

ANATOMY OF A PROPOSAL
"DOWNTOWN EAST NEIGHBORHOOD DEVELOPMENT PROJECT"

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A handwritten signature in dark ink, appearing to read "C. H. Kuehly", enclosed within a large, loopy oval flourish.

ACKNOWLEDGEMENTS

I owe a special debt of gratitude to Andrea Marie Jolly-Penn, who—although it did not start out that way—became my wife during the course of the intense struggle to keep the Lincoln dream alive. She worked with me as a full-time volunteer for an entire year in the Lincoln effort and shared in the extreme frustration. She assisted me greatly in articulating the needs and problems of the Lincoln Redevelopment Corporation. My thanks, too, to the two lowly paid Comprehensive Employment Training Act employees: James Peterson and Yulonda Anderson, who worked alongside us demonstrating the same dedication to the worthwhileness and validity of the dream of a revitalized community in the Lincoln neighborhood. Finally, my thanks to the Lincoln Redevelopment Corporation Board of Directors, who provided me the leeway and the freedom to pursue their dream. Hopefully, before they are all gone, these courageous men may see it beginning to come true.

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LIST OF EXHIBITS

1. Request for Proposal H-4301
2. Letter to Councilwoman-at-Large Joanne M. Collins
3. Letter from Karl Arterbery (HDAF)
4. Letter to Karl Arterbery
5. Letter to Thomas Kilbride (Director, HUD Area Office)
6. Letter to W. O. Anderson (HUD Regional Director)
7. Letter to Patricia Harris (Secretary of HUD)
8. Article from Black Enterprise Magazine (Re: Kansas City)
9. Letter from HUD Area Office to Hallmark Cards, Inc.
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11. Letter to Councilman Charles Hazley (Re: memo of understanding)
12. Letter to Mayor, City Manager and Council members (Re: Budget)
13. Letter from Senator Thomas Eagleton
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15. Letter to Governor Joseph Teasdale
16. Letter to Mayor Charles Wheeler
17. Letter from W. O. Anderson, Regional Administration
18. Memorandum of Understanding to W. O. Anderson
19. Letter to John Perez, Regional Administrator, Department of Justice
20. Letter to Senator Thomas Eagleton
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27. Letter to Dale Bertsch, Consultant to Urban and Regional Policy Group
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30. Letter from Senator Thomas Eagleton
31. Letter from HUD Office of Policy Development and Evaluation
32. Press Briefing Release by HUD on BEU
33. Kansas City Star News Item (Re: CDBG Funds)

SECTION I

I. INTRODUCTION

The author of this report feels certain that a series of actions, set in motion after his acceptance of a position in June, 1976, as the General Manager of a redevelopment corporation, led to the opportunity to respond to a Request for Proposal (Exhibit 1)* issued by the United States Department of Housing and Urban Development (HUD). A response, that if accepted by HUD, would hold the promise of getting a process of redevelopment of a "New-Town/In-Town" approach to an area of Kansas City, Missouri, on its way after being stymied almost from idea inception¹.

The author was asked to accept the position after having served for eighteen months in a new career position as a Regional Program Planner with the Metropolitan Council of Governments. His previous career had been as a military officer for 20 years. He had no foreknowledge of the hidden political forces which would militate against any successful effort to begin the redevelopment process, and soon found himself in direct confrontation with a very strong and unforgiving political organization and thus, lacked the access to certain of the City's bureaucracies crucial to plan implementation (Exhibit 2.)

The very first day on the job, the author was approached by a City official (whose position as an Assistant City Manager gave him almost absolute control of the resources needed to start the redevelopment process) who advised him that the corporation had made a serious mistake in not placing the Councilman representing the redevelopment area on its Board of Directors.

¹This New-Town/In-Town approach has been outlined in a Section 701 Comprehensive Redevelopment Plan for the Lincoln Redevelopment Corporation, prepared by Charles F. McAfee, Architects and Planners, 1974, and paid for by the City and HUD.

*Exhibits referred to in this entire section are contained in Appendix II.

He added that the money needed by the Corporation was available (quoted a figure of \$625,000 in Community Development Block Grant funds.) The author, not knowing the background of animosity between the Corporation and the Councilman as a representative of the area and a leading figure in the political organization, made a strong argument to the Board of Directors for selection of the Councilman—who was also the Chairman of the City's very powerful Planning and Zoning Committee having life and death powers over the Corporation's efforts—to its Board of Directors. Two members of the Board who were former City Councilmen reluctantly agreed with the rest and the Board acceded to the author's (general manager) request. An examination of Exhibits 2, 3 and 4 provides the understanding reader with an example of the ensuing problems as a result of this move. The reader is asked to remember, however, the absolute lack of progress prior to this action. The Councilman, when offered a place on the Board, accepted and became an ostensible friend of the Corporation and asked that he be kept informed of all contacts with the City.

The City's lack of positive response to numerous initiatives taken by the Corporation for access to a portion of the HUD-provided Community Development Block Grant (CDBG) funds also led to a planned direct confrontation by correspondence with HUD, beginning with the Area Office (Exhibit 5,) the Regional Office (Exhibit 6,) and thence to the Secretary of HUD (Exhibit 7.)

Although none of the actors in the process has so far admitted as much, the author feels that the opportunity to respond to the Request for Proposal was not entirely coincidental. Hence, it is felt that a lesson may be contained herein for those who would initiate the redevelopment of urban areas in the face of intractable and hostile political forces. The

author hastens to add that a definitive conclusion cannot yet be drawn and, perhaps, never can be (see: Evaluation.) If, twenty years from now, the planning area, to which the proposal response (Appendix 1) is focused, is a whole and healthy community, then the success of the effort chronicled herein will be clearly evident. However, it will be a long time before all of the final evidence for evaluation is available. In the meantime, the approved Statement of Work in the response contains provisions for numerous milestones by which to measure short term successes; experience after the contract period can be examined for what it can teach; and, the methods used to achieve renewal could be evaluated objectively and graded as to effectiveness.

A. Organizational Background and Emphasis

Appendix 1, which is a response to a Request for Proposal issued by the United States Department of Housing and Urban Development, results from a combination of efforts being undertaken by two separate community-based organizations: Black Economic Union of Greater Kansas City and Lincoln Redevelopment Corporation.

The area of the City designated as the neighborhood in the response is a 600-acre portion of the Special Impact Area of Kansas City, Missouri. This area is contiguous to and substantially overlaps the Lincoln Redevelopment Area on the north (Appendix 1.) Because of this overlap, a potential for conflict between the two organizations existed from the very beginning of the effort. Fortunately, two reasons why this conflict never came to the fore were: 1) the two organizations were pursuing different aspects of the same goal of overall neighborhood revitalization, and 2) shared four of the same Board members on their respective Board of Directors.

B. The Black Economic Union of Greater Kansas City, Missouri

The Black Economic Union (BEU) since its founding in 1968, had focused on business development in an area of Kansas City which had been pre-designated by the Community Services Administration and the Economic Development Administration of the United States Department of Commerce as a Special Impact Area. This designation recognized a sixteen square mile area of Kansas City as blighted and thus made it eligible for economic development assistance from the federal government (Economic Development Act of 1965.)

The Black Economic Union, during the decade of its existence had been assisted annually in its development efforts by several federal agencies (Economic Development Administration (EDA), Office of Minority Business Enterprise (OMBE), Community Services Administration (CSA) and private capital from various sources.) For much of its existence, it had focused its attention on the smaller 600-acre area of the SIA, designated by the City as City Planning Area No. 3 and popularly referred to first as the "Truman Road/Terminal Tracks Planning Area", and later as the "Downtown East Planning Area", because of the negative connotation "Terminal Tracks."

By the end of the first decade of its existence (1978), the BEU had achieved certain successes in the areas of job creation and retention; business, industrial and commercial development; and was fairly widely recognized as a credible and viable entity in these areas of development. Its efforts are chronicled in some detail in Appendix 1.

C. The Lincoln Redevelopment Corporation

A group of citizens living in the Lincoln neighborhood initiated efforts to redevelop the Lincoln neighborhood over a decade past. They had become

alarmed by the acceleration of decay in their inner city community and were hopeful that the new focus of national and local attention (which was occurring as a result of the mid-sixties) on urban problems might, at last provide the climate and uncover the means to revitalize their community.

These efforts were formalized in 1970 with the creation of a non-profit redevelopment corporation, chartered under Missouri Law, Chapter 353, Missouri Revised Statutes. In 1971, the City of Kansas City, Missouri, authorized the Lincoln Redevelopment Corporation to prepare a comprehensive plan, under the auspices of the Community Renewal Program, for the area bounded by 18th Street, 27th Street, Brooklyn Avenue and The Paseo Boulevard. The 701 Comprehensive Redevelopment Plan, published by Charles McAfee and Associates, was formally adopted by the City Council in 1973, further legitimizing the Lincoln Redevelopment Corporation (LRC) operation.

Phase I of the Redevelopment Plan, Lincoln Garden Apartments, was constructed in 1971 following approval of a 353 Application and Development Plan by the City Council.

For the next five years, up to June of 1976*, LRC had attempted to move toward final planning and implementation of Phase II and subsequent phases of the Redevelopment Plan. Political, economic and organizational factors had impeded progress. Meanwhile, the social, economic and environmental blight which the redevelopment efforts were originally intended to eliminate had worsened considerably.

Conversely, more recent events, including the hiring of a full-time General

*The writer is writing from his perspective and first-hand knowledge of the Corporation which began with his employment as the General Manager in June, 1976.

Manager on June 15, 1976, and the filing, after a five-year delay, of a Phase.II Project Plan on September 9, 1976, for which final approval was expected by December, 1976, had renewed hopes of the major participants that the Lincoln Community would be revitalized. However, if these hopes were to be realized, LRC would have to implement a well-planned, efficiently executed stabilization program designed to eliminate as many impediments to progress in redeveloping the area as possible.

An in-depth assessment of LRC at that time, in light of its past and possible future efforts, indicated both real problems and undeniable potential. The problems seemed solvable; the potential to create a viable community in the Lincoln area seemed promising.

As opposed to the Black Economic Union, the Lincoln Redevelopment Corporation focus was housing development. It had not, however, made much progress since a project had been implemented early in its existence as a formal organizational entity. It lacked the necessary resources and federal support and, although there was political support of the organization, the City Councilman representing the area—as it later became clear (Exhibit 8)—was hostile to the Corporation's efforts*. The fact that this Councilman was also the Chairman of the City Council Planning and Zoning Committee threatened the continued existence of the Corporation.

Although the situation surrounding the Lincoln Redevelopment Corporation's

*This hostility stemmed from an earlier political campaign in which two of Lincoln's Board members had been engaged. The present City Councilman had, along with his political organization, won the two Council seats previously held by the two Board members by defeating them for re-election. He had refused to bury the hatchet. Except for the personal animosity of this Councilman, LRC enjoyed wide support. This Councilman, because of his powerful position, withstood all efforts to marshall this support behind LRC's efforts.

effort to revitalize its neighborhood is much too lengthy to detail here, it is in the telling of some of the needs and problems of the LRC and from its perspective, however briefly, that the promise and significance of the response to HUD's Request for Proposal H-4301, becomes clear. Following, then, is a brief assessment of needs and problems in several areas of the Lincoln Redevelopment effort.

