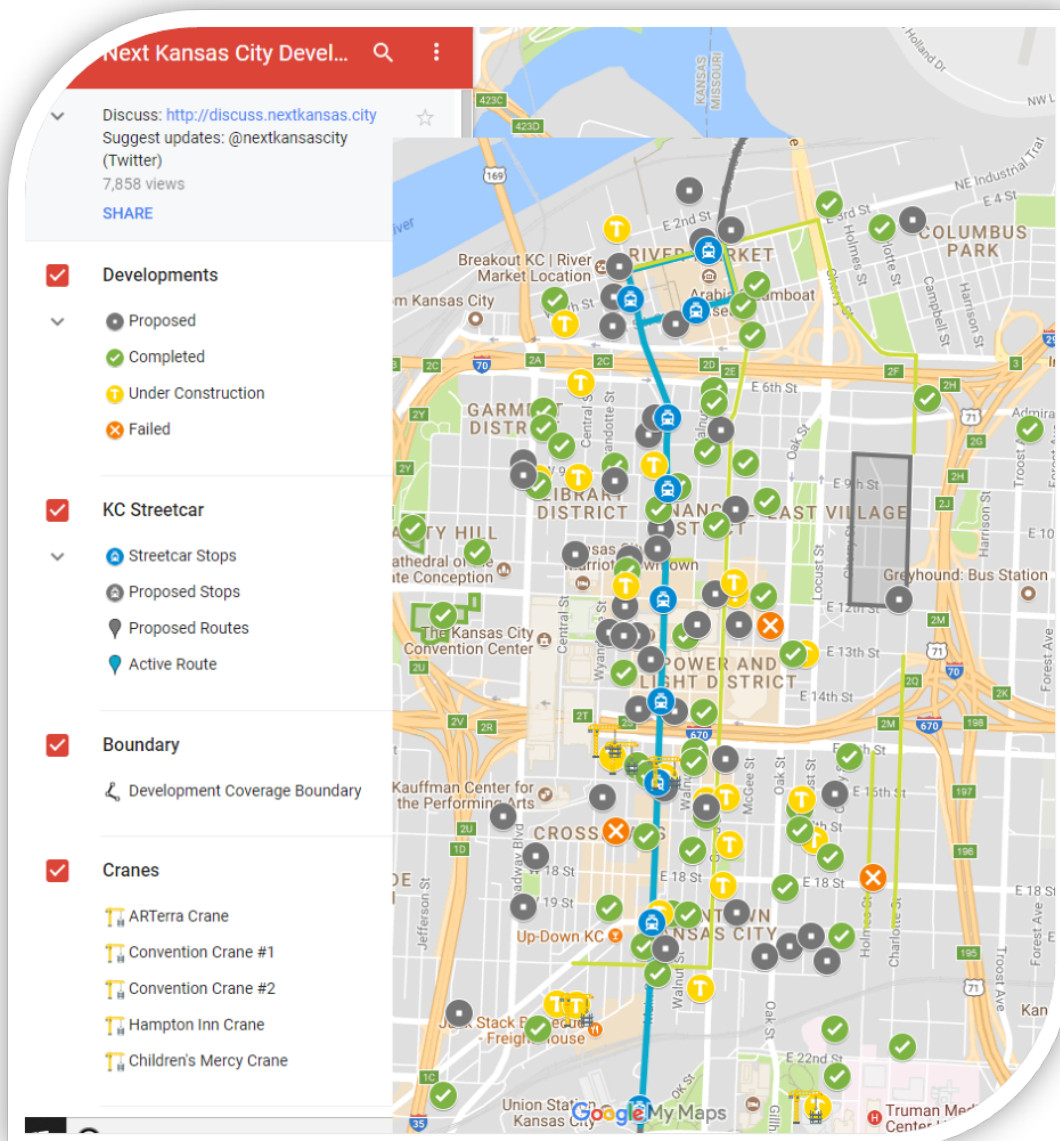
The 3.5-mile-long Streetcar extension route has nine planned stations, including Union Station, 27th Street Station, 31ST Street Station, Armour Boulevard Station, 39th Street Station, 43rd Street Station, 45th Street Station, Plaza Station and UMKC Station. The corridor touches five residential neighborhoods, two mixed-use neighborhoods, one museum district, and one educational district.

This document is a report on Economic Development along the Main Street corridor submitted as part of the project justification rating materials package in fulfillment of the requirements specified by Template 2 of the New Starts Project Justification rating process. The intent is to provide FTA and its affiliates project information and materials needed on economic

development conditions and transit-supportive plans and policies. The preparation of this report included a review of growth management, transit-supportive corridor policies, supportive zoning regulations near transit stations, tools to implement land use policies, performance of land use policies, and tools to maintain or increase the share of affordable housing.

2.0 Economic Opportunities

In Kansas City and the region, the entire community is looking to the Downtown Streetcar to fuel economic growth and the Main Street Extension project is a critical element to that growth. By promoting development, raising property values, attracting businesses and residents, and helping to redefine the city, streetcars benefit everyone. Kansas City has had more than \$2 billion dollars in economic development underway within the boundaries of the KC Streetcar Transportation Development District (TDD) since the streetcar initiated service in 2016.



As Kansas City has proven with its Downtown Streetcar line, streetcars are significant drivers of economic development. By connecting key community destinations, streetcar systems are ideal for providing connections to jobs, shops, restaurants, and entertainment in urban neighborhoods and downtowns. Because they can connect to multiple destinations within a relatively small area and provide frequent service, streetcars are an effective tool for economic development. In contrast to a light rail system, streetcar alignments are designed for shorter trips. Smaller vehicles also allow for greater maneuverability and integration into the surrounding urban environment.

The Main Street streetcar extension project provides Kansas City with an opportunity to foster economic growth. The Downtown and Midtown areas attract a large number of employees, residents, and visitors daily. A well-designed streetcar system can help facilitate the efficient movement of travelers within the area, while improving visibility to existing activity centers, providing redevelopment opportunities, as well as increasing property values and developer investments. These are some of the economic development opportunities the planned extension of streetcar will provide:

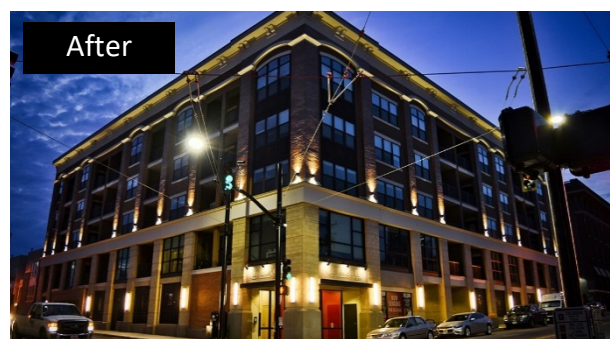
- **Connectivity and Access:** The smaller size and shorter alignment characteristics that are typical of streetcars allow for a higher degree of integration into a community's existing urban framework. Streetcars can travel alongside vehicular traffic at prevailing speeds and consequently improve visibility of existing activity centers. The existing streetcar alignment travels through the heart of downtown and provides connections to several of the City's existing activity centers, such as local shops, restaurants, entertainment venues, art galleries, and more. Access is improved to these existing activity centers that were once deemed too far to walk or too inconvenient to drive. More broadly, as local and regional transit are integrated with the streetcar, the Main Street corridor will serve as a regional transit spine – expanding the reach of the streetcar's economic benefits.
- **Redevelopment:** Streetcars also provide opportunities to redevelop neglected and blighted areas. In order to reinforce the success of the streetcar system, the City acknowledges the need to improve the surrounding urban environment and improve physical, social, and economic conditions. The Kansas City Streetcar Authority reports that since 2012, there have been a total of nine renovation projects either completed or under construction adjacent to the streetcar corridor. As of March of 2018, there are another 13 renovation/redevelopment projects planned. Combined, the renovation/redevelopment projects under construction or planned represent just under \$850 million in investments.
- **Added Value:** Enhanced access to existing urban amenities makes a neighborhood more desirable for potential residents and commercial tenants. The increased demand for residential and commercial space adjacent to a streetcar system will also lead to higher

property values. As a result, property owners will be able obtain higher rents from retail and residential tenants bringing more revenue to the area. In March of 2018, the Kansas City Streetcar Authority reported six multi-family housing complexes under construction and another six complexes planned in the existing streetcar corridor. Commercial developments under construction as of March 2018 include seven hotels and another three hotels planned. Seven office complexes are also planned for the corridor.

- **Developer Investments:** As indicated above, streetcar systems play an important role in attracting developer investments – the downtown line has proven that. Real estate investment decisions from private developers often require predictability over longer periods of time. Streetcar projects offer a sense of permanence that other alternative transportation projects do not because of the infrastructure required. Public and private investments in a streetcar system signal to developers that a strong commitment to the neighborhood has been made and the success of the system is supported by the community and local government. Additionally, streetcars can also promote more efficient land use and, in some cases, can reduce on-site parking requirements. These land-use efficiencies impact the developer’s bottom line and can free up additional space for other uses such as additional retail space or residential units. All of these reasons can help accelerate the timing of new development and increase the amount of development that takes place within the area.

Examples of how these types of benefits have occurred on the starter line are pictured on the following page.

*Kansas City Streetcar Main Street Extension Project
Economic Development Report*



3.0 Transit-Supportive Plans and Programs

3.1 Growth Management

3.1.1 Concentration of Development around Established Activity Centers and Regional Transit

The region and corridor have a number of policies that support development, infill, or redevelopment (particularly densification) in established urban centers and activity centers including major transit facilities.

MARC Transportation Outlook 2040

Kansas City's metropolitan transportation plan includes a policy framework that forms the foundation for long-range transportation planning. One of the key strategies of the plan includes *"...creating quality places that support a range of lifestyle and transportation choices, promote increased density through mixed-use development and use a centers-and-corridors strategy in planning efforts."* The plan has a focused goal of promoting investment and development in areas of existing concentration, such as downtown and the Main Street corridor in midtown. The in-progress update of this plan, RTP 2050, continues to strongly support this centers-and-corridors strategy.

Midtown/Plaza Area Plan

The City has adopted an Area Plan for the midtown area that includes strategies to help realize the long-term vision for the future and provide a comprehensive framework to guide public decisions on land use, housing, public improvements, community development, and city services. Key goals related to development concentration include:

- Strengthen and invest in the existing commercial nodes, while fostering an environment that attracts and retains quality businesses.
- Preserve, enhance, and invest in the area's regional destinations.

The plan's guiding principles for land-use and development also include several relevant elements:

- Reinforce and embrace an urban development pattern.
- Ensure adequate infrastructure is provided to enable development /redevelopment.

The plan also looked at each property in the southern portion of the planning area and made a recommendation regarding its long-term future, in one of several categories:

- Potential Redevelopment
- Potential Redevelopment within existing zoning
- No increase in zoning intensity
- Maintain predominant form
- Determined historic resource

Main Street Overlay District

The Main Street Overlay zone extends from 27th Street to Emanuel Cleaver II Boulevard on Main Street, which covers the majority of the proposed streetcar extension. The stated purpose of the overlay is to "create design standards that promote the use of transit, context-sensitive density, pedestrian-friendly spaces, and overall design excellence. Uses are regulated by this overlay to ensure compatibility between transit and adjacent uses." **This document was intentionally crafted to facilitate supportive land-use and development along the Main Street corridor in preparation for the streetcar extension.**

- The overlay establishes a minimum density requirement and identifies "Transit Zones" where the highest density minimums are required and the tallest buildings and highest floor-area ratio (FAR) in are allowed.
- The overlay prohibits or limits (through special use permit and/or development standards) uses that are not transit-supportive such as auto-oriented uses (drive through, gasoline sales, vehicle sales and service).
- The overlay includes development standards that are designed to ensure a pedestrian-friendly environment and limit vehicular conflicts with streetcar operations.