II. AN ASSESSMENT OF THE SITUATION—NEEDS AND PROBLEMS—LEADING TO THE RESPONSE

A. Management and Operations

The technical and humane complexities of the urban redevelopment process required sound management, considerable technical and inter-personal skill and a highly coordinated approach if redevelopment efforts were to succeed. Although LRC had recognized the importance of this principle, the Corporation had been unable to apply this principle in practice for reasons generally beyond its control.

In its early years of operation, LRC attempted to use the services of Board members to implement redevelopment plans. The dedication of Board members throughout the life of the Corporation had been, and remained, evident. However, Board members were not always suited by training and experience to perform some of the work required. Furthermore, Board members attempting to act in such a dual capacity in addition to involvement in their respective occupations, found they had insufficient time to do all that was needed.

Cognizant of its needs, LRC attempted to hire a professional staff to implement its plans. A commitment from Hallmark Cards, Incorporated, while generous, could only pay the salary for a General Manager. One manager was hired, but, unfortunately, incompatibilities arose, and he had recently been released, suffering a fatal heart attack at a relatively young age (46.) His predecessor had also suffered a fatal heart condition while serving as general manager³. It was generally felt that the new manager

³Several persons close to the Lincoln situation related to the new manager that they felt that the job conditions had contributed to the early demise of both. There had apparently been much interference from Board members in day-to day operations.

had a more relevant combination of skills from experience in architecture, planning, management, urban renewal, economic development and housing. Progress of a sort soon became evident and the Board had expressed confidence in the new manager and allowed him a free hand.

Because of recent experiences, LRC now clearly recognized the importance of a separation of policy-making and staff functions and the need for a highly skilled development team. They recognized, too, that too much work was involved for one person to begin to do it all. Obviously, more permanent and businesslike arrangements were needed. Even though LRC did not have the resources to hire the support staff it needed, it was recognized that a skilled staff would have to be assembled if future challenges were to be met.

An application was prepared to borrow the needed funds from the City's Housing Development Assistance Fund (HDAF); however, all efforts to do so were unsuccessful—although the fund had been set up for just that purpose and with LRC in mind.

B. Implementation of Phase II Project

In spite of its resource lack—with the help of a full-time volunteer with professional credentials in Manpower Planning and Administration—a formal submission of the Phase II 353 Application and Development Plan to the City on September 9, 1976, marked significant progress. However, it was only the beginning of a long and complex process required to implement the Phase II plan⁴.

⁴Proposed redevelopment project in a blighted area for which a 353 Application and Development Plan was filed with the City of Kansas City, Missouri, in September, 1976. To be constructed in two stages: Stage 1—elderly

A number of needs and problems had to be addressed before implementation would be possible. A formal presentation before the City Council would be required for which no adequate presentation materials had been developed. The important dimension of citizen involvement in this process had received less attention than LRC thought wise. Further progress toward implementation demanded additional legal, engineering and architectural services, including final design. Street and alley vacation and utility easement packages would have to be submitted to the City Council for approval by ordinance. Three independent appraisals of properties in the Phase II site had to be conducted prior to determination of fair market value and negotiation for land acquisition. A final relocation plan had yet to be developed. Financing alternatives would have to be explored in depth as soon as possible. The information flow needed among entities participating in the redevelopment process needed improvement.

Insuring the capability to solve the problems and perform the tasks relevant to implementing the Phase II project had obvious resource and staff ramifications. Furthermore, expediting the processing of Phase II had crucial significance for the feasibility of pursuing implementation of the long-range plan.

C. Planning Subsequent Phases

A comprehensive, integrative approach to redevelopment had been identified by LRC as essential to achieving its mission. The 701 Comprehensive

high-rise, 128 units, Section 8 rental; and, Stage 2, multi-family low-rise, 86 units, market rate—in an area bounded by 22nd Street, 23rd Street, Vine Street and Woodland Avenue. Construction was expected to begin in 1977. The project would require HUD to guarantee the mortgage and approve the high-rise as a Section 8 project.

Redevelopment Plan expounded the concept of "New-Town/In-Town" development, which aimed at development of a microcosm in which people may live, work, play and shop within a compact geographic area. This area, which would be a subsystem of the larger metropolitan area, would be large enough to support the above activities, yet small enough to allow a sense of community to develop. Basic needs for the Lincoln Community had been investigated in depth, and the framework for the entire long-range development had been formulated. The basic development philosophy LRC was following required that no individual project be considered in isolation from the total planned community. While the importance of this approach cannot be over-emphasized, the realities of resource constraints would not allow for simultaneous development of an entire community. Therefore, a phased approach to development had been chosen as feasible and consistent with the comprehensive development philosophy. A phased approach would also allow for a minimum of community disruption and would facilitate relocation of current residents into newly developed projects.

Unfortunately, the lengthy delay between phases I and II had resulted in considerable misunderstanding among important participants in the redevelopment process. Many persons and institutions had forgotten the philosophies outlined in the long-range plan (Exhibits 3 and 4.) Evidence available to financial institutions, potential investors and official bodies of the comprehensive approach seemed slight. Consequently, the lack of specific phased project plans subsequent to Phase II* had encouraged a tendency among these major participants to judge individual phased projects out of context.

*Phases III and IV were follow-on redevelopment projects, type and location to be determined.

Thus, the outline of the Lincoln Community puzzle was clear, but the shape of the individual pieces was not. This problem was causing considerable confusion over the suitable placement, character, type, scale, timing and inter-relationships of specific redevelopment projects.

In order to clarify these issues and to facilitate sound decision-making concerning future projects, work would have to begin on the preparation of 353 Applications for additional development phases. This would necessitate further research, planning, preliminary design, financial projections, market studies, meetings with residents and owners and meetings with public and private institutions.

D. Property Acquisition, Blight Clearance and Site Development

LRC was aware that to control properties in designated redevelopment areas at an early stage in the process was critical, and that it was a fact of life that as improvements took place, land values could be expected to increase disproportionately. Redevelopment within City boundaries was an expensive proposition to begin with. The longer the delay, and the less the control exercised, the more expensive the land could become. Also, the pressing need to clear blight around new projects could not begin until control of the land was gained.

Hallmark Cards, Incorporated, had made a commitment to LRC to provide \$500,000 for land acquisition and demolition for future project activity. However, there were several stringent—but not unreasonable—requirements which LRC had to meet before these funds could be used. Hallmark required that the City and HUD would have to approve LRC's project and had advised LRC that its commitment would expire, or, would be placed in limbo as of

March 31, 1977, if no project had been started.

LRC strove mightily to retain this corporate backing and to create the necessary three-way partnership required for its project. However, its efforts failed and its only firm commitment lapsed—primarily because of a failure on the part of the City to respond*.

E. Information, Marketing and Public Relations

The need to inform appropriate entities about LRC's plans were obvious. Incomplete or erroneous information was already damaging the credibility of not only LRC but also those institutions who would have to be a party to the redevelopment effort. The City was being criticized by some of the residents for arbitrariness insofar as their properties were concerned.

Marketing and feasibility studies needed to be performed for specific projects. The redevelopment process was unsound unless results of such studies were taken into account prior to design. Investors and insurers required such studies before deciding to participate. Evidence was available that private capital could be induced to bear the major share of the redevelopment risk if such studies, which would outline the degree of risk, could be produced.

Potential inhabitants for planned projects would have to be identified and cultivated. The long-term bias against living in the inner city needed to be addressed in the marketing and public relations efforts. The Lincoln

*It is important to note here that the City Councilman representing the district in which LRC was located, was also an employee of Hallmark Cards and privy to discussions relative to withdrawal or continuation of the Hallmark commitment. The author was excluded from these discussions.

area would have to be promoted as one that was being made a desirable place to live and work.

Some system of information flow and feedback would have to be established among LRC, official bodies, residents and owners, private investors and the general public.

F. Research

Trends and legislation affecting development needed to be researched. LRC would have to keep abreast of new ideas and emerging problems in housing technology, energy, transportation, economics and other areas as they specifically related to LRC's plans and projects. Information pertaining to redevelopment efforts in other parts of the country would have to be studied for applicability to the Lincoln Redevelopment Area. Real and rapid changes were occurring in American society. Information about these changes was crucial to the intelligent planning and design of subsequent projects. During the previous several years, LRC had not had the capability to adequately address this issue*.

G. Institutional Requirements and Relationships

Redevelopment could not take place in a vacuum. Renewing a severely blighted area would be extremely difficult under the best of circumstances; without the cooperation of key participants in the public and private sectors, it would become impossible. Understanding the nature of key actors and

*A few years earlier, several Board members had visited a New-Town/In-Town project: Cedar-Riverside in Minneapolis-St. Paul. Evidence in the corporate files pointed also to some early familiarity with HUD programs and procedures.

discovering the inter-relationships among agencies and political and citizen groups becomes tantamount to survival in the redevelopment business.

Liaison relationships with appropriate entities, which foster the necessary trust and information flow, did not exist to the degree needed. LRC recognized the great need to sustain the momentum created by recent progress, from which new interest from area residents, public agencies and private investors had emerged. However, each group was waiting for clear signs of a cooperative approach to redevelopment.

In the private sector, Hallmark Cards, Incorporated, had pledged \$500,000 for land acquisition and blight clearance for the Phase II site, in addition to payment of a general manager's salary for one year. This commitment would run out March 31, 1977. Stipulations of the Hallmark pledge were that public agencies, specifically the City and the United States Department of Housing and Urban Development, demonstrate firm commitment to LRC's development effort. HUD had stated that every consideration would be given to insure projects which were feasible, consistent with HUD policy guidelines, and which had the approval of the City. HUD also wanted the City to commit itself to sizable public works investments in the area using funds that HUD had provided under its CDBG Program.

Both the City and HUD had expressed firm support of LRC's plans⁵. However, each was waiting on the other's commitment to the redevelopment effort.

⁵The City in this instance means the City Manager, Mayor and all other Councilpersons except the one representing the area in question and serving on the LRC Board. All others had expressed outright support (Exhibit 12) for a project which was so close to the hearts of two prominent members of the Lincoln Board who had been their former councilmanic colleagues.

Neither would commit without the other and LRC was caught up between the two. Although there was frequent expression of goodwill on the part of both for the effort, LRC felt that the time for a commitment beyond goodwill had come. HUD had let it be known that it's logical further involvement would occur once specific planning and preparation of Phase II was finished and a complete mortgage package could be formally submitted for review. HUD had expressed a willingness to help (Exhibit 9), in any way it could, to get Phase II to that point. HUD apparently would not take any further official action until that time. Therefore, it seemed that further progress toward realizing the long-range redevelopment goals now depended on what the City would do.

H. Financing

LRC had obvious needs for financial resources. It prepared an application and followed all of the guidelines (Exhibit 4) for a loan (\$298,000) from the City's Housing Development Assistance Fund (HDAF.) At the time, the only resources available would allow for salary for one staff person until March 31, 1977. No money was available to hire additional staff or for basic operating expenses. LRC could adhere to the deadline on the commitment from Hallmark Cards, Incorporated, but only if the schedule of work outlined in its loan application to the City for HDAF monies (Exhibit 6) could be followed. Operating capital was needed if the work necessary to identify and secure specific project financing was to be done.