The Main Street Overlay District focuses largely on transit-friendly redevelopment of the corridor – identifying "Transit Nodes" as key areas for dense urban development clustered around existing and future transit stops.

Downtown Zoning

As an example of the City's commitment to density and concentration of development – when the streetcar was implemented Downtown, the City created the Downtown Streetcar Area that includes areas zoned DC (Downtown Core) and DX (Downtown Mixed-Use). DC areas are intended to promote high-density office and employment growth and accommodate mixed-use, commercial, public, recreation, and entertainment uses. DC areas have no minimum off-street parking requirements. DX zoning aims to accommodate office, commercial, custom manufacturing, public, institutional, and residential development. This spirit/approach is echoed in the Main Street Overlay described above.

Figure 1. Overlay Zones from Main Street Overlay Document

ZONE DESCRIPTIONS



A. NEIGHBORHOOD MAIN STREET

Neighborhood Main Streets provide a diverse critical mass of walkable services for adjacent neighborhoods. These areas anchor residential neighborhood reinvestment and revitalization and restore the vibrant walkable character of the corridor and adjacent neighborhoods.



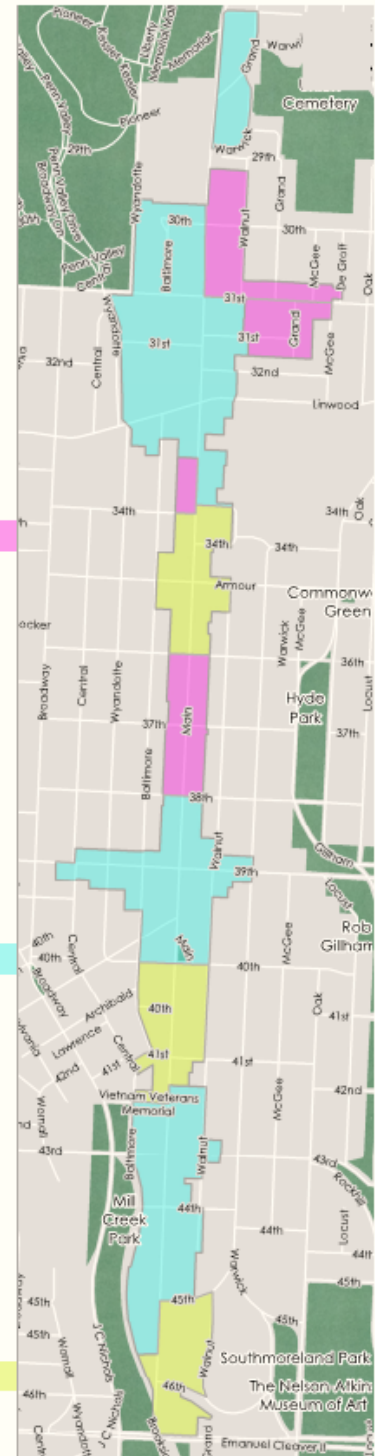
B. TRANSIT NODES

Transit nodes are centered around a rapid transit stop. Transit nodes encourage an appropriate mixture of density and uses around rapid transit stops to increase ridership and support transit investments. These nodes are characterized by compact development that facilitates access between rapid transit stops and nearby residential, commercial, civic, recreational, and institutional uses.



C. TRANSITIONAL ZONES

Transitional zones provide a balanced transition from Transit Nodes to Neighborhood Main Streets.



Downtown Streetcar TDD

The City instituted the Downtown Streetcar Transportation Development District (TDD) Project Incentive & Coordination Program to provide development process service incentives to projects within the TDD, encouraging development, redevelopment, and infill. The City also seeks to limit surface parking lots through the TDD: surface lots within the TDD are applied a special assessment to their property tax.

AdvanceKC

Launched by the City in 2011, the AdvanceKC economic development strategy initiative was created to determine how the City could more effectively use its competitive assets to grow the economy. Potential City projects are evaluated for City assistance and incentives favoring projects that increase density within the streetcar corridor.

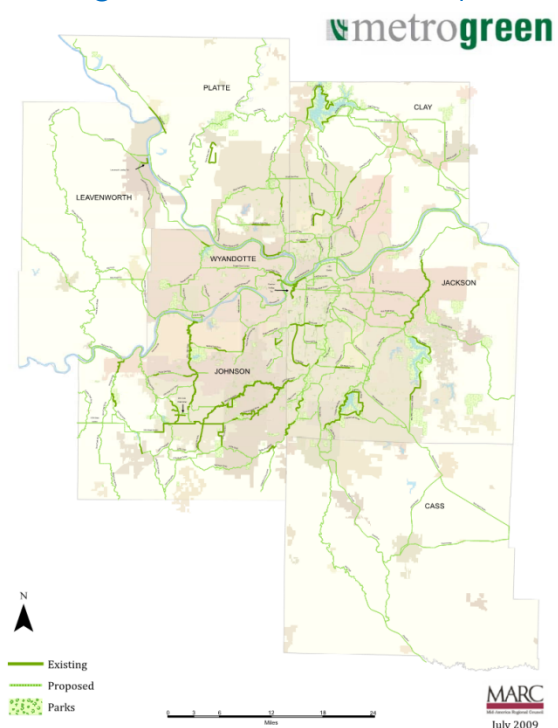
3.1.2 Land Conservation and Management

Several plans and initiatives focus on land conservation and growth management in the region and corridor are described below:

MARC Metro Green Plan

MetroGreen is an interconnected system of public and private natural areas, greenways and trails linking together communities throughout the Kansas City metropolitan area. MetroGreen continues a long tradition of valuing green space in the Kansas City area by extending the “parkways and boulevards” concept of the 1894 Kessler Plan for Kansas City, Missouri. MetroGreen extends and enhances this commitment through the identification of a network of greenways connecting many of the region’s most valuable natural, recreational and cultural assets. Regional and local protection strategies include land acquisition, incentives for property owners, environmental regulation, and other conservation tools. The plan identifies opportunities to conserve, restore, and connect the region’s most significant natural areas.

Figure 2. MetroGreen Map



Midtown/Plaza Area Plan

This plan, described previously, specifically outlines growth management strategies for areas adjacent to the streetcar corridor that respond to the goal of *“providing integrated modes of transportation (transit, bicycle, pedestrian, automobile, etc.) to get people from one place to another within and throughout the plan area.”* The plan states, *“the development pattern within the Midtown/Plaza area is advantageous to pedestrian, bicycle, driver, and transit users, allowing them to meet their daily needs. All future development and redevelopment projects must assimilate to this pattern”*. The plan further states, *“The Midtown/Plaza area’s density, built form, and street grid originally served transit users and pedestrians. That pattern should be respected and reinforced with any future development/redevelopment”*.

MARC Sustainable Places Policy Committee

The Sustainable Places Policy Committee (SPPC) was formed in spring 2015 to follow up on the Creating Sustainable Places initiative, which ran from 2011–2013. The SPPC provides leadership and policy advice to MARC’s Board of Directors in regional sustainable development. Under the guidance of the SPPC, MARC works with local communities to update and implement land-use strategies that support transportation, equity, environment, and conservation principles. The SPPC strives to integrate transportation, environment, housing, public health, economic development and other plans and policies in support of regional and local land use plans and objectives. A key goal of the SPPC is to advance integrated regional policy initiatives related to infrastructure and land use development to implement the region’s adopted vision.

Transit-Oriented Development Policy

The City of Kansas City Development Management Division has adopted growth management/development policies that specifically target TOD development. In short, the TOD policy establishes appropriate boundaries and transitions in a new TOD overlay to support successful development and protection of adjacent neighborhoods. The plan includes recommendations regarding zoning for, and encouraging density in, TOD areas, incentivizing mixed-use development, promoting active ground-floor uses, promoting transit-supportive uses, and incentivizing affordable housing. These elements of the policy foster developments that are transit-friendly.

Transportation Development District (TDD)

As previously alluded to, the City also seeks to encourage the highest and best use of land by limiting surface parking lots through the existing Transportation Development District (TDD) that will be expanded in conjunction with the streetcar extension. Surface parking lots within

the TDD are applied a special assessment to their property tax.

3.2 Transit Supportive Corridor Policies

3.2.1 *Plan and Policies to Increase Corridor and Station Area Development*

The City is actively supporting increased development along the corridor. Plans and policies established to increase corridor and station area development as described as follows:

Transit-Oriented Development Policy

In early 2017, the Kansas City, Missouri Transit-Oriented Development Policy was adopted by the City Council. The policy includes recommendations regarding TOD incentives, infrastructure prioritization in TOD areas, zoning for and encouraging density in TOD areas, and incentivizing affordable housing. These elements of the policy encourage more and denser development (refer to Figure 3 on Page 9).

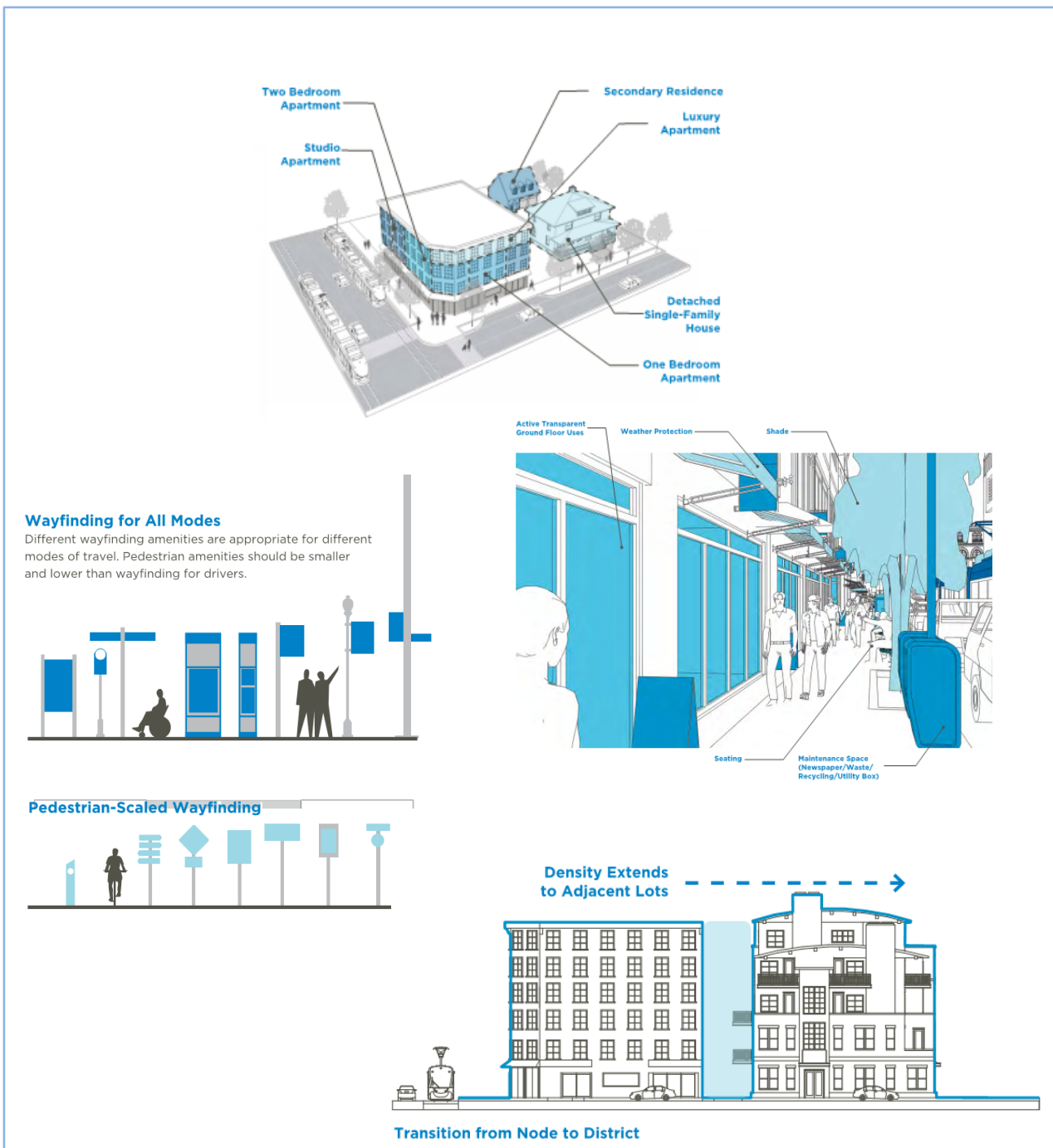
The Main Street Overlay

The Main Street Overlay District is a key document described in various places herein, and points directly to denser development along the corridor, especially near streetcar/transit stations.