In spite of all efforts, the City would not act in time to prevent the commitment from Hallmark Cards from being withdrawn. However, after some very intense "politicking" and appeals directly to the City Manager, the City agreed to pay the salary of the general manager (\$26,000) for a

one-year period and to provide two Comprehensive Employment Training Act (CETA) slots to the Corporation (funded at \$10,000 and \$7,500) as its method of assisting. This fell far short of the \$298,000 that had been identified by the Corporation as its minimal need. It was widely believed by the LRC Board that the Councilman representing the area and on the LRC Board would not allow the loan to be made. The duplicity of the Councilman was obvious, however, the Corporation was powerless to gain access to the City's community development resources even though the area had been used as the major justification for the City to get these resources from HUD in the first place⁶.

I. Social Implications of Redevelopment

LRC felt that sensitivity to social needs were of paramount importance in efforts to redevelop an area where homeowners and tenants remained. The ability to organize and work within a variety of disciplines were essential if undue disruption of the community was to be avoided. Plans for individual projects would have to consider to the extent possible the nature and character of present and future residents and insure that their needs were taken into account. The formal mechanism for doing this did not exist and would have to be established.

Several of the property owners in the area had complained that for the past several years they had been in a state of confusion over whether to make

⁶It was learned later that the City Councilman representing the district favored and, apparently had some interest in what he apparently felt was a competing development in the inner city: the East 23rd Street Urban Renewal Area (Exhibit 8.) He successfully blocked LRC's efforts to obtain a loan from the HDAF and shortly thereafter was able to direct those funds and others to the East 23rd Street project.

even the simplest repairs to their properties because of redevelopment plans, officially sanctioned and announced, for the area. These problems could become immeasurably worse unless LRC was provided the resources to establish a functional and on-going citizen participation mechanism.

The long waiting period had already had some very negative effects on residents and owners and the uncertainty, social blight and deterioration had increased. LRC felt that it was imperative to do all it could during the ensuing year to force governmental actors to at least own up to its own culpability in the situation that had been created in the Lincoln area. Since the Councilman representing the district dropped his hypocritical stance and had become more directly hostile to their efforts*, a decision was made to abandon any further approaches involving the City and to take up to battle with HUD (Exhibits 5 and 7.)

In order to do this, the Corporation felt it necessary to prepare a proposal to HUD for a portion of its Section 8 Housing and Mortgage Guarantee for a market-rate project and to await HUD's decision. The decision was negative (Exhibit 10), and the battle was engaged (Exhibits 5, 6, 7, 13... 31.) This confrontation was coming to a head when in January, 1978, the General Manager was asked by the Board of Directors to work out a co-venture agreement with the Black Economic Union of Greater Kansas City.

*The General Manager, in an appearance before the full Planning and Zoning Committee to appeal for inclusion of the Lincoln Proposal in the City's Annual CDBG budget (Exhibit 11) had been charged with lying by the Chairman as to the amount of support provided by the City to LRC.

III. OVERVIEW

The 701 Comprehensive Redevelopment Plan for the LRC area contains an examination of needs and problems from which generalized statements of goals and objectives applicable to the entire LRC area were developed. The phasing, or step-by-step processes, necessary to implement the plan were not outlined in that document in detail. It had, therefore, become necessary to ascertain the needs and identify the problems facing the Redevelopment Corporation before deciding on the operational goals which had to be pursued in order for phased implementation of projects to begin in a systematic manner.

Through careful analysis needs and problems were identified in the following areas: 1) Management and Operations; 2) Phase II Implementation; 3) Planning Subsequent Phases; 4) Institutional Requirements and Relationships; 5) Financing; 6) Social Implications; 7) Property Acquisition and Site Development; 8) Marketing and Public Relations; and, 9) Research.

Primarily because of the complexity of the redevelopment process, a number of needs and problems in each of these areas quickly became apparent. However, the major impediments to continued progress and continuity of action seemed to stem from a need to stabilize the operations of the Lincoln Redevelopment Corporation. Myriad problems could be associated with a lack of stability in the management of redevelopment processes, to the extent that management could be stabilized, other needs could be met and problems could be solved.

Instability in management and operations had created conditions of uncertainty and credibility loss. Beset by changing political realities, resource constraints, uncertainties and new philosophies in housing and

renewal activities, LRC had made less progress than it had hoped toward its goals. This had taken its toll on certain of the Board and development team members and weariness and discouragement had resulted.

Area residents had become confused and were showing increasing signs of suspicion and resentment—not only toward LRC, but also toward the City and federal governments. Those remaining in the redevelopment area had been unsure for the past several years as to how redevelopment would affect their properties and their lives. Although many still supported the idea of redevelopment for the area, their concern with the slowness of tangible progress could not be overstated.

Some of the public and private institutions essential to successful redevelopment were beginning to show signs of sharing in this mistrust. Private investors were, of course, unwilling to even consider risking capital on such an unstable situation.

This uncertainty and lack of credibility appeared likely to jeopardize the goodwill of essential participants and make it impossible to implement any plan no matter how well conceived.

The necessary goodwill could not be maintained without some adequate and immediate response to this singular need. Official institutions were in danger of becoming totally discredited in the eyes of the residents remaining in the area around Lincoln Gardens; LRC could not reasonably be expected to perform as it should without some official response to this need. Continued community deterioration would continue to occur and the renewed hopes of the people would once again be dashed and their expressed

wishes for their community would not soon be fulfilled⁷.

Thus, toward the end of 1977, LRC's future seemed bleak indeed. As previously noted, the open hostility of the powerful Chairman of the City's Planning and Zoning Committee had blocked every initiative the Corporation had taken over the eighteen months preceding. That this Councilman was also the representative of the area and an employee of LRC's major benefactor, Hallmark Cards, made the situation all the more bleak. However, there were signs that the correspondence to HUD officials detailing LRC's experiences were beginning to bear fruit (Exhibit 31.) About this time, a high local HUD official hinted that LRC's fortunes could possibly improve if a way could be found to link LRC's efforts to BEU's. It was about this time, too, that BEU was exploring ways to broaden its effort to ensure that housing would keep pace with its industrial and commercial developments. The General Manager of LRC was instructed by LRC's Board of Directors to effectuate a co-venture agreement with BEU in order that the two organizations could combine their efforts in the area. This agreement was effectuated in April of 1978, and the HUD Request for Proposal came to the organization in May, 1978.

⁷Despite its lack of resources, a well-conceived Citizen Participation Plan had been developed and implemented. Monthly newsletters were printed and distributed to area residents. An initial meeting of citizens in the area had drawn more than sixty residents. Subsequent meetings also were well attended. Over 1,000 area citizens signed petitions supporting LRC's request for City funding support of its 1978 CDBG budget.

IV. CURRENT STATUS AND OUTLOOK

At the two-day post-award conference held in Washington, D. C., for the twenty-one successful bidders—out of over 160 community-based Neighborhood Development Organizations (NDO's) from around the nation submitting competing proposals—HUD officials outlined what the successful contractors could expect in the way of future support. HUD explicitly promised to those who would successfully fulfill the terms and conditions of the contract, broad-scale and across-the-board support to obtain funding from whatever source needed (i.e., Departments of Labor, Commerce, HUD itself, etcetera) to implement viable and valid projects identified during the course of the contract and after contract completion.

HUD strongly implied that contractors performing successfully could look forward to future participation in programs of this nature. With a cautious eye towards the U. S. Congress, the U. S. Conference of Mayors and the National League of Cities⁸, it was clear that HUD needed the NDO's to perform well if continued funding by Congress was to be expected. In any event, HUD is now involved with BEU—and thus LRC (see press briefing release, Exhibit 32)—in a comprehensive planning and development effort in the Downtown East Planning Area. Heretofore, HUD had been totally absent from the comprehensive nature of the effort (Exhibit 33.) One can surmise, too, that HUD needed to get involved, and, quickly*.

⁸HUD's effort was politically very risky in that HUD was attempting with this program to provide funds directly to neighborhood groups—bypassing the cities. This was a drastic departure from HUD's normal procedure. (See questions raised, Exhibits 19 and 26.)

*A HUD staffer at the conference confided to the author that BEU did not fit HUD's concept of a neighborhood development organization but that a decision was made to award the contract because of the quality of the proposal.

The contract period runs from October 27, 1978, to October 27, 1979. It appears that BEU is on the verge of receiving approval for a 96-unit, Section 202 (elderly and handicapped) housing project in the 18th & Vine Commercial Revitalization Project Area. BEU is also receiving additional support from other agencies as a result of the HUD contract and with the HUD contract as a major part of its justification. For example:

- the City of Kansas City, Missouri, has approved the inclusion of \$300,000 in its three-year Community Development Block Grant Fund (CDBG) budget in support of public works improvements in the 18th & Vine project area—and thus in a portion of the Lincoln area. This represents a first for the area.
- EDA appears to be on the verge of approving a twenty-three acre industrial park development (\$2,500,000) totally in the Lincoln area. The City seems very favorable to providing the twenty percent matching share, including a share of the relocation costs.
- the City seems amenable to accepting—and is assisting—a Chapter 353 redevelopment plan for a large part of the Lincoln area which calls for, among other things, two sizable housing developments, (essentially as they appear in the 701 Plan) adjacent to Lincoln Gardens.
- HUD's participation will be the major part of the justification to secure a Neighborhood Assistance Act (Exhibit 23) approval for the area from the State of Missouri.
- HUD's contract award to BEU is immeasurably improving the climate for private development interest in the area. Frequent meetings are currently being held with private interests and would be

entrepreneurs expressing interest in private investment opportunities.

Insofar as contract performance is concerned, BEU's staff are meeting deadlines and are accomplishing, so far to HUD's satisfaction, the Statement of Work. It is generally agreed that the future of BEU as an organization and the geographical area of its emphasis—including the Lincoln area—has never looked better.

V. EVALUATION

The author strongly believes that the process of redevelopment is underway in the Lincoln Redevelopment area—with products not far behind—as a direct result of a very minimal contract award (\$126,000) on the part of the U. S. Department of Housing and Development. Only time can truly tell. Evaluation of the processes and products will require two very different approaches. The evaluation of products, of finished projects, while not simple, can take place in a framework of some recognized standard and quantifiable measures. Indicators such as comparison of construction costs, conformance with recognized design standards (though risky), analysis and comparison of maintenance and repair costs, records of occupancy rates, incidents of security problems and other measures of this type, will at least provide a context in which to judge the success of a given redevelopment project once constructed.

The existing project, Lincoln Gardens, could be studied in such a framework and the results from a study of this sort could be applied to future projects.

New projects will not be constructed within the time remaining on this initial contract. Work activities will concentrate on the processes necessary to bring other projects to a point where implementation can begin. The start of implementation usually lags the process by at least six to nine months; completion, even longer.

The evaluation of processes proves even more difficult than evaluation of products. Attempts to formulate measurement standards for urban redevelopment processes remains a crude science, where no clear indicators of success or failure have yet been identified. (It should be noted, however,

that because of the long struggle engaged in by LRC, it would be understandable if the Corporation would feel the start of implementation of a project of whatever sort would be all the measure needed at this point.)

The primary reason no universal standards for evaluating processes exist rests on the complex nature of these processes, which by necessity focus on mobilizing and securing support, coordinating resources and on fostering cooperation among many key participants. Sound guidance of these complex processes depends on extremely competent, careful and responsive management. Even though some of these measures seem to be emerging and present, it is an extremely fragile situation which can be broken by unseen forces. Therefore, it is too early still, to attempt an evaluation.

It is unfair, however, for the total management responsibility to be borne by the contractor along; it must be shared with the involved local jurisdictions and other parties to the process.

While the author would not presume to evaluate, in any formal sense at the present time, all actions of key participants, the formal response of these official actors are crucial to the success or failure of the redevelopment process.

BEU, it is hoped, will measure its own progress continuously through monitoring each work item to compare achieved results of particular documented efforts with expected results, and determine the degree to which obtained responses conform to desired responses.

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ANATOMY OF A PROPOSAL

"DOWNTOWN EAST NEIGHBORHOOD DEVELOPMENT PROJECT"

APPENDIX I

A RESPONSE TO A REQUEST FOR PROPOSAL H-4301:

"DOWNTOWN EAST NEIGHBORHOOD DEVELOPMENT PROJECT"

BY

PERCY J. PENN

PROPOSAL SUBMITTED IN RESPONSE TO RFP H-4301

DUE DATE: JUNE 30, 1978, 3:00 P.M. LOCAL TIME

"DOWNTOWN EAST NEIGHBORHOOD DEVELOPMENT PROJECT"

SUBMITTED TO: MR. CRAIG DURKIN
U. S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
OFFICE OF PROCUREMENT AND CONTRACTS
ROOM B-133 (711 BUILDING) (ASC-F)
451 - 7TH STREET, S. W.
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SUBMITTED BY: CHANG D. HWANG
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AREA: AREA D

PREPARED AND PRESENTED BY: PERCY J. PENN
GENERAL MANAGER,
LINCOLN REDEVELOPMENT CORPORATION
DIRECTOR OF LAND DEVELOPMENT
BLACK ECONOMIC UNION OF
GREATER KANSAS CITY, MISSOURI

PART I
TECHNICAL & MANAGEMENT
H-4301

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ATTACHMENTS

1. Map
2. Area Plan for Area No. 3, Downtown East Planning Area
3. Annual OEDP Report and Program Projection, 1977
4. Letters of Certification
5. Current Administrative and Operating Budget, Requests and Requests and Relationship

EXHIBITS

1. Time Schedule/Task Plan
2. Employment Policies

3. Project Organization
4. Resumes
5. Physical Facilities Brochure
6. Credit Union Fact Sheet
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APPENDICES

1. General Background and History

1. PROPOSAL COVERAGE

A. Scope of Work

The scope of work relates to a comprehensive neighborhood economic development program which will also provide the basis for expansion of efforts and activities already in progress in the Downtown East Planning Area of Kansas City, Missouri. Also, a participatory process is included throughout the program in order to assure broad-based support for program action efforts.

The scope will include a continued emphasis on the 18th & Vine Commercial Revitalization Project and residential redevelopment of that portion of the Downtown East Planning Area (DEPA), formerly the Truman Road/Terminal Tracks Planning Area, which lies within the Lincoln Redevelopment Section 701 boundaries—all of which is within the Special Impact Area of Kansas City, Missouri. Specifically the scope of work will entail the development of program and implementation strategies for economic, physical and social revitalization and redevelopment; catalytic project planning, action planning; development of models for replication and information transfer; the provision of technical assistance to developing and emerging neighborhood development organizations; the facilitation of citizen participation; and the development of strategies and financial mechanisms which will encourage a long-term investment commitment on the part of area businesses, land owners, entrepreneurs, residents and government.

The Black Economic Union has made progress towards necessary planning for implementation of programs and projects geared to the commercial revitalization in the 18th & Vine portion of the Downtown East Planning Area. The DEPA is in the northern portion of the Special Impact Area as predesignated by the Economic Development Administration. The approach taken by BEU

towards the eventual implementation of this exciting and viable project has been to engage in ongoing planning with the community and the City as an active and participating party in the process and the provision of technical assistance to individuals and organizational groups in the area.

BEU recognizes that more should be done, but has been restricted and hampered in its efforts because of a lack of funding and manpower resources. Since the 18th & Vine Project is only part of the overall neighborhood known as the Downtown East Planning Area, a broadened scope of activities are badly needed if this portion of the SIA is to be successfully and comprehensively revitalized and redeveloped.

BEU is committed to revitalizing and redeveloping the area by continuing to formulate approaches and analyze the needs and capacities of the community for business; industrial and commercial retention and expansion; small business assistance; job training and employment; residential improvement and development; and institutional, cultural and social improvement. BEU is more than willing to continue and expand upon its role as a catalytic organization by directing and integrating the following of its Divisions and their current efforts toward the accomplishment of the scope of work of this proposal:

DIVISION

SERVICE/FUNCTIONS

Business Development

1. Complete financial packaging
2. Procurement
3. Follow-up financial, management and technical assistance
4. Business ownership education and training
5. United Trade Group—An informal association of minority businesses; exchanging ideas relating to skills and opportunities

DIVISIONSERVICE/FUNCTIONS

Land Development

1. Commercial development
2. Housing development
3. Industrial development
4. Planning and implementation
5. Technical assistance

Education and Manpower
Development Services

1. Higher education (1,010 annual participants)
2. Business Institute Training Center (BITC) (1,410 annual participants)

Procurement

1. Business, industrial contracts

(Statistical accomplishments June, 1977-June, 1978: \$18,589,606 in contracts sustained. T/A and management assistance, marketing and referrals to 380 clients. Three hundred forty-seven contracts referred to clients out of 489 opportunities. Jobs created and sustained were 1,440.)

Controller/Fiscal

1. Accounting and financial administration
2. Financial management control over government contracts and reports
3. Computer services

B. General Objectives

The general objective of this proposal relates to the Scope of Work included herein and the Statement of Work contained in the Request for Proposal to which this proposal is addressed. The general objective is the integration and utilization of the Black Economic Union's current activities, resources and effort with those envisioned by the Request for Proposal to effectively and efficiently ascertain and address the needs of local businesses, residents and the self-help development groups of the Downtown East Planning Area neighborhood and, with them as active and participating partners, articulate an investment strategy which is realistic, feasible and consistent with the local governmental community and its economic development policies.

Because of the relatively weak economic base of the area, and the disinvestments and redlining which have occurred since the late fifties, BEU has determined through its past and current role as a catalytic organization, planning and implementing catalytic projects within the neighborhood, that several project and program activities are timely and appropriate for the area and would assist in bringing it back to life and serve as a model for other areas. Several groups in the area have programs and projects—in various stages of development which would contribute greatly to revitalization—and are in need of additional assistance. Thus the following sub-objectives relate primarily to current and past efforts, but are considered essential, too, to the general objective of this proposal. These are:

1. To develop financing and leveraging mechanisms which can be used as an educational and developmental tool to enhance developmental and entrepreneurial initiatives and private and governmental participation in the Special Impact Area. The initial emphasis will be on the

Downtown East Planning Area and include the 18th & Vine Commercial Revitalization Project. Foremost under this objective and one which can proceed apace with the participatory planning process is the formation of a not-for-profit, SBA (502) Local Development Corporation composed of merchants, corporations, institutions and residents of the DEPA, to act as a general contractor in residential, commercial and industrial rehabilitation/expansion projects within the target area. This corporation will actively pursue stabilization of current private sector investments in property rehabilitation and maintenance in the area as a first step toward the encouragement of future expansion of private and public investments in the target area.

- a. The LDC will establish a construction materials and equipment cooperative for the purpose of reducing costs of property rehabilitation and preventive maintenance in the target area. Cost advantages will be provided to area resident and employers through volume purchases and warehousing practices and associated lower overhead rates of the LDC.
- b. The LDC will provide centralized technical design services and overall construction management services in its role as general contractor for structural rehabilitation purposes. The cost effectiveness of this approach will also serve to reduce costs for area residents and employers.
- c. The LDC in association with the local Minority Contractors Association will provide a labor pool of qualified subcontractors such as plumbers, electricians, carpenters and insulation contractors to assist in the more technical aspects of structural rehabilitation. Also, apprentice labor training programs will be co-sponsored by the LDC in order that an adequate and cost-effective labor supply will be readily available for target area revitalization projects.
- d. Increased financing resources and credibility for rehabilitation activities will be created and encouraged by the LDC in order to stimulate direct financial incentives for area projects. Included in this program will be the following:
 - 1) Centralized services for processing SBA 502 guaranteed loan applications;
 - 2) Availability of City of Kansas City Development Assistance Fund (2½% injection) and interest subsidy for rehabilitation projects;

- 3) Availability of Downtown East Federal Credit Union resources for home and area improvement projects;
 - 4) Coordination of financial incentive programs available through the recently enacted State of Missouri Neighborhood Assistance Act and Time Deposits Program; and,
 - 5) Establishment of a local bank consortium as a means to create a supplementary revolving loan fund, providing "risk sharing" incentives to the financial institutions while assuring a readily available pool of local capital as a source to finance revitalization projects.
- e. The LDC will conduct educational and training programs for area residents and "would-be entrepreneurs" in order to develop the basic skills necessary to successfully participate in "sweat equity" and other self-help rehabilitation/construction programs. Emphasis will also be placed upon energy conservation measures and rehabilitative techniques which will help to lower heating and air conditioning costs in area structures.
 - f. The LDC will thoroughly investigate current land banking and acquisition and ownership alternatives and attempt to complement and expound upon current inventories as a means to create adequate development opportunity sites for new construction/expansion projects.
2. To coordinate and assist the efforts of specialized and emerging development and program groups endemic to the Downtown East Planning Area in articulating, planning and implementing projects and programs in various stages of development. Foremost under this objective is to enhance the ancillary effect and contribution to the overall social, physical and economic revitalization of the neighborhood area. Included in these groups are the following:
 - a. The Mutual Musicians Foundation (see Appendix 1), whose members have been very recently provided a small planning grant, with BEU's assistance, from the National Endowment for the Arts; in need of assistance for purposes of facility rehabilitation and program planning to develop a Cultural and Performing Arts Center in an unused Armory facility, purchased for a minimal sum from the City, and prominently located in the 18th & Vine Commercial Revitalization Project area.
 - b. The recently chartered, first of its kind in the nation, fully-insured Community Development Credit Union: the Downtown East Federal Credit Union; needs research assistance to ascertain neighborhood and SIA credit needs and resources, a permanent location in a facility in the DEPA, and assistance in becoming a viable and stable financing mechanism for SIA residents and businesses, and a catalytic physical, social and economic project in the neighborhood.

- c. The 18th & Vine Commercial Revitalization Committee, assist it to become a strong and effective merchants' association and attempt to insure their participation in the LDC and in the social, physical and environmental revitalization of the neighborhood area.
- d. The Downtown East Business Association, a newly formed group of area business and industry representatives currently in the process of adopting By-Laws and electing officers; need assistance in developing an effective working relationship, financing and investment mechanisms, and methodology for participation in the revitalization and neighborhood strategy effort. It is envisioned that this group, along with the 18th & Vine Committee, will be the key participants in the LDC.
- e. To move toward residential development in the HUD Section 701 Comprehensive Redevelopment Planning Area overlap portion of the Downtown East Planning Area so that residential development can stay apace of the ongoing and increasing institutional, industrial and commercial developments and emphasis within and adjacent to the area, and to ensure that a lack of suitable housing and housing alternatives will not jeopardize the success of the comprehensive revitalization of the neighborhood area.