Midtown/Plaza Area Plan

The plan approved by the City Council in 2016, covers a 6.5-square-mile area that contains 2.5 of the proposed streetcar extension's 3.5 miles. Relevant plan recommendations include the development of nodes at 31st Street/Linwood Boulevard, Armour Boulevard, 39th Street, 43rd Street, Ward Parkway, and 51st Street. Nodes are defined as "small, compact area[s]... Generally serving as center[s] of activity but can have different intensities of use and building scale." Most of the rest of Main Street is defined as a "corridor," which includes "Linear land-use patterns... that quickly transition to different patterns... generally Residential or Mixed-Use... Connect districts, nodes and neighborhoods featuring a greater density of commercial and/or residential uses."

Figure 3. Kansas City TOD Plan (Excerpted Elements)



MARC Metropolitan Transportation Plan

The plan identifies three primary goals to provide a framework for a more vibrant, connected and green region. The plan promotes mixed-use and centers-and-corridors development strategies. Each goal has an objective that will promote and support transit and Transit-oriented Development:

- **Vibrant:** Coordinate transportation and land-use investment along the region's corridors and centers as a means to create vibrant places and strengthen the quality of the region.
- **Connected:** Expand affordable, accessible, multimodal transportation options in order to better connect residents and visitors to jobs and services.
- **Green:** Decrease the use of fossil fuels through reduced travel demand, technology advancements and a transition to renewable energy sources.

Transportation Outlook 2040

The plan shows that the Main Street corridor has a High to Very High Transit Propensity Index, which takes into account population and employment densities, household income, zero-car households, and other demographic data. The Main Street corridor was also determined to have a high walkability index, as well as high scores in transit access and land use diversity. Land Use strategies recommended in Transportation Outlook 2040 include strengthening the land use and transportation relationship in the activity centers and key corridors identified in the plan to develop multimodal opportunities, promote mixed-use development, and increase density.

Tax Increment Financing Districts

There are four Tax Increment Financing (TIF) Districts in the project corridor. Each of the TIF districts was established with the goal of revitalizing and upgrading the properties in the district for improved residential and commercial uses. Each TIF, the proposed station served, and their primary purpose is listed below:

- **Union Hill TIF:** 31st St. station – Upgrade existing housing
- **Midtown TIF:** between 31st St. and Armour St. Stations - Upgrade existing housing and add retail
- **Country Club Plaza TIF:** near Plaza Station – New and upgraded commercial properties, new hotel units, and new parking structure
- **Bush Creek Corridor TIF:** 45th St. and Plaza stations – Mixed-use development, office, retail, dining, and Post Office space

The improvements undertaken by the TIFs will add to the mix of uses and generate an

environment for reinvestment that will take advantage of and support the proposed streetcar extension.

3.2.2 Plan and Policies to Enhance Transit-Friendly Character of Corridor and Station Area Development

The City and region strongly support a transit-friendly environment throughout the corridor through a number of plans and initiatives. Many of these activities are an outgrowth of the downtown streetcar, and of a desire to proactively plan to maximize the opportunities afforded by the proposed extension.

Main Corridor Overlay District

The Main Street Overlay designates three zones along Main Street: Neighborhood Main Street, Transit Node, and Transitional Zone. Each zone promotes walkability through building setbacks, materials, signage, and parking requirements.

- **Transit Nodes** are focused around proposed streetcar stations and promote “...compact development that facilitates access between rapid transit stops and nearby residential, commercial, civic, recreational, and institutional uses.” These zones allow building heights up to 15 stories.
- **Neighborhood Main Street Zones** are anchors for residential development and are designed to promote walkability along the corridor.
- **Transition Zones** link the Transit Nodes and Neighborhood Main Street Zones. These zones allow building heights up to 10 stories.

Main Street Corridor Development Corporation (MainCor)

MainCor is a not-for-profit Community Development Corporation (CDC) focused on Kansas City's Main Street Corridor, working to support commercial, mixed-use, and residential progress, and effective and responsible community, economic, and aesthetic development that creates and encourages the renewal and vitality of Midtown. MainCor actively works with developers and property owners to encourage transit-friendly development and redevelopment in Midtown. MainCor was instrumental in establishment of the MAX BRT service and is a champion for the streetcar extension.

Main Street Community Improvement District (CID)

The Main Street CID covers properties facing either side of Main St. from 27th Street to Emmanuel Cleaver II Boulevard, and has been established to clean, maintain, and monitor the Main Street right-of-way to promote a safe, walkable, and vibrant community.

Main Street District Façade Grant Program

The program is designed to provide rehabilitation grants to owners of commercial property and businesses within the boundaries of the Main Street Community Improvement District (MSCID). The Program can grant up to \$30,000 in funds per fiscal year of the MSCID. The central purpose of the program is to improve the attractiveness and commercial appeal of the targeted area.

Smart Moves 3.0

Smart Moves 3.0 is the 20-year transit plan for the Kansas City area. It is a robust plan that includes broad community goals in its thinking. The plan promotes transit-supportive policies through the following goals:

- **Placemaking** – investing along transit corridors
- **Equity** – ensure equitable access to jobs, goods, and services
- **Transportation choices** – expand mobility options
- **Environment** – Improve air quality and conserve natural resources through increased transit use and transit-oriented development

Relevant recommendations from Smart Moves 3.0 include:

- Encourage zoning and land use strategies that recognize transit benefits
- Encourage multimodal hubs where connections between different modes of travel can occur
- Adjust routes to serve more employment centers
- Add faster and more frequent service on key corridors
- Foster technology innovation that promotes and facilitates transit use

Main Corridor Streetscape Master Plan

The master plan was adopted by the City Council in 2008, and was intended to transform what was then a fairly unattractive and pedestrian-unfriendly corridor into a safe, inviting, multimodal environment with a sense of place. The entire streetscape plan is within the streetcar extension limits. The first, award-winning phase of the plan (34th Street to 44th Street, \$5.5 M) was implemented in 2012. Streetscape elements included sidewalk repair, accessible curb ramps, pedestrian-scale lighting, bike racks, trees, planter wells, benches, and street furniture – elements that make the corridor more attractive to both pedestrians and transit users. The second phase, covering 30th Street to 34th Street, is funded and designed. The third phase, covering 34th Street to Pershing Boulevard, is under design and is being carefully coordinated with the streetcar project, especially in coordination with station area planning at 27th Street. This last phase will also complete the missing piece of sidewalk, roughly 2,000 feet long, on the east side of Main Street between Grand Street and Pershing Boulevard.



3.2.3 Plans to Improve Pedestrian Facilities, Including Facilities for Persons with Disabilities

It is important to note that the Downtown Streetcar project itself included pedestrian improvements such as accessible curb ramps and pedestrian signals, and the Main Street extension will be coordinated with Main Street streetscape projects, GO KC, and other initiatives to bring such improvements to the corridor as warranted.

Main Corridor Streetscape Master Plan

The city's adopted Main Corridor Streetscape Master Plan outlines specific pedestrian facility improvements including sidewalk repair, accessible curb ramps, pedestrian-scale lighting, bike racks, trees, planter wells, benches, street furniture – and has transformed the corridor into a much more pedestrian-accommodating place, and will continue to do so as implementation moves north of 34th Street.

Complete Streets Ordinance

The City Council adopted a Complete Streets ordinance in 2017, which, among other things, indicated that all City transportation facilities shall be designed, constructed, and operated to adhere to the intent of Complete Streets. The City will approach every transportation improvement and project phase as an opportunity to create safer, more accessible streets for users. The ordinance also helped streamline existing bike and sidewalk policies and added oversight from city committees.

Transit-Oriented Development Policy

The City's TOD policy includes several elements geared toward pedestrian- and transit-oriented street design. With the recent investment in transit, the City has recognized the importance of a policy that guides the establishment of transit supported development, zoning, and public investments in the city. The City's approach to TOD is characterized by dense, compact development with a mix of uses in a pedestrian-oriented environment. The policy identifies the critical elements of a successful TOD and provides a concise program of initiatives to implement TOD in Kansas City. Pedestrian and transit-oriented street design initiatives are included in the policy statements that span social, cultural, economic, and environmental goals.

GO KC Sidewalk Program

The program is a complete overhaul of the City's approach to sidewalks, and has included development of a prioritization point system that emphasizes transit stops/terminals, population/employment density, connectivity gaps, and a number of other pedestrian-oriented criteria. Most of the proposed streetcar extension route is rated Priority 1 or 2 (out of 5).

3.2.4 Parking Policies

Special Parking Regulations

The City has established special parking regulations that apply to lots located within 1,000 feet of a rapid transit stop, including waiving parking requirements for:

- The first 10,000 square feet of gross floor area for office and manufacturing uses
- The first 4,000 square feet for retail and sales related uses
- The first 2,000 square feet for restaurant uses

DC Downtown Core Zoning District

In conjunction with the Downtown streetcar line, the City developed the “DC” downtown core zoning district, which has no minimum off-street parking requirements. This zoning was created to promote development as well as transit ridership. The City is currently contemplating something similar for the Main Street extension. The specific type of exemption or reduction is still under review, as the character of the corridor, with nearby adjacent neighborhoods on many portions, requires more consideration for the potential for parking intrusion.

These regulations apply both to MAX BRT lines and streetcar lines. Thus, the streetcar extension will have reduced parking requirements in the vicinity of the stops. In addition to the rapid transit station provisions, up to 25 percent parking reduction can be realized if a non-residential use is within 500 feet of a transit line with less than 30-minute headways.

Shared Parking Arrangements

City code (Development Code 420-16-I) allows for the City Planning and Development Director to approve alternative compliance parking plans allowing shared parking arrangements for uses compatible with such a practice. Parking space requirements can be reduced up to 50 percent if Transportation Demand Management (TDM) practices are applied, such as promoting transit use, ridesharing, and vanpools; or using off-peak work schedules. Landscaping is required around all off-street surface and structured parking.

Furthermore, on the Main Street corridor, less formal shared-parking agreements have evolved (for example, between the Madrid Theatre and the Whole Person, and between St. Paul’s Episcopal Day School and the Community Blood Center)

Midtown-Plaza Area Plan

The City’s Midtown-Plaza Area Plan (2016), the guiding document for the area of town that includes the majority of the proposed streetcar extension corridor, recommended the phasing out of surface parking lots wherever possible. Topics such as incentives and shared-parking

strategies are to be considered in working toward this goal.

Transportation Development District (TDD)

The City also seeks to limit surface parking lots through the existing Transportation Development District (TDD) that was established for the Downtown Streetcar line, and has been voter-approved for expansion as the streetcar is extended south on Main Street. Surface parking lots within the TDD are applied a special assessment to their property tax.

3.3 Supportive Zoning Regulations near Transit Stations

3.3.1 Zoning Ordinances that support increased development Density in Transit Station Areas

Figure 4 illustrates existing zoning in the corridor. The proposed streetcar alignment traverses a primarily moderate-density urban area and has zoning that allows for a mix of uses.

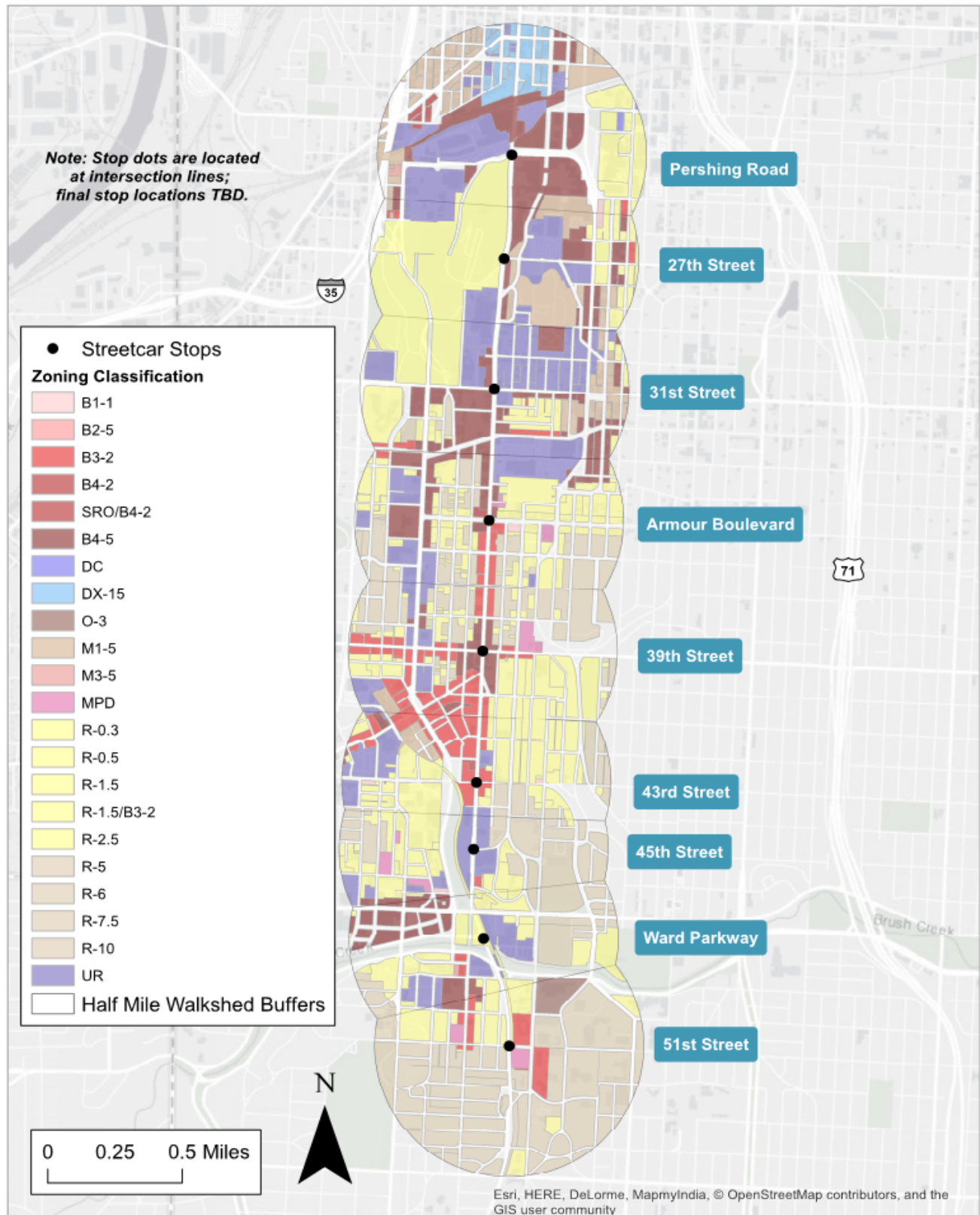
The Residential zones in the corridor (R-0.3, R-0.5, R-1.5, and R-2.5) allow for single and multi-family uses, as well as neighborhood-friendly commercial uses such as dining, retail, and institutional. The lower-numbered residential codes allow for multifamily towers in excess of 100 feet. The maximum height in the higher-numbered zones is limited to 40-45 feet. The Residential zones in the corridor allow for smaller lots (<4,000 sq. ft.) and moderate front setbacks (15-25 feet).

The Commercial zones in the corridor (B1-1, B3-2, B4-5, and O-3) also allow for single and multi-family uses. These Commercial zones allow for a mix of commercial uses from dining and retail to office and professional. The typical FAR allowed in these zones ranges from 3-4 with a maximum height of 60-70 feet. Commercial zones do not require a minimum lot size for commercial uses and no front setback, unless the zone shares frontage with an adjacent Residential zoned lot – in which case, it must meet the residential setback. Supplementing the standard zoning categories are special zoning categories to allow for uses or a mix of uses not allowed otherwise, or to allow modified lot and building standards. These zones, Master Planned Development (MPD) and Urban Redevelopment (UR), are applied to properties to promote redevelopment and preserve character, such as historical architecture. Several of these zones occur in the corridor.

*Kansas City Streetcar Main Street Extension Project
Economic Development Report*

Zoning	Type	Description
R-0.3	Residential	SF and MF; 235 feet height limit; Neighborhood retail, office & professional uses; lodging allowed
R-0.5		SF and MF; 164 feet height limit; Neighborhood retail, office & professional uses; lodging allowed
R-1.5		SF and MF; 45 feet height limit; Neighborhood retail; office & professional uses; lodging allowed
R-2.5		SF and duplex; 40 feet height limit; Neighborhood retail; lodging allowed
R-5		SF and duplex; 35 feet height limit; Neighborhood retail and lodging
R-6		SF and duplex on corner lot; 35 feet height limit; Neighborhood retail
B1-1	Neighborhood Business 1	SF and MF, dining, financial, office, and low-intensity retail/services; Bed and Breakfast lodging.
B1-5		
B3-2	Community Business	SF and MF, retail, office, dining, entertainment, institutional, lodging; FAR = 3, Height = 60'
B4-5	Heavy Business/Commercial	SF and MF, retail, office, dining, entertainment, institutional, lodging, some light industrial; FAR = 4, Height = 70'
O-3	Office	MF, most retail, commercial, and professional; FAR = 3; Height = 60'
M1-5	Manufacturing 1	Residential, commercial, most industrial uses, special permits for outdoors manufacturing; FAR = 1.4, Height = 40'
MPD	Master Planned Development	Allows for development that doesn't fit existing zoning, Mixed-use, preserve character
SR/O	Special Review Overlay	Stabilize prop values, preserve character, design standards required
UR	Urban Redevelopment	Promote redevelopment in blighted areas, preserve character, ensure compatibility

Figure 4. Corridor Zoning Map



A breakdown of zoning by station area is provided below:

Station	Zoning														
	R-0.3	R-0.5	R-1.5	R-2.5	R-5	R-6	B1-1	B1-5	B3-2	B4-5	O-3	M1-5	MPD	SRO	UR
Union Station			•							•					•
27th Street			•							•		•			•
31st Street		•	•						•	•		•			•
Armour Blvd.		•	•	•		•			•	•		•	•		•
39th Street		•	•	•		•		•	•	•		•	•		•
43rd Street		•	•	•		•	•	•	•			•	•	•	•
45th Street		•	•	•	•		•		•			•	•		•
Plaza/47th St.		•	•				•		•	•			•		•
UKMC/51st St.	•	•	•		•	•			•	•	•		•		•

Main Corridor Overlay

Coupled with the Transit-oriented Development Policy, this overlay zone provides the means to implement denser, transit-supportive development. In the proposed project corridor, the Main Street Overlay zone has been applied to support the streetcar with standards such as the following:

- Focuses density/building heights around transit stations, and establishes a minimum density requirement by setting a minimum building height and a minimum Floor Area Ratio (FAR) along the entire corridor
- Prohibits auto-oriented uses/large-format uses that aren't transit compatible
- Includes pedestrian-oriented development standards (building orientation, parking lot location, ground floor transparency, etc.)
- Minimizes driveways

The overlay extends from 27th Street to Emanuel Cleaver II Boulevard on Main Street, which covers the majority of the proposed streetcar extension.

Zoning Incentives

The relaxed parking regulations along the existing corridor, as well as those along the downtown streetcar corridor (which are expected to be extended in some form along with the streetcar extension), are discussed in detail in the parking sections of these templates. In addition, the expedited permit review procedures ("TDD Project Incentive and Coordination Program") and criteria, also described elsewhere in this report, are similarly expected to be replicated in some form along the corridor.

3.3.2 Zoning Ordinances that Enhance Transit-Oriented Character of Station Area Development and Pedestrian Access

The previously mentioned Master Planned Development (MPD) and Urban Redevelopment (UR) zoning categories, applied to properties to promote redevelopment and preserve character, are found in several places throughout the corridor.

The previously mentioned Main Street Overlay zone extends from 27th Street to Emanuel Cleaver II Boulevard on Main Street, which covers the majority of the proposed streetcar extension. The stated purpose of the overlay is to "create design standards that promote the use of transit, context-sensitive density, pedestrian-friendly spaces, and overall design excellence. Uses are regulated by this overlay to ensure compatibility between transit and adjacent uses."

- The overlay establishes a minimum density requirement and identifies "Transit Zones" where the highest density minimums are required and the tallest buildings and highest FAR in are allowed.
- The overlay prohibits or limits (through special use permit and/or development standards) uses that are not transit-supportive such as auto-oriented uses (drive through, gasoline sales, vehicle sales and service).
- The overlay includes development standards that are designed to ensure a pedestrian-friendly environment and limit vehicular conflicts with streetcar operations. These standards:
 - Include architectural guidelines to help ensure a visually pleasing street for pedestrians.
 - Require buildings be built to the street.
 - Require buildings to occupy 70% of the street frontage.
 - Require primary building entrances to provide direct access to Main Street.
 - Require street-level transparency along building walls.
 - Require off-street parking to be located behind or alongside the building.
 - Require access from side streets or alleys where available.
 - Limit the number of driveways on Main Street.
 - Limit egress to right turn only.

3.3.3 Zoning Allowances for Reduced Parking and Traffic Mitigation

Zoning-related parking requirements

Parking for multi-family and all non-residential uses cannot be between the front building line and the street. Off-street parking must be on the side or rear and must be screened from the street view.

Overlay zones can modify parking requirements with city approval. Shared parking and parking reductions for Transportation Demand Management practices, such as promoting transit use, ridesharing, and vanpools; or using off-peak work schedules are allowed.

Bicycle parking is required for multifamily uses over 12 units and for all non-residential uses. Parking ratios are determined by activity and square footage.