Thus, inherent in the overall proposed approach is the basic strategy to continue current efforts and to start immediate actions to encourage participation and self-help on an expanded scale and encourage retention and rehabilitation of existing housing, commercial and industrial stock while the planning process for a neighborhood-wide development strategy is underway. Refinement and modifications to current and initial courses of action can take place once technical work tasks outlined in Section II of this proposal suggest specific changes.

2. TASKS AND METHODS

Introduction

The United States Department of Housing and Urban Development issued a Request for Proposal for technical assistance services by advanced neighborhood organizations in connection with community development. One of these formal requests was issued to the Black Economic Union of Greater Kansas City, Missouri. In response to this request, the BEU has set forth in the following pages the ways in which it proposes to meet the objective of the Request for Proposal and has alerted its staff and other urban economic development specialists from the following firms:

Peckham, Guyton, Albers & Viets, Inc.
Architects-Engineers-Planners
Kansas City-St. Louis, Missouri

Professional Management Associates, Inc.
Management Consultants
Silver Springs, Maryland

The team represents a resource of talent and experience specifically directed toward the interpreted needs of the proposed work program, including project implementation. The area (see map, Attachment 1) proposed for implementation and concentration of effort is the Downtown East Planning Area (formerly referred to as the "Truman Road/Terminal Tracks Planning Area") within the inner city of Kansas City, Missouri, and contained within the Special Impact Area boundaries as predesignated by the Department of Commerce, Economic Development Administration. The area also contains the northern portion of a HUD 701 Comprehensive Planning Area (the Lincoln Redevelopment Corporation's Comprehensive Redevelopment Plan.)

Many of the ingredients necessary to a comprehensive articulation of an investment strategy for the neighborhood which is consistent with the local

governmental community and economic development policies and which identifies specific projects for detailed planning and financing are in place. The Departments of Commerce and Health, Education and Welfare, are emphasizing programs and projects in the area. The area is bounded by private development and governmental project efforts totaling well over \$800 million (Crown Center, Pershing Square, Hospital Hill, etc.) Several groups in the area are actively advocating their own specialized self-help development projects and the potential for concentrated and intelligent citizen participation and technical assistance is very good because of the commonality of goals expressed. Therefore, the Black Economic Union envisions a very positive effort in regard to the following:

- Better coordination between area and city-wide urban fabric—social, economic and physical.
- Development of a balanced community population in the area, including a variety of social and economic groups.
- Emphasis upon business and industry retention and expansion for firms already established in the area—as well as a supplementary interest in recruitment of new, expanding firms to the area.
- Revitalization of existing housing stock as well as emphasis upon new urban housing projects in underdeveloped areas.
- Increased opportunities for employment, as well as better community facilities and services in the area.
- Establishment of a meaningful and ongoing citizen participation effort and increased organizational capabilities in the area planning and development process.

With this brief introduction of the proposed project, following the tasks is a brief discussion of the considerations for selecting, performing, time of performance and project management. -41-

TASK I — THE NEIGHBORHOOD DEVELOPMENT STRATEGY

A. DEFINING AND UPDATING NEIGHBORHOOD STRATEGIES

(1) Establish Participatory Process - With the emphasis on economic development and project implementation already inherent in BEU's efforts, BEU proposes to conduct an information exchange and strategy workshop session with the OEDP, Downtown East Community Planning Board (community representatives), City Planning Department, Community Development Department, Chamber of Commerce, Downtown East Business Association and the Land Clearance for Redevelopment Authority in order to recapitulate common concerns, work approaches and project emphasis which can be integrated into the permanent institutional and citizen participation structure for the study area. The basic objectives of this initial session will be as follows:

- a. To clearly define roles and areas of specific project organizational responsibility.
- b. Information exchange and establish coordinative mechanisms.
- c. To re-establish effective and efficient lines of communication among all interests and participants at the very outset of the expanded effort, and to formalize techniques to maintain communication linkages.
- d. To establish basic levels of expectations.
- e. To identify any overlooked key community and public interest groups to be included in a public information/educational process.
- f. To identify areas of possible controversy to be dealt with specifically in the planning process as well as in the public information process.
- g. To structure a preliminary work flowchart, with tentative deadlines attached to specific deliverable work products with areas of responsibility clearly defined for participants, and identification of needed assistance.
- h. Schedule additional workshops for purposes of information exchange and coordination as required.
- i. Prepare Request For Proposals for consultant assistance as required.

(2) Review and Develop a Statistical Data Base For the Downtown East Planning Area — Review all previous study material pertaining to economic and residential development in the SIA and establish a statistical data base for the Downtown East Planning Area. For illustrative purposes, the key indicators to be compiled, updated and analyzed will include, but not be limited to, the following:

- a. Age-sex cohort groups/total population
- b. Racial-ethnic population composition
- c. Household population composition
- d. Labor force composition by employment type
- e. Indices of labor force unemployment and underutilization
- f. Total population change and profile shifts
- g. Indices of educational/vocational training attainment
- h. Total income profiles
- i. Disposable income and consumer purchasing patterns
- j. Retail and wholesale sales profiles
- k. Manufacturing industry establishment mix and characteristics
- l. Journey-to-work patterns
- m. Incidence of crime, fire loss and related factors
- n. Housing occupancy, tenure and structural type profiles
- o. Real property valuation, sales price and base rate patterns
- p. Housing affordability patterns
- q. Building permit and utility hookup data

In developing this profile and trend analysis of key economic development indicators, BEU and its Consultant Team will utilize, to the maximum extent possible, existing BEU sources and those available from the City and the Mid-America Regional Council. For example, the following sources will be consulted in the process: U. S. Census, Tract and Block Data; Polk Data; National Technical Information Service (NTIS) Data; and Kansas City Comprehensive Plan Series Data. This data will be updated and adjusted in format to the specific needs of this work program.

As a result of this work task, a Statistical Appendix and Technical Memorandum will be produced in order to fully document key statistical indicators in a systematic and thorough manner. This data summary will provide the basis for quantitative analyses and forecasts to be used to focus on revitalization

and redevelopment strategies for short- and long-range periods.

(3) Inventory of Existing Development Infrastructure Capacities — One of the very basic factors in any community development program is the excess capacity available in the various development support systems to absorb future land development and redevelopment/conservation activity. The objective in this case would be to maximize possible development investment returns per unit cost for infrastructure improvements or maintenance.

In order to adequately address the issues of excess infrastructure capacities, a comprehensive inventory will be conducted from available information and plotted on base maps of the Downtown East Planning Area (to be supplied by the City.) This inventory element will include a summarized inventory of existing locations, conditions, usage levels and excess capacities for the following:

- a. Major thoroughfares and intersections
- b. Water supply system
- c. Sanitary sewage collection system
- d. Storm sewage collection system
- e. Energy supply systems (electricity, gas)
- f. Pedestrian ways, alleys and easements (where applicable)
- g. Fire and police protection; emergency services
- h. Parks, recreation, schools, health and community services

Existing City data sources will be consulted in the preparation of a map overlay system relating to excess capacities. Windshield surveys by members of the Project Team will be limited to that activity necessary to validate the accuracy of secondary-source information. As a result of this task, a composite development holding capacity analysis will be presented as a means to focus upon high priority development sites from the viewpoint of minimizing additional servicing costs. This task will not attempt to eliminate any specific sites from further consideration, but will tabulate probable levels of development infrastructure costs required to service specific sites at the block level of detail.

(4) Inventory of Existing Land Use and Structural Conditions — Within this task, the Project Team will utilize to the maximum extent possible, existing land use information supplied by the Mid-America Regional Council and the City. In addition, a primary windshield survey will be conducted in order to establish basic familiarity with land use activity relationships, structural conditions and environmental quality. From primary and secondary sources, the following development factors will be mapped on overlays consistent with those developed in Task IA(3):

- a. Existing land use activities
- b. Vacant and underutilized land
- c. Public land ownership patterns (including easements & rights-of-way)
- d. Major private land ownership patterns
- e. Building conditions (primary and accessory structures)
- f. Environmental maintenance conditions (streets, alleys, sidewalks, curbs, and gutters; site maintenance)

Land use and conditions data will be codified on a block summary basis and will be summarized by "residential" and "non-residential" classifications. A photographic record of a random sample of site specific cases will be produced in order to document value judgments made in assessing physical conditions. Specific notations will be made of: non-conforming uses, home occupations, environmental nuisances and other detailed factors. The data will be codified in a manner which could be usable in code enforcement and rehabilitation loan/grant programs. Thus, evaluation standards will be coordinated with those previously established and employed within Kansas City.

(5) Inventory of Physical/Environmental Development Factors — In order to provide comprehensive land planning and urban design services in subsequent tasks, the Consultant Team will prepare a composite environmental factors map overlay which will summarize the following physical planning considerations:

- a. Soils and environmental geology (as applicable)
- b. Topography and slopes
- c. Natural storm drainage systems

- d. Ambient air quality
- e. Noise and odor nuisances (as applicable)
- f. Natural energy systems (solar, wind)
- g. Natural vegetative cover

Also, this data summary will be used in subsequent environmental assessment requirements when evaluating overall development strategies as well as specific project proposals.

(6) Inventory of Visual Form and Fabric — Within this task, the Project Team will develop a Visual Quality map overlay which will summarize the following urban design factors:

- a. Visual linkages, corridors and relationships
- b. Intense visual assets or liabilities
- c. Views and vistas (internal and external)
- d. Texture and grain
- e. Edges and nodes
- f. Urban form generators

This overlay will summarize the man-made and natural environmental baseline upon which market imageability must be built. This will provide a strategy base for strengthening existing opportunities and for removing or improving market image liabilities within the Study Area.

(7) Inventory of Current Capital Availability — Secondary-source information will be researched by the Project Team in order to develop a profile and history of public and private sector investments in the Study Area. In this regard, Study Area and City-wide profiles will be compared and/or contrasted statistically for the following:

- a. Business-industry income and accumulated profits, to be researched from City financial data, including an analysis of new capital expenditures, equipment purchases, payroll expansions and the like.
- b. Private lending institution capacities and performance in Study Area, including a tabulation of the following: total deposits; time deposits; demand deposits; gross loans; loan to deposit ratio; estimated capacity for new loans; general history of recent loans placed; current financing terms relative to equity requirements; short term construction financing terms and permanent mortgage loan financing terms.

- c. Public sector investment history; to be researched from the Annual Budgets, Capital Improvement Programs and Annual Reports. Consideration will be given to: actual and budgeted expenditures for capital improvements as well as operations and maintenance; tax structure analysis, including any considerations for preferential assessment, tax abatement or other local incentives; and federal grants and/or guaranteed loans.

It is anticipated that a certain amount of primary research will need to be conducted within this task in order to supplement currently available data. Where possible, this will be conducted on a random sample interview basis in order to minimize project costs while assuring accuracy and thoroughness. Special emphasis will be placed upon any previous local utilization of financial incentives for urban economic retention and development, particularly those involving public sector-private sector partnerships. Also, a historic overview of local utilization of the Small Business Administration '502' Loan Program will be conducted.