Parking requirements near transit

While there are currently no parking maximums on the corridor, City Code (88-420-04-J) does provide for the following parking reductions within 1,000 feet of a rapid transit stop (including streetcar stops):

- Office and manufacturing uses are not required to provide off-street parking spaces for the first 10,000 square feet of gross floor area.
- The following uses are not required to provide off-street parking for the first 4,000 square feet of gross floor area: artist work or sales space, food and beverage retail sales, personal improvement service, and retail sales.
- Uses may not exceed otherwise applicable minimum off-street parking requirements by more than 3 spaces or 33%, whichever is greater, unless such "extra" spaces are provided in a parking garage.
- Restaurants are not required to provide off-street parking for the first 2,000 square feet of gross floor area per building.
- The above exemptions may be used in combination with any other exemption, reduction, or special area standards.

In addition to the rapid transit station provisions, up to 25 percent parking reduction can be realized if a non-residential use is within 500 feet of a transit line with less than 30-minute headways.

Downtown Streetcar precedent

In conjunction with the implementation of the Downtown Streetcar, the City revised its codes (99-420-04-L) to waive off-street parking requirements for all uses in the Downtown Streetcar Area. The City expects to similarly revisit parking requirements on the extension corridor as the project moves toward implementation. The precise modifications are still under discussion, as parking policy directions must be sensitive to the adjacent neighborhoods scattered throughout the corridor.

3.4 Tools to Implement Land Use Policies

3.4.1 Outreach to Government Agencies and the Community in Support of Transit-Supportive Planning

The City and region have produced several documents that involved a great deal of outreach to agencies and the community. Highlights include:

MARC Affirmatively Furthering Fair Housing 2016

The cities used a number of strategies to inform the public about the plan and encourage their participation. These included postings on websites (city, MARC, mySidewalk); digital ads targeted to internet users in zip codes where public meetings were scheduled; social media; newspaper advertisements in nine newspapers (including Spanish media); radio advertisements through Reyes Media and KPRS to reach minority audiences; presentations to community organizations; and 23 public meetings conducted in English and Spanish. A community survey was posted on websites and distributed through the Regional Equity Network and at public meetings.

The plan identified that past highway-oriented public policies in the region had a negative impact on the public transportation system and job connectivity for Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs). The plan had two key goals related to this issue: (a) to form partnerships between local governments, private employers, and neighborhood organizations to develop transportation options that connect these populations with job opportunities; and (b) to update the regional transit plan to address and reinforce these connections.

MARC Sustainable Code Framework

As part of MARC's Creating Sustainable Places effort, this framework focuses on a series of 22 "Sustainable Development Concepts" and has resulted in a model sustainable development code website, along with a series of development code audits for 8 metro area cities.

Development of the framework involved close coordination with these 8 agencies. The framework includes a series of concepts, strategies, and codes – several of which are relevant to transit supportive planning, such as “Transit-Ready Corridors,” “Compact, Walkable Centers,” “Pedestrian-Oriented Public Realm,” “Mixed Density Neighborhoods,” “Complete Street Design,” “Diverse Housing Types,” and more.

MARC RTP 2050

The Regional Transportation Plan (which is building on the adopted 2040 plan) includes a robust, multi-phased Public and Stakeholder Engagement Plan. Outreach efforts so far have included a regional survey, several stakeholder symposia, email list, social media, and an ongoing transportation blog. To date, the plan has outlined a series of eight needs for the region’s future transportation system. Three of these needs directly mention transit-supportive concepts:

- **Centers and Corridors Focus:** Includes potential measures such as transit service levels connecting centers and corridors, and walkability index.
- **Access to Opportunity:** Includes potential measures such as percent of jobs accessible via transit within a specified commute time, and ratio of transportation-disadvantaged populations to vehicles seats available through transportation providers in Link for Care
- **Transportation Choice:** Includes potential measures such as percent of work trips using alternative modes, transit boardings per revenue service hour, and change in density at/near mobility hubs and along key centers/corridors

MARC is currently continuing to vet these issues, and to develop a final set of strategies, through public and agency discourse.

KCMO TOD Policy

The TOD Policy was an outgrowth of a variety of initiatives, each with its own public and agency engagement efforts. In particular, the NextRail KC Planning Process, which examined potential expansion routes (including Main Street), had a robust engagement process:

- Total estimated engagement: 20,000 stakeholders including person-to-person and social media.
- 229 community meetings with 219 neighborhoods, businesses, and other organizations 8,315 online participants.
- The draft document was also placed on the City’s “My Sidewalk” web site with a series of questions to obtain additional feedback.
- A series of public presentations were also made to close to two dozen community

groups and stakeholders.

- The policy is informed by both public input as well as an extensive review of best practices.

Letters of support were received from several key stakeholder groups and agencies including MARC, the Transit Action Network, MainCor, and the Downtown Neighborhood Association.

Main Corridor Overlay

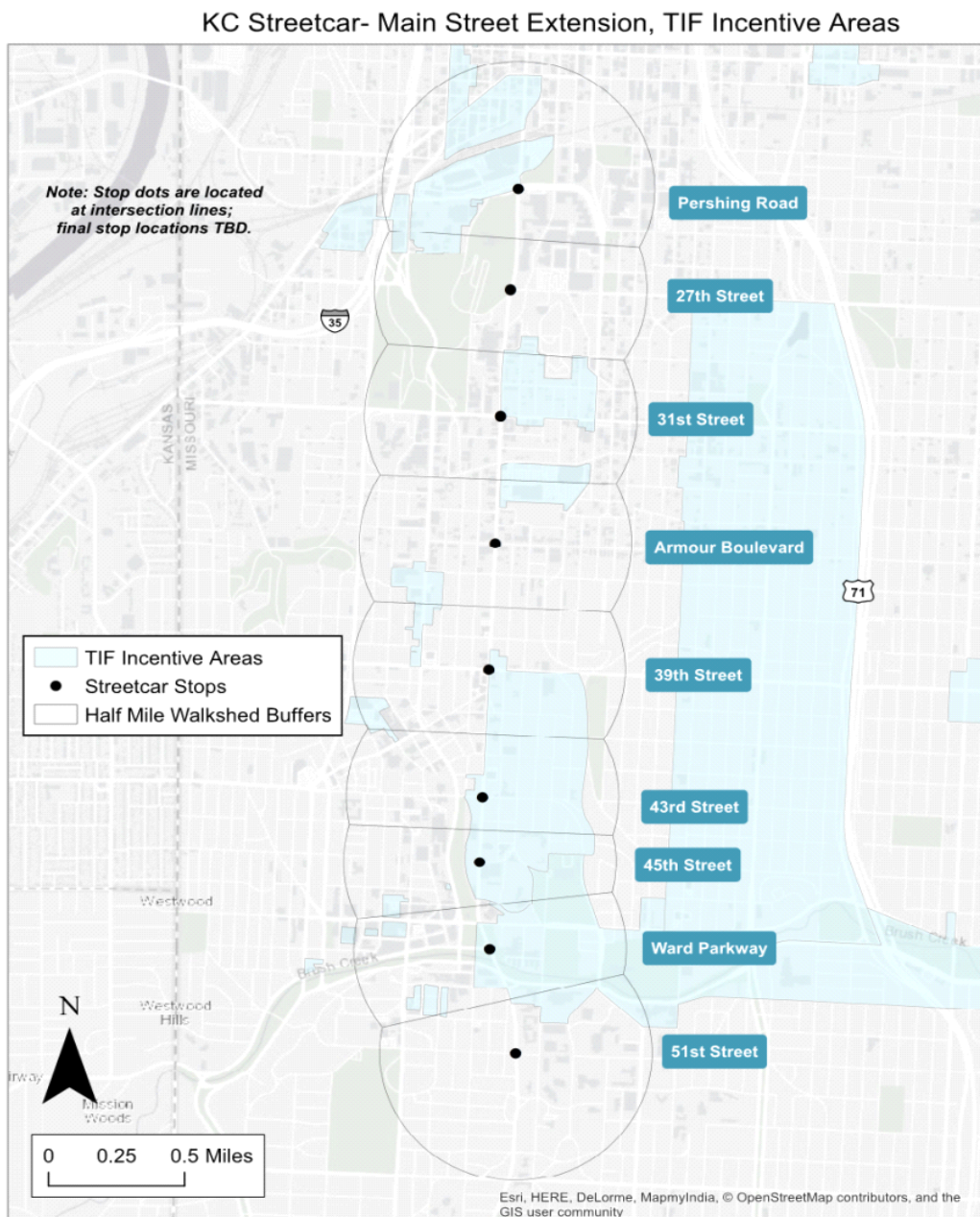
The Overlay plan was originally requested by MainCor, the champion and leading community partner of the corridor working to support commercial, mixed use, and residential progress, and effective and responsible community, economic, and aesthetic developments that create and encourage the renewal and vitality of Midtown. The Overlay was developed by KCMO City Planning and Development in close collaboration with MainCor and Main Street stakeholders, and was adopted by the City Council via ordinance.

3.4.2 Regulatory and Financial Incentives to Promote Transit-Supportive Development

With the implementation of the downtown streetcar, the city created a set of expedited permit review procedures (“TDD Project Incentive and Coordination Program”) and criteria to incentivize development within the streetcar influence area. Key elements of the program include a designated TDD Project Facilitator, Development Assistance Team Meetings, plan review times halved, designated project staff, and flagging of TDD parcels.

Another financial incentive is Tax Increment Financing (TIF), a financing and development tool used by Kansas City to encourage the development of blighted, substandard, and economically underutilized areas that would not be developed without public investment. The use of this tool allows future real property taxes and other taxes generated by new development to pay for public infrastructure construction and other improvement costs.

Figure 5. TIF Incentive Area along the Corridor



3.4.3 Efforts to Engage the Development Community in Station Area Planning and Transit-Supportive Development

Following the pattern established during the planning of the Downtown streetcar line, efforts to engage the development community in station-area planning and transit-supportive development for the Main Street extension started with the alternatives analysis and best lane analysis for the project. Meetings have been held one-on-one with 20+ stakeholders, including developers and property owners, along the corridor. In these meetings, the project team has gathered feedback on Purpose and Need, alignment, stop locations, development plans, specific user needs, technical findings, and recommendations. The project team has listened – and will continue to listen – to concerns, has shared plans and documents, and has tailored the project to meet needs. Letters of support have already been received indicating transit-supportive development interests from the Union Hill Neighborhood and a conglomerate comprised of the Kansas City Art Institute, Kemper Museum of Contemporary Art, and the Nelson-Atkins Art Museum. These letters have included focus on the location of particular stops, and the economic and cultural activities they will support. As the project moves into environmental studies and design, stakeholder engagement efforts are being increasingly ramped up.

4.0 Performance and Impacts of Land Use Policies

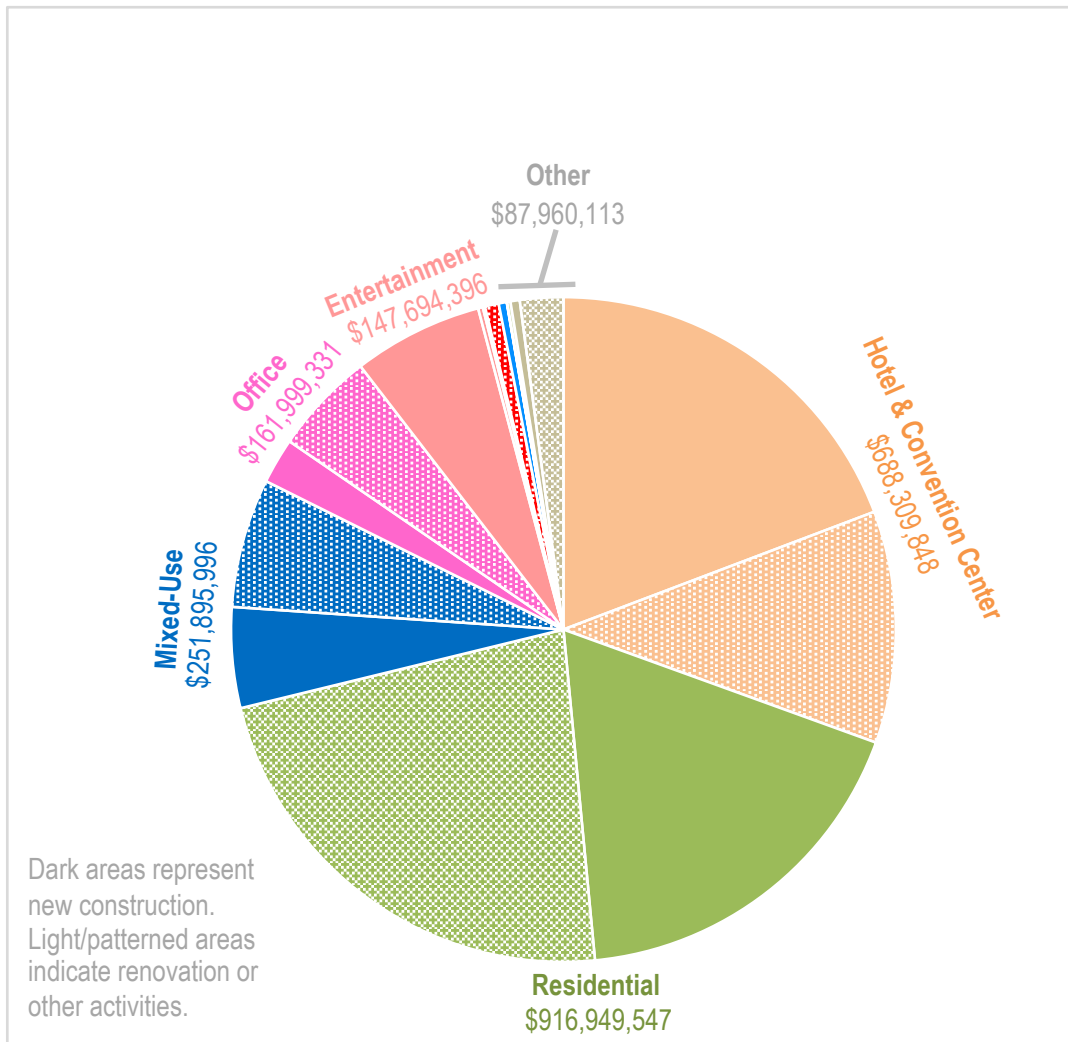
4.1 Performance of Land Use Policies

4.1.1 *Demonstrated Cases of Developments Affected by Transit-Supportive Policies*

Development activity within the *original* streetcar TDD since 2016 is the best indicator of success from implementation of a new transit initiative. Since the Streetcar commenced operations (January 2018), 25 projects have been announced, 14 have permits under review, 31 projects are under construction, and 64 projects have been completed within the TDD. These projects, totaling \$2.2 Billion in construction value, include storied Kansas City landmarks such as the Power and Light District, Jack Stack Barbeque, and the Baltimore Club. Some of these projects are of a development type that was not occurring before the advent of the streetcar, and some of them (e.g., the Two Light residential tower) were accelerated by the streetcar.

Annual tax receipts indicate that the current TDD generated a 58 percent increase in revenue between 2014 and 2016 compared to a 16 percent increase for the entire city during the same time frame. Broad public support of this kind of resurgence is evidenced by the June 21, 2018 voter approval of expanding the existing TDD to include the Main Street Extension project.

Figure 6. TDD Projects since Streetcar Implementation (\$2.2 Billion)



Within the extension corridor itself, several recent projects or initiatives are showing the advance effects of the streetcar implementation. Denser, transit-oriented projects are beginning to occur on the corridor. Notable recent examples include:

- **3435 Main:** This project, which opened in 2017, features 84 market-rate apartments and 2,500 square feet of ground-floor retail, replacing a vacant lot.
- **Gallerie:** This project, set to open in 2018, includes 411 apartments and 10 townhomes, replacing an existing surface parking lot.
- **Brookside 51 Apartments/Whole Foods:** A mixed-use development, Brookside 51 contains 170 luxury apartments, now pre-leasing, and Kansas City's first Whole Foods store (opened in May 2018) on its first floor.

Figure 7. Notable Recent Developments within the Corridor



4.1.2 Station Area Development Proposals and Status

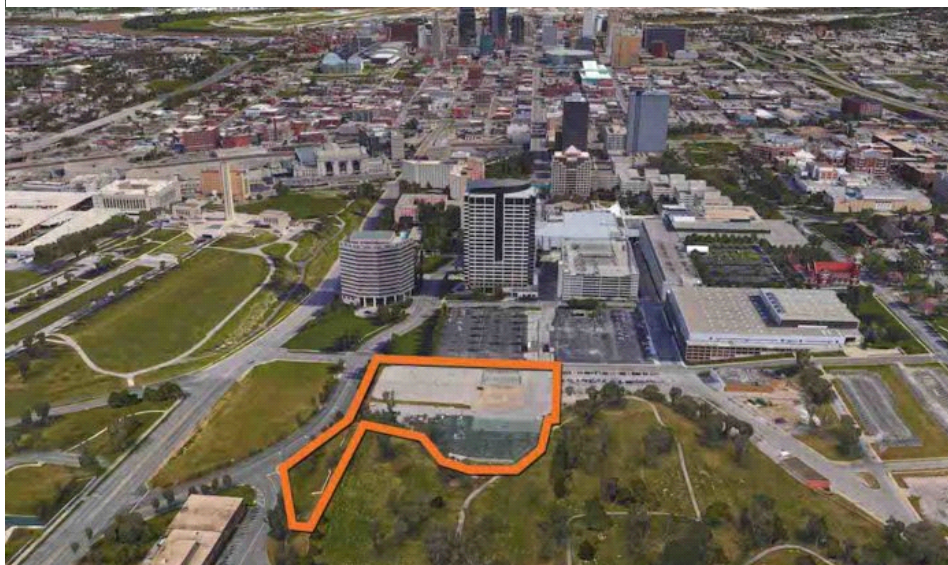
The streetcar extension corridor is one of the City’s most active development markets, in part due to the anticipated streetcar extension. Key planned developments are described below:

Crown Center

In early 2018, Hallmark Cards put two major development sites in play along the proposed streetcar line, after these sites have been sitting vacant or being used for surface parking since the development of Crown Center in the 1970s. These sites are adjacent to the proposed 27th Street streetcar station-stop. The development includes:

- A 2.67-acre site located immediately adjacent to Main Street south of 27th Street is being marketed as a potential corporate headquarters location with views of downtown Kansas City, Liberty Memorial, and Union Station. The site is master-planned for a high-rise, Class A office building with up to 400,000 square feet of office space.
- A 4.4-acre site located one block east is described as a development opportunity for a “unique, mid-high rise multifamily” project. The developer has assessed the site as follows: “Centrally located near the KC streetcar, the available landsite is primed to attract developers from across the entire U.S.” In deciding to offer more of its undeveloped land for sale, Hallmark has said it is responding to an “active” downtown real estate market.

Figure 8. Crown Center Development Site



The Netherland

Located near the proposed 39th Street station-stop, this \$50 million redevelopment of a 13-year-vacant historic building will include 144 apartments, a number of them in the affordable category, and a second-phase hotel or senior center replacing the adjacent surface parking lot. The developer has directly stated that the streetcar extension is the catalyst driving the project. The low rents and direct transportation connection to UMKC are making the long-dormant project viable.

4.2 Potential Impact of Transit Project on Regional Land Use

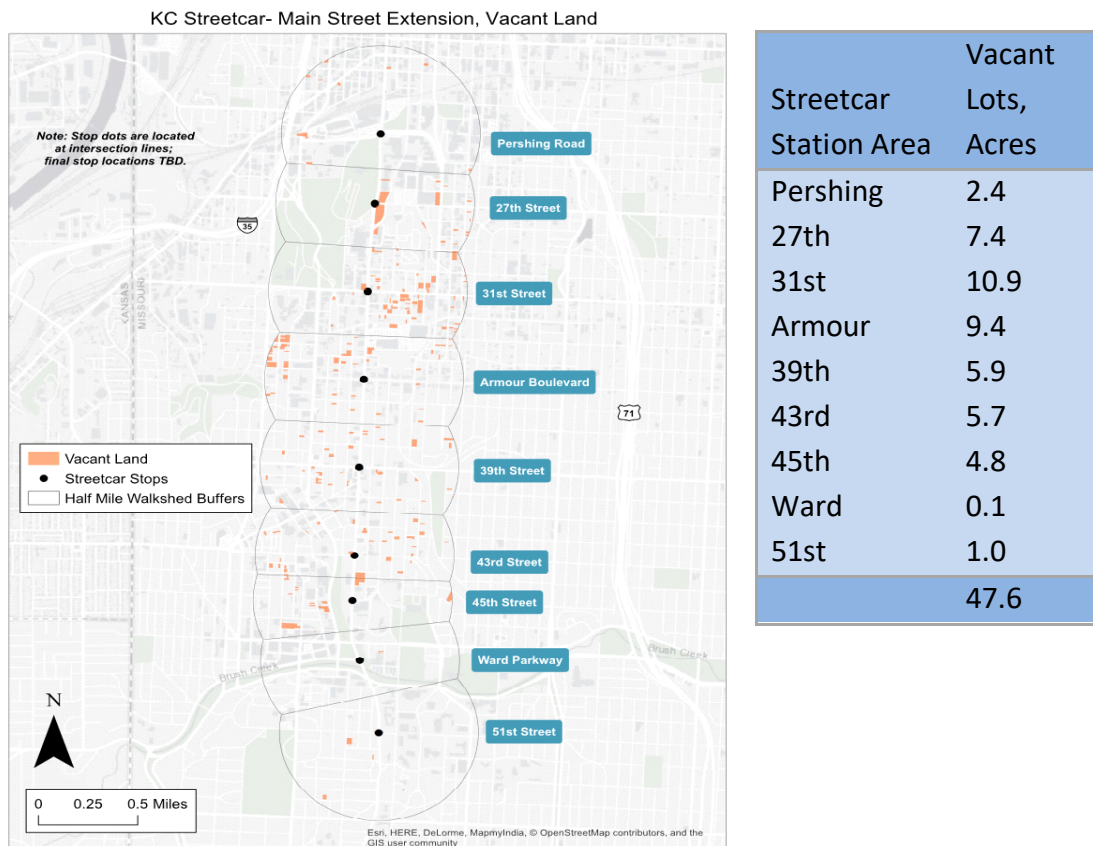
4.2.1 Adaptability of Station Area Land for Development

Kansas City's downtown has seen significant development activity since the announcement of the streetcar. On the Main Street extension corridor itself, recent built and planned developments are evidence of a strong market, but also of an anticipation of the streetcar extending south along the corridor.

Figure 9 illustrates the location of nearly 48 acres of vacant land within the corridor. Notable properties include the development sites actively being marketed east of Main Street at 27th Street, and the 2-acre site owned by American Century Investments in the southeast corner of the intersection of 44th Street and Main Street.

The Main Corridor Overlay Plan categorizes much of Main Street as Transit Nodes, allowing for building heights up to 15 stories – and almost all of the remainder as Transitional Zones, allowing for building heights up to 10 stories. By contrast, between 30th Street and 44th Street (1.7 miles), Main Street today has only 5 buildings over 3 stories tall, and only one building over 7 stories tall. The corridor is ripe for density; the highest and best uses remain to be built in much of the corridor. The streetcar extension is seen as a catalyst for helping the corridor transition to this desired state.