- (8) Inventory of State Enabling Legislation for Plan/Action Program Implementation — Within this work task, legal consultants will research, analyze and present findings, with respect to the State statutory authority for plan and action program implementation that will be available and applicable to the Downtown East Planning Area. This analysis will include an assessment of the authority for the use of diverse land use controls, development incentives, financing techniques, economic development strategies and redevelopment and revitalization mechanisms that may be needed for plan implementation and which set the legislative parameters within which the plan implementation strategy must operate. Specific areas of analysis will include the following:
 - a. Planning enabling legislation
 - b. Zoning enabling legislation, including sources, scope and authority of the zoning power
 - c. Subdivision enabling legislation
 - d. Economic development statutes
 - e. Urban renewal and redevelopment legislation
 - f. Capital improvements programming enabling legislation
 - g. Tax incentives and disincentives

In each area, the emphasis will be on identifying the scope of power and range of alternatives available for plan implementation and the authority for use of innovative techniques, such as tax increment financing, special assessment districts, tax abatement or deferment, bonus and incentive zoning, transfers of development rights, preferential assessment to preserve open space, dedication of land, exclusive use of zones, "impact" or "performance" zoning and others.

(9) Inventory of Local Legislation, Ordinances, Policies Affecting Plan/Action Program Implementation — Within this work task, legal consultants will research, analyze and evaluate local land use, financing, economic development and community development ordinances, policies and administrative procedures that affect (positively or adversely) the achievement of plan or program objectives as they evolve in the neighborhood strategy planning process. This analysis will include specific consideration of the following:

- a. Zoning ordinance of Kansas City
- b. Subdivision regulations
- c. Capital budget and long-range capital improvements program
- d. Community Development Program
- e. Land Clearance For Redevelopment Authority Programs
- f. Housing Authority Programs
- g. Others as indicated by staff, OEDP and Community Planning Board.

In addition, consideration will be given to sources of State and federal financing for specific projects that may be recommended as part of the action program for areas of opportunity. The emphasis of this task will be on coordination of public investment and reinvestment policies and programs and on their relationship to land use, housing and other development decisions made by the City. An area of specific focus will be the procedure and administrative process of setting priorities for expenditure of public funds in all programs related to plan and project implementation. The needs and requirements of the Downtown East Planning Area will be emphasized in

relation to overall City programs and priorities.

For example, consideration must be given to City policies on developer contributions, dedications, impact fees and City capital improvement expenditures in new growth areas as they relate to public funds available for reinvestment in existing, established neighborhoods and commercial areas of the City. The emphasis should be on avoiding City subsidization of new growth and, rather, on insuring that revenues generated from the Downtown East Planning Area and SIA are substantially returned to it in the form of City services and public facility and improvement expenditures.

A summary report will be prepared outlining problem areas and impacts both short- and long-range to include appropriate intervention strategies.

B. PLANNING AND DEVELOPMENT OF PROJECTS

(1) Analysis of Study Area Economic Activity Structure — The purpose of this task is to analyze existing and potential geographic and functional market linkages among economic activity centers within the Downtown East Planning Area, as well as probable external linkages between the overall Study Area and other regional centers of economic activity within the Kansas City SMSA. The first effort within this task will be to develop and address listing of retail, wholesale, industrial and service firms within the Downtown East Planning Area on a four-digit SIC basis. To the extent possible, Chamber of Commerce data, address directories, Polk directories, Contacts Influential, State of Missouri industrial profile data and City tax assessment data as well as other locally available sources, will be used to compile the following information relative to a cross-section profile of employers in the Study Area:

- a. Four-digit SIC numbers
- b. Street address and telephone number
- c. Name of Chief Executive Officer or local manager
- d. Number of employees (by size grouping)
- e. Descriptive list of primary products, services or goods

This data will be organized in a card file and indexed by SIC code (3-digit), by size grouping (number of employees) and by geographic location (subarea/sector and block identification number.) In addition to its usefulness in the planning process, this data file will be valuable in ongoing promotional campaigns for business and industry retention/expansion within the Downtown East Planning Area. The proposed Local Development Corporation (LDC) could also use this updated information to enhance and expand membership recruitment activities.

Initially, however, an Economic Activities Map will be prepared by clustering 3-digit and 2-digit SIC descriptions of existing businesses and industries on a subarea/sector and block basis. Specific corridors or subareas/sectors will be characterized by relative dominance of economic activity classes. This will establish the internal economic activity structure on a geographic distribution basis. Generally, an overall economic base profile will also be quantified for the Downtown East Planning Area in order to prepare a base for economic retention and expansion strategy planning which will be sensitive to the economic activity system already in place.

Local, regional and national "state of the art" economic development research materials will be used to identify basic forward and backward market linkages which relate to the existing economic base of the Downtown East Planning Area. The American Industrial Development Council (AIDC) with national headquarters and library located in Kansas City, Missouri, will be helpful in this effort. This analysis will also be expanded at a more general level, to describe probable intra-regional economic activity linkages between the

Downtown East Planning Area and the remainder of the Kansas City SMSA.

Based upon the preceding analysis, the recent and current regional performance of specific economic activity clusters will be estimated. Key indicators will be taken from locally and regionally available "state of the art" materials and will include the following (for example):

- a. Change in number of employees (increase or decrease)
- b. Change in number of establishments
- c. Change in value of shipments
- d. Change in value added by manufacture
- e. Change in retail or wholesale sales volumes
- f. Capital intensity per employee
- g. Land intensity per employee
- h. Traffic generation rates
- i. Energy and water consumption rates

This profile data will be used by the Project Team in constructing a descriptive profile of the existing Downtown East Planning Area base, relative to the overall SMSA economy, which will identify the following:

- a. Top priority business and industry internal expansion candidates by economic activity group.
- b. Top priority business and industry internal retention candidates by economic activity group.
- c. Regional growth businesses and industries which could be recruited to the area due to significant forward or backward market linkages currently in place.
- d. Probable economic, environmental and fiscal impacts associated with top priority economic expansion, retention or recruitment candidates.

The output of this task will be a basic Target Economic Activities Analysis and will form one basis for an expanded Economic Development Strategy for the Downtown East Planning Area. This element will serve to develop focus upon a specific range of businesses and industries which show the highest probabilities for future success per investment unit in the economic development, expansion and diversification of the Downtown East Planning Area. This task represents an essential element of any rational neighborhood development strategy and is of crucial importance.

(2) Analysis of Locally Competitive Development Projects — Based upon the constrained range of economic activities identified in Task IB(1), a local primary survey of other industrial-commercial areas or districts in Kansas City, which currently compete with the Downtown East Planning Area for economic development and expansion, will be conducted. As a result of this primary field survey, to be conducted by the Project Team, a tabular summary of locally competitive development areas will be constructed, including the following factors:

- a. Total land acreage and/or building space
- b. Currently available land and/or building inventory
- c. Land/building space absorption history
- d. Sales price and lease rate ranges
- e. Marketing approaches available (land sale, speculative building, build to suit)
- f. Transport modes available
- g. Access and visibility assets
- h. Price premiums for rail, access or visibility
- i. Average number of employees/establishment
- j. Average plant or outlet size (square feet)
- k. Retail outlet productivity standards (dollars/square foot)

From this analysis, an overview of relative competitive position may be prepared in order to subsequently assess market share and probabilities of success for retaining or attracting economic development activity within the Downtown East Planning Area. Also, this analysis of comparables will establish financial feasibility analysis factors which are locally competitive and which will directly influence economic development strategy proposals.

(3) Analysis of Comparable Urban Economic Development Projects in Other Metropolitan Areas — The purpose of this task is to establish the current "state of the art" lessons learned, successful techniques and common problems or opportunities observed in urban economic development projects in other metropolitan areas. These examples could be useful in the Downtown East Planning Area of Kansas City, as a means to learn from previous experience of others in a similar situation.

The primary work of the consultants used by BEU, currently and in the past and available to BEU for this proposal, will be useful in this task. Their direct experiences include the following urban centers and communities:

- a. New Orleans, Louisiana
- b. Omaha, Nebraska
- c. Lincoln, Nebraska
- d. Dallas-Ft. Worth, Texas
- e. Tulsa, Oklahoma
- f. Denver, Colorado
- g. San Diego, California
- h. Minneapolis-St. Paul, Minnesota
- i. Lexington, Kentucky
- j. Atlanta, Georgia
- k. Kansas City, Missouri

This direct experience by Consultant Team members will be supplemented by research activities directed to the following metropolitan centers:

- a. Baltimore, Maryland
- b. Philadelphia, Pennsylvania
- c. Detroit, Michigan ("The Detroit Plan")
- d. Boston, Massachusetts ("The Boston Plan")
- e. Portland, Oregon

Particular emphasis will be placed upon the Comprehensive Economic Development Strategy (CEDS) Program of the Economic Development Administration (EDA). Of specific interest in this regard is San Diego and Portland, Oregon Economic Development Strategies. In all case study examples, attention will be given to action plan elements actually implemented as well as rates of change or development which have been actually experienced in other cities. This analysis should be useful in establishing pragmatic and reasonable expectation levels for urban economic development in the Downtown East Planning Area in Kansas City, Missouri.

Previous experience in other cities with various development techniques or incentives will include, but not be limited to, the following:

- a. LDC experience in implementing development strategies
- b. Land banking
- c. Revolving loans, interest subsidies

- d. Use of eminent domain powers
- e. Tax moratoria (personal property; inventory, in-transit; retail sales; corporate income)
- f. Industrial revenue bonds
- g. Investment tax credits
- h. Tax increment financing
- i. Business development loans, loan packaging assistance
- j. City purchasing policies
- k. Capital improvement programming

Thus, the output of this task will be useful in subsequent strategy planning work, based upon comparable project experience in other cities. This will serve to temper the recommendations of this project analysis with the realities of the urban economic development process as previously experienced in comparable cities.

(4) Land Development and Housing Marketability Projections — As a result of all previous work and study of results of the housing market study currently underway and funded by the City of Kansas City, for the Lincoln Redevelopment Area, the Project Team will be responsible for developing quantitative projections for land development and housing absorption by economic activity grouping, housing type and by retention, expansion or recruitment marketing activity. Projections of land development and housing demands will be expressed in terms of gross acres per year and number of units over a five to ten year development program period.

The results of this task will establish the basic size parameters for development project planning and phasing. Also, the most economically viable development activities will be prioritized by economic activity grouping, housing project type and by marketing strategy component.

The above tasks are necessary to the expanded planning and activity emphasis and development of a comprehensive investment strategy for the Downtown East Planning Area. They are essential, also, to project development for both the

short- and long-range periods, and for evaluation of current project development activity already embarked upon by BEU. They represent the culmination of the analysis phase, and lead directly to project development and implementation.

(5) Overall Neighborhood Economic Development Strategy — Within this work task, the Project Team will prepare up to three (3) alternate area-wide economic development strategy plans for the Downtown East Planning Area. These alternate strategies will be comprised of the following elements:

- a. Target Economic Activity Strategy
- b. Marketing Strategy (retention, expansion, recruitment)
- c. Land Use and Facilities Development Plan
- d. Land Development Techniques (conversion, redevelopment, infill)
- e. Capital Improvement Program
- f. Private Sector Investment Program
- g. Development Incentives Program
- h. Urban Design Specifications
- i. Development Entity/Mechanisms
- j. Project Phasing Priorities

The Project Team will work with Planning Area representatives and City staff to develop a value set and systematic screening process for rank ordering the strategy alternates. The map overlay system described earlier will be useful in this effort. An evaluation matrix will be constructed, relevant evaluation factors selected and scoring and weighing systems thoroughly discussed in workshop sessions with representatives and staff. The Project Team will then compute total scores for each of the alternate strategies and rank order the plans according to total score. A "Preferred Alternative" will be recommended for endorsement.