Figure 9. Vacant Land within the Corridor



4.2.2 Corridor Economic Environment

Population Characteristics

The streetcar expansion corridor is characterized by vast potential due to the young, educated workforce coupled with high projections for growth both in population and employment. The corridor population is nearly 21,000, roughly 4 percent of the City's population (while occupying around 1 percent of the City's land mass). The corridor employs nearly 53,000 individuals, roughly 22 percent of the total employment in the City

Citywide, population is projected to grow at a rate of 9 percent between 2010 and 2020, and over 42 percent between 2020 and 2040 (Mid-America Regional Council forecasts). The expansion corridor itself is ripe for future growth with a combination of a young, educated workforce; a large amount of land primed for higher and better uses; and high projections for growth both in population and employment. Currently, 44 percent of individuals in the corridor fall between the ages of 20-34 years old, and 60 percent of the population over the age of 25 have a Bachelor's degree or beyond.

Figure 10. Corridor Population

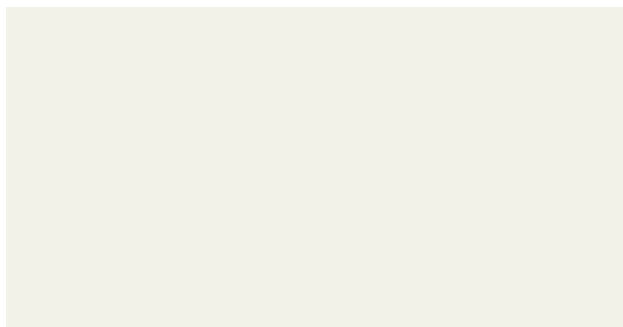
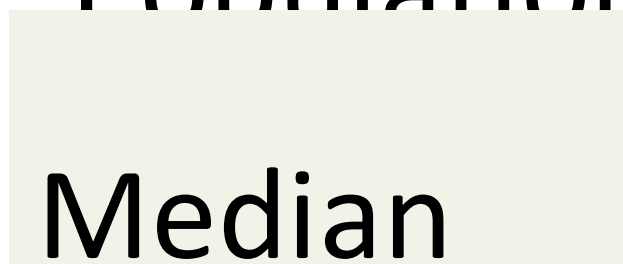


Figure 11. Median Income within the Corridor



Employment

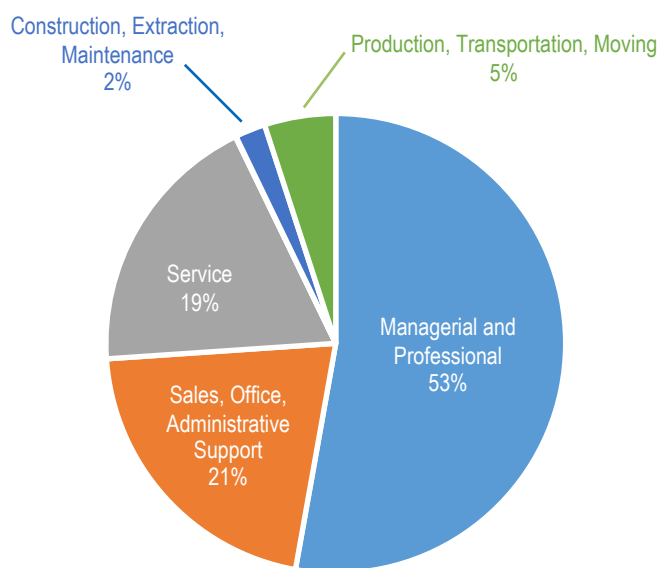
Roughly 74 percent of all employed individuals within the corridor are employed in white-collar occupations such as management or sales, with the remainder of workers located in service, construction, or transportation occupations. The average wage in the corridor (\$22.59/hour) is about 10 percent below the city average. The current unemployment rate in the corridor (4.61 percent) is about 2.5 percent higher than the city average. According to the Census, the total labor force in the corridor is 14,130. Median income along the corridor (\$46,144) is 20 to 25 percent below the citywide median income.

Public transit is important to the corridor: 15 percent of households have no access to a vehicle. However, only 5% of commuters in this area use public transportation, a number that could be greatly expanded through the streetcar expansion. Expansion of transportation will only further employment gains within the area by allowing access to and from the corridor that otherwise would have been difficult for potential employees.

Major employment centers within the corridor include Union Station / Crown Center, Midtown Marketplace, Country Club Plaza, and UMKC. Other major employers in the corridor include:

- Federal Reserve (1,600 employees)
- IRS Service Center (4,400 employees)
- MCC Penn Valley (6,000 students)
- American Century (multi-tenant office towers)

Figure 12. Corridor Employment Characteristics



Average Hourly
Wage

Unemployment
Rate

Property Values

Currently, 77 percent of individuals live in a multi-family structure, with the remainder living in single-family housing units. Approximately 85% of corridor residents live in a home valued at \$100,000 or more. The median home sale price in the corridor (\$211,532) is 29 percent higher than the citywide median home value. Property values have increased in the corridor by 15 percent in the last decade, a sign of a healthy, growing corridor.

Figure 13. Corridor Assessed Property Values

Corridor Assesed Property Values – 2018 vs. 2008			
	2008	2018	Increase
Land	\$176M	\$221M	\$45M (+20.5%)
Improvements	\$553M	\$639M	\$86M (+13.3%)
Total	\$729M	\$860M	\$131M (+15.2%)

Real Estate Market

Vacancy rates for office, industrial, and retail properties are in the 2- to 5-percent range, about two percentage points lower than comparable citywide uses. These properties typically stay on the market about 5 fewer months than the city average. Nearly 60 percent of the office buildings currently under construction in Kansas City are in this corridor, and 24 percent of the City's office square footage is in the corridor. Industrial and office rents are 8 to 9 percent higher than the citywide average, while retail rents are about 6 percent lower than citywide. Multi-family vacancy rates are about a half percentage point below citywide averages.

Figure 14 on the following page provides additional detail on the current real estate market conditions within the corridor and region for comparative purposes.

Figure 14. Corridor Real Estate Market

Land use Type	Gross Rent (per sf)	Vacancy Rate	Vacant Space (sf)	Months on Market (avg)	Inventory	Under construction (ksf)	Sales Prices (per sf)
Office							
Corridor	\$20.13	5.0%	700,389	13 (29.1)	346 bldgs, 13.8M sf	375 ksf	\$82
Region	\$18.56	7.2%	4.28M	18.7 (29.7)	1,554 bldgs, 57.9M sf	627 ksf	\$108
Industrial							
Corridor	\$8.07	1.9%	35,512	5.5	94 bldgs, 1.9M sf	0 ksf	--
Region	\$6.78	4.2%	4.01M	11.2	2,170 bldgs, 96M sf	631 ksf	\$37
Retail							
Corridor	\$13.26	2.7%	124,577	6.8	402 bldgs, 4.6M sf	3 ksf	\$148
Region	\$14.15	4.8%	1,72M	11.3	3,239 bldgs, 35.5M sf	10.3 ksf	\$221
Multi-Family Housing							
Corridor	1 BR \$936 2BR \$1294 3BR \$1270	7.70%	811 units	--	10,559 units	649 units	\$35k/unit
Region	1 BR \$836 2 BR \$1012 3 BR \$1125	8.3%	6,145 units	--	73,823 units	3,200 units	\$88k/unit

5.0 Tools to Maintain or Increase the Share of Affordable Housing

5.1 Evaluation of Corridor-specific Affordable Housing Needs and Supply

KCMO Housing Survey

A housing survey was given to the citizens of Kansas City in the spring of 2018. The purpose of the survey was to gain insight into the housing needs and preferences of the residents. The survey results will ultimately be used to better help the city allocate resources toward housing programs and areas of focus to prioritize for housing policies. An overwhelming number of respondents stated that it was very important for the City to focus on developing a housing policy and to invest in housing programs, and large numbers indicated they faced barriers to becoming homeowners. One of the survey questions was focused on the level of support for City investing in the developing of policies and procedures. The answers are shown in Figure 15: over 50 percent of respondents were supportive / very supportive regarding the topic of affordability and quality of rental housing. The results of the survey align with the goals of the City in developing and establishing a housing policy to support affordable housing initiatives.

Figure 15. KCMO Housing Survey Question

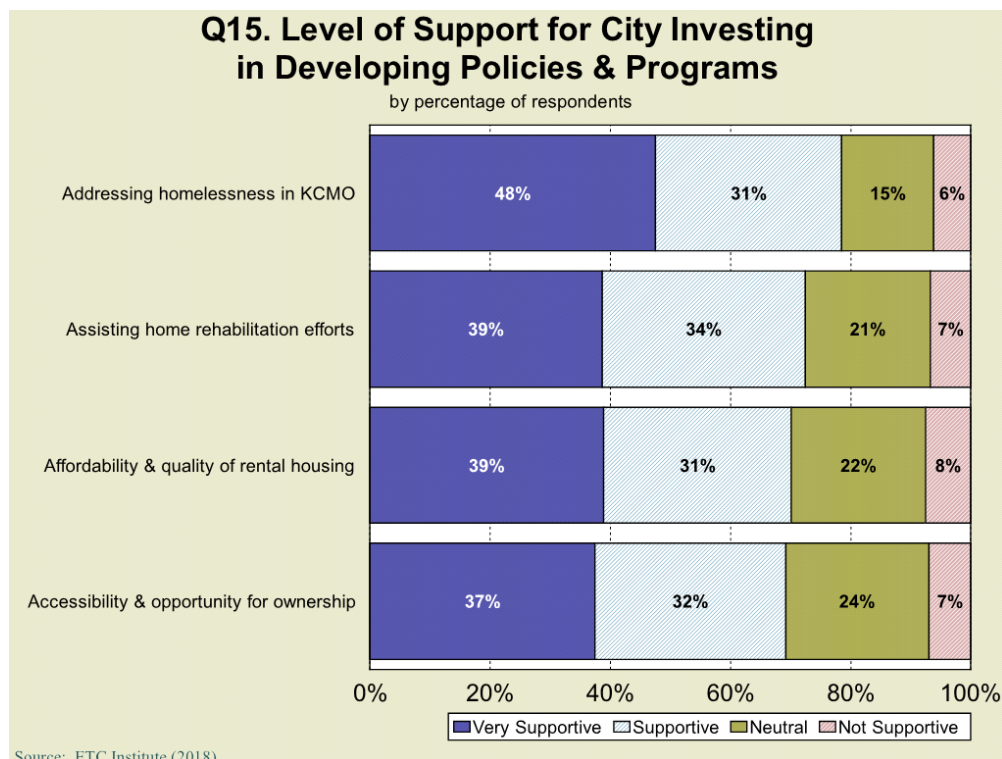


Figure 16. Corridor Affordable Housing Condition

Affordable Housing within 1/2-mile KC Streetcar Extension - 2018			
Station*	Project	# units	Station-area totals
Union Station	Signal Hill Townhomes	9	9
31st Street	Columbia Lofts	35	47
	3010-3016 Grand	12	
Armour Blvd.	200-212 Armour Blvd.	55	242
	Historic Ellison Apts.	68	
	Hyde Park	75	
	Georgian Ct.	32	
	3344 50 Gillham Road	12	
39th Street	Chatham Apts.	40	273
	3914 Warwick	2	
	Alcazar Apts.	142	
	4021-25 Walnut	24	
	Valentine Apts.	65	
43rd Street	4105 Warwick	5	56
	4145-47 Locust	12	
	Edgemere Apts.	39	
51st Street	5417 Locust	2	2
TOTAL			629
* Not all stations have affordable housing within 1/2-mile			

Affirmatively Furthering Fair Housing (AFFH) Plan

In 2016, the City of Kansas City, Missouri along with Kansas City, Kansas; Independence, Missouri; Blue Springs, Missouri; and Leavenworth, Kansas supported by Mid-America Regional Council (MARC), with consultation from the Regional Equity Network and a number of housing experts, prepared an Affirmatively Furthering Fair Housing (AFFH) Plan for the Kansas City metropolitan area. The purpose of the plan was to evaluate barriers for families most in need; and to inform and educate the region and each community's Five Year Consolidated Plan with an emphasis on the needs of those living in areas of concentrated poverty and persons of color. As part of this process, an analysis tool was developed to compare the number of households in various income bands against the number of housing units in various rent and home value ranges, with affordability thresholds for rents based on 30% of household income/12 and home values based on four times the household income.