In this manner, direct representative citizen group involvement will be solicited within a systematic and rational process in order to evaluate and select a preferred Overall Economic Development Strategy for the Downtown East Planning Area. This selected general strategy will then be presented for

public review and comment.

(6) Detailed Development Management Policies Plan — Within this work task, the Project Team will utilize all background information developed in the inventory and implementation strategy phases, particularly the analyses of state enabling legislation and local ordinances and policies, to produce a comprehensive and coordinated development management policies plan. The Policies Plan will incorporate all techniques, elements, strategies, implementation devices, administrative techniques, land use controls, incentives, disincentives and financing methods by which the Downtown East Planning Area Plan and the specific action programs will be implemented and accomplished. The Policies Plan will be coordinated with the land use plan, capital improvements program, investment strategy plan and financing plan.

The Policies Plan will describe, in detail, the specific actions necessary by the local legislative body, planning commission, urban renewal agency, housing authority, community development department and other local, regional and state agencies or entities that are necessary for plan/project implementation. Included in the list of relevant agencies will be the private sector, such as the Chamber of Commerce, neighborhood organizations, real estate and banking interests, industrial development entities and others as agreed upon by Consultants, staff and area representatives.

The issues to be considered in the Policies Plan document will include the following:

- a. Neighborhood conservation and stabilization
- b. Code enforcement and neighborhood improvement programs
- c. Housing rehabilitation and permissible incentives
- d. Site specific clearance or redevelopment activities
- e. Relocation
- f. Impact of new development or existing neighborhoods; avoidance of adverse impacts

- g. Maintenance of neighborhood integrity and identity
- h. Housing for the elderly and low-moderate income families
- i. Relationship of neighborhoods to economic development activities (industrial, commercial, public facilities)
- j. Commercial redevelopment and revitalization
- k. Industrial retention and expansion
- l. Land assemblage for specific projects
- m. Public and private financing opportunities
- n. Private reinvestment opportunities
- o. Financing and development incentives and opportunities
- p. Allocation and use of capital improvement program resources
- q. Utilization and prioritization of community development funds
- r. Industrial development opportunities
- s. Others, as indicated by the planning process

The Policies Plan document will also address necessary changes in local ordinances, policies or administration; changes in state legislation; use of federal funding sources; and, reordering of priorities that are necessary to implement the Plan or specific projects.

The Policies Plan will, thus, be the key element leading to production of a Financing and Investment Strategy for the Downtown East Planning Area Detailed Development Plan, including specific recommendations for policy, ordinance, administrative and financing changes at the local level and legislative changes at the state level.

(7) Selection of Catalytic Projects — The Project Team, in cooperation with area representatives, will identify specific opportunity projects for implementation as a result of the selected economic development strategy produced as a result of Task IB(6). Within this task, a maximum of six (6) phase one opportunity projects will be selected by area representatives, staff and consultants, based upon a systematic screening and selection process similar to the one used for selecting an overall strategy in Task IB(5). Examples of criteria to be used in selecting the phase one projects for further analysis within this task work program are as follows:

- a. Degree of positive economic impact upon the Downtown East Planning Area

- b. Degree of neighborhood and environmental compatibility
- c. Probability of successful development during short-term future
- d. Probability of successful operation throughout long-term future
- e. Magnitude of positive fiscal impact on City tax base
- f. Degree of popular support from within neighborhoods
- g. Degree of City-wide support in general
- h. Ability to address the overall needs of a balanced and comprehensive development strategy, including industrial, commercial and housing area revitalization requirements

The output of this task will be a recommended selection of up to six (6) phase one projects for further analysis within this scope of services.

(8) Project Plans and Implementation Strategies — Within this task, the Project Team will prepare illustrative site development plans, preliminary architectural sketches and delineations of each of the Phase One Opportunity Projects. It is likely that three projects within the 18th & Vine Commercial Revitalization Project previously selected for their potential catalytic effect will be included (Mutual Musicians Foundation Cultural and Performing Arts Center, Multi-Purpose Senior Citizen Complex and Food Service Complex.) The development proposal in each case will be specifically supported by the following:

- a. Illustrative Site Development and Land Use Plan
- b. Typical Architectural Floor Plans and Elevations (as applicable)
- c. Perspective Sketch or Delineation
- d. Preliminary Development Cost Analysis
- e. Development Phasing Schematic
- f. Capital Improvement Program Summary (Phased)
- g. Private Investment Program Summary (Phased)
- h. Site-Specific Marketing Plan
- i. Management Plan and Project Development Flow Chart

The project plan documents will be prepared in a manner suitable for public presentation as well as for use in seeking commitments from those individuals, institutions, agencies and other groups which can facilitate project development. Original graphics will be color coded for presentation purposes, with camera-ready graphics reproducible in black and white for final report production.

(9) Assessment of Phase One Projects — In order to determine probable impacts of the phase one projects, the following assessments will be conducted within this task:

- a. Fiscal Impact Assessment (from public sector viewpoint)
- b. Financial Feasibility Assessment (from private sector viewpoint)
- c. Environmental Impact Assessment
- d. Legal Assessment

This task will serve to provide for final refinement for the phase one project proposals. Impact assessment results will be used to suggest possible modifications to original plans.

(10) Funding Proposals — Submit report in the form of a proposal for each project to a funding source within 300 days of contract award.

C. FINAL REPORT

(1) Draft Final Report — Prepare final report of all activities describing and analyzing the organizational models and program designs which have been developed by the Project Team and an explanation as to how the models and designs can be refined and replicated by new and emerging community groups.

TASK II — TECHNICAL ASSISTANCE TO EVOLVING NEIGHBORHOOD DEVELOPMENT ORGANIZATIONS

Within the previously relatively narrow focus on the 18th & Vine Commercial Revitalization, Project portion of the Downtown East Planning Area, the Black Economic Union has been involved with other neighborhood development and entrepreneur groups and individuals from the standpoint of providing technical assistance to them from a limited resource and manpower base. With this proposal, BEU intends to intensify and expand the delivery of technical assistance to those groups endemic to the Downtown East Planning Area and Special Impact Area (if approved) as well as to others approved by the Government Technical Representative.

With the emphasis upon neighborhood development, technical assistance and project implementation inherent within this program, BEU proposes to update its information based on previous experiences with these groups, their goals and objectives, and identify other potential users of its services. BEU will also carefully and objectively assess (in process) its classroom, office and library facilities in its new Mini-Industrial Complex, and the availability and capacity of its staff and Board members to effectively deliver the technical assistance envisioned and/or assigned.

A. TECHNICAL ASSISTANCE PLAN

Prior to developing a final T/A Plan, BEU proposes to hold an initial workshop and general orientation session, particularly with those groups with which it has had previous involvement in economic and program development in the area. This initial session might include several organizations with a similar goal and focus within the Kansas City SMSA. It is presumed that some of these groups will be approved for T/A under this proposal. These potential T/A recipients might include representatives from:

- 18th & Vine Commercial Revitalization Project (DEPA)
- Mutual Musicians Foundation (DEPA)
- Downtown East Business Association (DEPA)
- Missouri/Kansas (MO-KAN) Contractors Association (SIA, SMSA)
- Black Archives of Mid-America (DEPA)
- Lincoln Redevelopment Corporation (DEPA, SIA)
- Troost Park Development, Inc. (SIA, DEPA)
- Parade Park Homes Association (DEPA)
- East Attucks Community Housing, Inc. (DEPA)
- Brooklyn Heights Neighborhood Association (DEPA, SIA)
- Niles Home for Children (SIA)
- Kansas City, Missouri School District (SMSA, DEPA, SIA)
- National Economic Development Association (SMSA)
- Opportunities Industrialization Center (SMSA)
- Kansas Office of Minority Business Enterprise (SMSA)
- Human Resources Corporation (SMSA)
- Westside Local Development Company (Hispanic Community) (SMSA)
- Community Development Corporation of Kansas City (SIA)
- Coaches Council (DEPA)
- City of Kansas City, Missouri

Although it is not envisioned to provide technical assistance to all of the above groups, they all are either active in the DEPA, SIA or SMSA and have either planned and/or existing projects. As an example, the Kansas City, Missouri School District is in the process of establishing magnet schools in the DEPA for school opening in September, 1978; the Niles Home for Children, Black Archives, Mutual Musicians Foundation, etc. have viable and supportable plans for programs and physical improvements of high potential in neighborhood development. The basic objective of this initial workshop and orientation session, which will be held in BEU's newly constructed Mini-Industrial Complex, will be as follows:

- a. To present a general overview and explanation, expectations and nature of economic and neighborhood development.
- b. To define BEU's role in the process and as a catalytic organization in the Special Impact Area specifically, and the Standard Metropolitan Statistical Area, generally.
- c. To establish effective and efficient lines of communication among all interested parties at the very outset and to formalize techniques and contact points to maintain communication linkages.
- d. To establish basic and preliminary levels of expectations from each other.

- e. To identify key community and political interest groups to be included in a public information/educational process throughout project duration.
- f. To clearly identify initial areas of possible controversy to be dealt with specifically in the planning process as well as in the public information process.

B. TECHNICAL ASSISTANCE PROGRAM

A follow-up session will be held with approved recipients to reiterate and refine items under Task IIA , and to structure a preliminary work flow chart, with specific deadlines attached to deliverable work products, again, with areas of responsibility clearly defined for each project participant. The Project Team will use the results of these initial workshop sessions to define need and to establish a participatory work process which will be the mechanism through which this program can be conducted in a thorough and efficient manner. Also, this work program will emphasize the subsequent transition to actual project development. Under this Task the Project Team will develop alternatives and prepare an agenda and training package for each technical assistance service. Project notebooks will be prepared for participants for utilization at subsequent workshop sessions.

C. DELIVERY OF TECHNICAL ASSISTANCE

The project team will deliver technical assistance to audiences as advised by the Government Technical Representative.

D. FINAL REPORT

The Project Team will maintain throughout the project period the documentation necessary to finalize an updated training package for submittal and continued use.

TASK III — CONTRACT REPORTING

The Project Team will maintain sufficient records and the monitoring necessary to comply with the reporting requirements as outlined and required by the Request For Proposal.

A. PROJECT MANAGEMENT/WORK PLAN

Submit within 15 days of contract award a Project Management/Work Plan.
Complete HUD Forms 441, 442 and 443.

B. TECHNICAL PROGRESS REPORTS

Submit monthly technical progress reports. Complete HUD Forms 661, 662 and 663.

CONSIDERATIONS FOR SELECTING, PERFORMANCE, TIME SEQUENCING RECRUITMENT AND MANAGEMENT

The considerations for selecting the tasks outlined herein include considerations based on experience with the Downtown East Planning Area, familiarity with the history of the area and its needs (see Appendix 1), its assets and resources and potentials, the planning process, in-house and external resources, and of great importance—the coincidental nature of BEU's current objectives and efforts pertaining to this portion of the Special Impact Area of Kansas City, Missouri, and of course the objectives of the Request For Proposal which allows integration of current work and expansion of effort.