Using this same supply/demand analysis tool, census tracts within the proposed streetcar corridor were evaluated showing that there is a gap of 2,347 units of housing for households with incomes at or below \$20,000. This shows market demand for housing units at or below \$500/month and at or above \$1,250 month, which will need to be considered when evaluating any future residential development projects that may be attracted to the future streetcar corridor. This will ensure that catalyzed development addresses current market shortfalls and provides a spectrum of rent/mortgage ranges for future residents of the area, consistent with the economic development policies of the City Council.

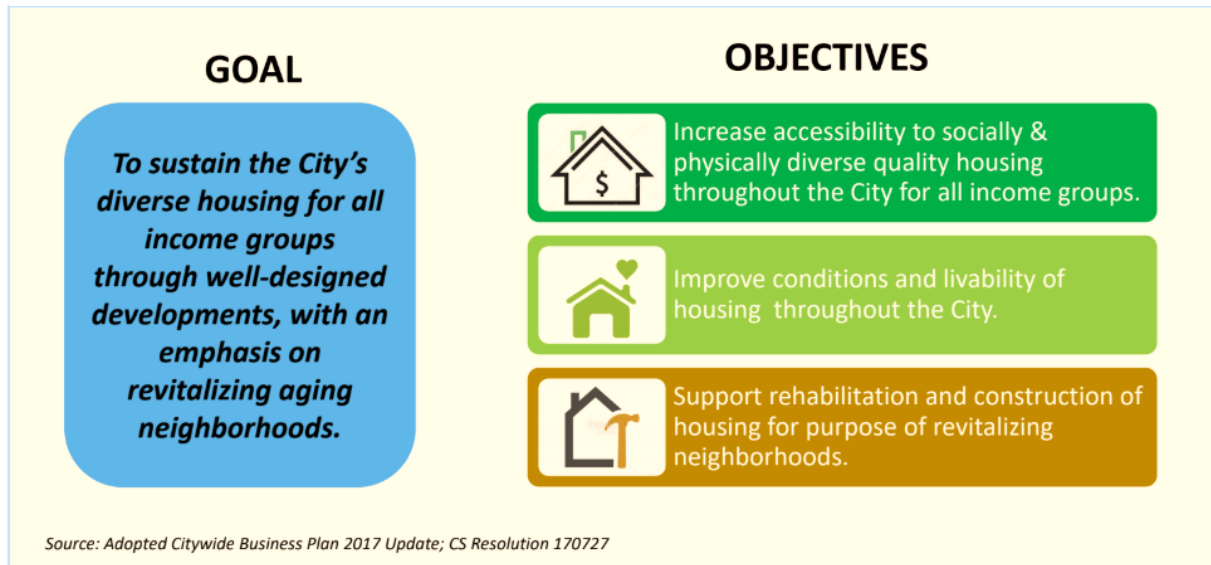
5.2 Plan and Policies to Preserve and Increase Affordable Housing in the Region and/or Corridor

The City Council has adopted ordinances to define affordability and prioritize incentives for projects that include units that meet the definition of affordability (Ordinance #180370), and provide certain incentives including a sales tax exemption on construction materials for projects achieving certain affordability thresholds (Ordinance #171031). Other ordinances and policies have been proposed that would incorporate additional strategies such as inclusionary zoning, affordable unit set asides, linkage fee programs, density bonuses, discounted rents for target populations, regulations to ensure all renters have access to safe and habitable housing and are not subject to predatory rental practices, establishment of a housing trust fund, utility subsidy and relief funds and programs, establishment of tax abatement zones for existing homeowners to mitigate future gentrification pressures, and automation of tax abatements in support of projects that include affordable housing units. The City anticipates that more specific policy directives in regards to these strategies will be determined as part of its comprehensive Housing Policy, which is currently being developed and anticipated to be presented to the City Council in September 2018 (Ordinance #170825). Figure 17 identifies the city's housing goals and objectives specified in the Adopted Citywide Business Plan of 2017.

In addition, The Mid-America Regional Council (MARC) made multiple recommendations that would increase the ability of individuals within the metropolitan area to access and afford housing. Across the greater metropolitan region, efforts have been made to increase access to areas of opportunity for traditionally racially concentrated areas of poverty. Through expansions of the transit system including the bus system and the streetcar, individuals located in distressed neighborhoods are more able to access employment across the metropolitan area. In addition to improving overall access to low-cost transportation, the City has fully embraced MARC's recommendation of fostering collaboration within the community in order to promote a housing agenda that provides access to affordable housing to areas with need. Multiple

development groups, non-profits, and other stakeholders within the community have provided insight into the developing Housing Policy, in order to ensure that the needs of the community are being met in every possible way.

Figure 17. City Council Housing Goals and Objectives



5.3 Adopted Financing Tools and Strategies Targeted to Preserving and Increasing Affordable Housing in the Region and/or Corridor

Like most large municipalities, Kansas City is an entitlement city and utilizes both state and federal pass-through funds to support its affordable housing policy objectives. In response to increasing scarcity of LIHTC, CDBG, HOME and other state and federal resources for funding of affordable housing, the City of Kansas City has increasingly utilized other locally based tools and partnerships in order to fund important affordable housing projects. However, the City continues to work with regional partners to address the issue of affordable housing within the region in conjunction with other cities and planning agencies. Kansas City has joined forces with the region through the Greater Kansas City Continuum of Care, serving Jackson and Wyandotte Counties spanning two states, Kansas and Missouri. The regional body coordinates housing and services funding for homeless families and individuals using federal/state/local funding to quickly house and provide services to families experiencing homelessness.

Currently, the city is able to offer up to 100% tax abatement for up to 25 years as well as exemption on sales taxes on construction materials through several statutorily created redevelopment programs including Chapter 100, Planned Industrial Expansion Authority, Chapter 353, and the Port Authority.

One especially successful tool for funding neighborhood and housing improvements has been Tax Increment Financing. The City currently has 7 existing Housing/Neighborhood Programs that have collectively resulted in 1,027 single-family rehabs, 20 single family rental conversions, and 329 units of rehabbed small scale multi-family residential. One of the most successful TIF housing programs, which is currently still underway and is located within the proposed Streetcar Corridor, is the Midtown R.A.M.P (Rehabilitation Assistance for Midtown Properties) Program. This Program, part of the Midtown TIF Plan that was created in 1994 to clear 12 city blocks of dilapidated properties and replace with large scale retail and restaurants in an underserved area of the community, was used to preserve, rehab and construct safe residential housing and supportive infrastructure improvements in neighborhoods adjacent to the development site. The RAMP program provided matching grant funds to single-family residential property owners and small-scale multi-family developments within a mile of the redevelopment site and preserved 409 units of single-family housing, 20 units of rental conversions and 96 units of multi-family utilizing approximately \$4.5M in tax increment as matching funds to almost \$3M in new investments by homeowners. As the proposed Streetcar Corridor develops, TIF could be an effective tool to generate increment that could be used as funding for similar grant match programs or gap financing in support of new affordable housing units.

Another innovative housing strategy that was utilized in conjunction with the Midtown TIF Plan was the Midtown Business Interruption Fund (MBIF). This fund, originally used as a source of contingency funding for the City's debt service commitment on the project in the event any of the anchor tenants were unsuccessful, has evolved into a gap financing tool for rehab of large-scale multi-family workforce housing near the proposed extension. Because the retail components of the TIF plan were so successful, being ranked among the top-producing stores for both chains in the metro area, more revenues were generated than necessary to service debt. A pool of approximately \$11M in MBIF funds was then strategically redeployed in combination with tax abatement as gap funding for rehab of three historic multi-family properties and strategic land assembly along the Armour Boulevard corridor, which bisects the proposed streetcar extension route. This gap funding functioned similarly to a housing trust fund and was essential to the stabilization of this area of Midtown resulting in the rehabilitation of almost 1,700 residential units including 120 affordable units, and 32,500 square feet of retail and office space.

5.4 Evidence of Developer and Public Sector Activity to Preserve and Increase Affordable Housing in the Corridor

The City has an inventory of approximately 1,400 LIHTC/HUD Subsidy units within the proposed Streetcar extension corridor. It is anticipated that the compliance period for many of those units will continue beyond 2023.

Since the late 1990s and early 2000s, the City has aggressively utilized tax abatement and tax increment financing to redevelop catalytic residential corridors in proximity to the proposed Streetcar Corridor – including partnerships with MAC Properties to redevelop over 24 historic buildings along the Armour Boulevard Corridor, multiple redevelopment projects along Broadway with other national developers, and investments through its RAMP program in the vicinity of the Midtown Marketplace.

Overall, the Midtown area benefits from historic neighborhoods, a diverse population, the presence of significant institutions, and a number of vibrant commercial districts. The Midtown area housing stock is older than the citywide average, but the majority of area housing has held its value, and is already a sought after location for urban home ownership and rental units. Currently, affordable rental housing is still available in close proximity to many of the City's most recognized destinations and building permit data indicates that reinvestment in the area is strong. These amenities make the corridor extremely attractive for future development but also make the area vulnerable to gentrification pressures that come with new development interest.

Housing affordability citywide, especially for renters, is an emerging issue, but a new comprehensive housing policy is currently in development, and anticipated to be adopted later this year, which will seek to establish new programs and strategies to manage growth, address gentrification pressures, and expand access to more affordable and mixed-income housing options for residents, including those within the proposed corridor. The City's strong track record of creatively utilizing economic development tools to leverage private, state, and federal resources grounded in a new and comprehensive housing policy will position Kansas City well to be able to both capitalize on and manage future growth in the proposed Streetcar corridor.

5.5 Extent to Which Plans and Policies Account for Long-Term Affordability and Needs of the Very-and Extremely-Low Income Households in the Corridor

As part of the Five-Year AFFH goals, the City of Kansas City's goals are to 1) encourage accessible affordable housing units along key transit and activity centers and 2) develop partnerships and policies that help renovate and transform neighborhoods that have public subsidies into areas of opportunities for all income groups including those families and individuals at the lower income levels.

The City will continue to support policies/partners, and provide federal/state/local funding for developments, that provide preservation efforts for Low Income Housing developments and HUD subsidized developments housing units for our most vulnerable residents. In addition, the City will support leveraged financing and recommend allocating federal funding for mixed income projects that are consistent with redevelopment plans such as transit lines that remove the mobility and accessibility barrier. The City will continue its partnership with the Housing Authority of Kansas City to increase and preserve the number of publicly owned affordable housing units for very low and low income residents through a number of targeted strategies with state and federal agencies. The City is also seeking to develop a variety of innovative locally controlled funding mechanisms to provide resources for affordable housing in response to the reduction in state and federal funding programs.