More specifically, additional considerations were:

1. A desire to be responsive and attempt to concentrate on and include those items necessary to the intelligent articulation of a neighborhood development strategy and policies plan;
2. The perceived needs for technical assistance and physical and cultural improvements for residents, businesses and groups in the area;
3. The geography, proximity, size and location of the area;
4. Adjacent developmental influences on the area;
5. The fact that crime has all but disappeared from the area and for all practical purposes is non-existent;
6. The stable population which remains in the area;
7. Amount of developable land and vacant areas suitable for redevelopment within the area boundaries;
8. Opportunities for commercial and housing revitalization existent in the area;
9. The initiative shown by the resident and business population of the area;
10. The existing infrastructure, communication network, urban nodes and edges existing in the area;
11. The apparently very favorable cost benefit ratio which could be attained through revitalizing the area; and, lastly
12. Some consideration as to how best to effectuate continuity between previous plans and needed actions.

Performing the tasks presents no major problem to the Project Team to be assembled for this effort. The Project Team members have in the past, and are currently, engaged in systematic and well-coordinated planning/development and implementation processes, utilizing strong local citizen involvement together with an experienced interdisciplinary team of professionals in the field of urban economic development, financing and banking, business assistance, education and manpower training and the provision of technical assistance.

The role of the Government Technical Representative is understood by the Black Economic Union and, although we propose to continue and expand on current effort, BEU is not an inflexible organization and has the capacity to adjust its proposed approach to meet the dictates of the situation—if by chance we have misunderstood the objectives of the Request For Proposal.

The following strengths, we feel, can be brought to bear toward the accomplishment of the project:

- The Black Economic Union of Greater Kansas City is officed in a newly-opened industrial complex in the project area and is in the process of leasing incubator space to small area businesses and community organizations at below market rates. It has a strong history of successful land development and specializes in small and minority business assistance. BEU has an extensive record of accomplishment in securing federal grants, loans and private funding and resource assistance for development projects which directly benefit small and minority businesses. The Black Economic Union provided technical assistance to the Land Clearance for Redevelopment Authority in planning an industrial park in the Downtown East Planning Area (Downtown East Industrial Park), a project funded by the Economic Development Administration. Since its beginning, the organization has visualized the need for long-range economic improvement in Kansas City's inner city areas. It is now engaged in planning which focuses on total community needs (residential, commercial, community services, employment needs, etc.) and has assembled a staff with the professional capabilities to address the totality of issues involved. The organization is working with the planning, architectural and engineering firms of Peckham Guyton Albers & Viets, Inc.; Oblinger-Smith and Associates; and Lawrence-Leiter and Company, Management Consultants on the revitalization of the 18th & Vine Commercial Revitalization Project in Kansas City. This area has strong cultural and historical significance to the black community and many other Americans on a regional and national scale due to its role in giving birth to an

American art form and the entertainment careers of such notable jazz musicians as Count Basie and Charles "Yardbird" Parker. Mr. Percy J. Penn, Director of Commercial, Housing and Land Development for BEU and proposed Project Manager for the Downtown East Neighborhood Development Project, has a relevant combination of skills from experience in management of total operations, planning and development, architecture, housing and renewal, energy and environmental issues, issuance of design criteria and is a resident of the Downtown East Planning Area. The proposed Project Manager belongs to the following area organizations:

- Black Economic Union (member)
 - OEDP Committee (New Projects Committee)
 - Downtown East Business Association (Nominee for Secretary and Executive Board)
 - Downtown East Community Planning Board
 - Mid-America Regional Council Housing Review Committee
 - PTA President, 1977-78, Attucks Elementary School
 - Liaison and General Manager in co-venture between Lincoln Redevelopment Corporation and Black Economic Union
 - 18th & Vine Commercial Revitalization Committee (First Vice President and Chairman, Development Committee)
 - Downtown East Federal Credit Union (Board of Directors, First Vice President)
- The firm of Peckham Guyton Albers & Viets, Inc. is a nationally established architectural-engineering-planning firm with offices in St. Louis and Kansas City. The firm includes over 60 professionals in its two offices with the majority of its work in industrial park, business park, shopping center and recreational facility projects. Major corporate clients include: Anheuser Busch (Busch Gardens, corporate centers and breweries on a national scale); and the J. C. Nichols Company (shopping centers and industrial parks nationally recognized for design quality.) Also, PGAV, Inc. has been involved in the ongoing redevelopment of the St. Louis Central Business District and, in Kansas City, works closely with BEU and is currently involved in the following minority neighborhood projects: BEU Mini-Industrial Complex; Downtown East Industrial Park; 18th & Vine Historic Area/Commercial Revitalization Project. The Director of Planning for PGAV, Inc. and Project Team member for the Downtown East Neighborhood Development Project, has been directly involved in virtually every major urban economic development project in Kansas City for the past five years. He is also currently involved in the Tulsa, Oklahoma Growth Guidance System Project.
- Professional Management and Associates provides contact in Washington, D. C. with professional project coordination and governmental entities. The experience of the firm's personnel is also local (one of the principals assigned to the Team grew up in the area and is a former employee of BEU) and complementary to others on this Team. This consultant firm provides the desirable ingredient of local professional participation and involvement and is familiar to the Black Economic Union.

The Project Team is on standby for this effort and could be assembled immediately upon notification from HUD that this proposal has been accepted and the Black Economic Union selected for performance of tasks outlined in the proposal. It is realistically estimated—based on the scope of work, the objectives, familiarity with the area and previous involvement with the BEU Board of Directors and staff composing the Project Team—that the time of performance is one year and that the work can be completed within twelve (12) months from starting date of the contract (see Exhibit 1.)

The hiring and training of staff persons of sufficient number and skills to perform tasks necessary to achieve the objectives of the proposal is the goal to be attained and will be governed by the Employment Policies and Procedures (being revised) of the Black Economic Union (see Exhibit 2.) BEU proposes one additional employee for its staff and two field personnel to be recruited in association with Professional Management and Associated.

The objectives of project management are to assemble an efficient and effective operational mechanism necessary to plan and work toward the achievement of the scope of work, and to accomplish the individual tasks in a timely and thorough fashion consistent with the guidelines contained in the Request for Proposal or as modified by the government. Project management will entail:

1. Assignment of work tasks to staff necessary to attain operational goals.
 - a. Assess work program and project needs on ongoing basis;
 - b. Evaluate work items and select those best performed by staff on ongoing basis;
 - c. Monitor performance on ongoing basis.
2. Contract with outside consultants to perform specified tasks necessary to attain operational goals.
 - a. Assess work program and project need for consultant assistance on an ongoing basis;
 - b. Evaluate work items and select those best performed by consultants

- on the basis of economy and expertise on an ongoing basis;
 - c. Let performance contracts with consultants to perform specified work as needed per schedule;
 - d. Monitor contracts and evaluate consultant performance on ongoing basis;
 - e. Synthesize information obtained from consultant and staff products per schedule.
3. Secure operating funds on an assured basis to permit continuity of operations.
- a. Submit budget package to the Government Technical Representative as required;
 - b. Submit requests for funds on a timely basis as required;
 - c. Project needs on ongoing basis;
 - d. Monitor expenses on ongoing basis.
4. Maintain records necessary to financial and performance audit as required by the funding source.
- a. Maintain records and undergo evaluation as perscribed by the funding source as required.
5. Perform ongoing self evaluation.
- a. Hold staff meetings for planning, problem solving and evaluation purposes on weekly basis;
 - b. Staff/Project Team will assess progress against plan at least monthly;
 - c. File monthly progress reports with Board of Directors and funding source;
 - d. Check work performed against tasks and schedule for those items which are not ongoing—documented demonstrations of efforts shall be deemed equal to meeting deadlines if performed on a timely and logical basis as determined by need;
 - e. Measure quality of processes and products according to applicable standards and in terms of contribution toward achievement of objectives on ongoing basis.

The Black Economic Union recognizes the criticalness of project management to ensuring successful completion of this proposal, particularly the non-traditional approach advocated here whereby current effort is to be integrated into the over-all effort. Coordination, integration and direction of those BEU personnel and consultants necessary to achieve the effort and products sought by the Request For Proposal poses no insurmountable problem since the Board of Directors and the Chief Executive Officer are in agreement with the approach proposed. The following section (Section 3) contains a more formal discussion of these issues.

3. ORGANIZATION AND MANPOWER

The staff proposed for this assignment reflects the specific philosophy and approach of the Black Economic Union, in conducting assignments of this type. Accordingly, the Project Team selected for this assignment, besides having substantial academic and experience-based knowledge in specific work areas, possesses the following capabilities:

- A basic understanding of the organizational/political environment in which neighborhood development organizations operate.
- Ongoing experience in developing and implementing urban development strategies.
- Capability to design and implement viable commercial revitalization projects.
- Extensive knowledge of, and experience in, working with various types of community projects, local/municipal government agencies and federal agencies.

These specific staff skills, when combined with relevant academic and experience-based knowledge, result in a highly qualified Project Team with extensive capabilities in the functional areas required for successful performance under this contract. In addition to embodying these skills, BEU's proposed staff team possesses an unrivaled amount of experience in working together as a group in the development of viable urban revitalization projects. This highly unusual combination of both technical ability and extensive team experience should prove to be an indispensable factor in effectively meeting the performance requirements of this Request For Proposal. We propose to couple our highly qualified Project Team with a management plan that embodies astute technical direction, continuity of leadership, team cohesiveness and appropriate technical qualifications.

Exhibit 3 reflects BEU's proposed project organization. We propose Professional Management and Associates, Inc. and Peckham Guyton Albers & Viets, Inc.

as key subcontractors for this effort. A summary of the qualifications of key personnel is included at the end of this section.

KEY PERSONNEL

Following are the key personnel proposed for the Project Team:

1. G. Lawrence Blankinship—Chairman, Board of Directors of the Black Economic Union. Mr. Blankinship is the owner of Blankinship Distributors, the leading distributor of America's second largest Black-owned company's product line. His distribution company's major facility is located in the project area at 19th & Vine. He is a recognized and respected business and community leader, having been one of the two Blacks first elected to the City Council of Kansas City, Missouri. Mr. Blankinship will provide guidance in the areas of business and commerce, local and state politics, citizen participation within the community he has lived in for over forty years and coordination with the Board of Directors of BEU.
2. Chang D. Hwang—Chief Executive Officer, Black Economic Union. Mr. Hwang has been with BEU for the past ten years as Controller and now serves as the Chief Executive Officer. He will serve as Project Director for this assignment. In this role, he will be responsible for timely accomplishment of project objectives, resource assistance and review of all products prior to their final release. Thus, as Project Director, Mr. Hwang assumes ultimate responsibility for integration of current organizational efforts for timely and successful completion of all project deliverables. Mr. Hwang has worked with a wide range of governmental and private programs and has been engaged in developing and implementing urban revitalization strategies over the past ten years.
3. Percy J. Penn—Director, Commercial, Housing and Land Development Component with the Black Economic Union. Mr. Penn will serve as Project Manager, directing and supervising daily activities. The Project Manager will provide direct supervision to the Project Team and will be responsible for the daily performance of project activities. As such, he will be accountable for directing and coordinating the efforts of the Project Team in producing work of the highest attainable quality. The Project Manager proposed for this assignment, Mr. Percy J. Penn, is recommended on the basis of the depth of his technical and management capabilities.

Mr. Penn, an Architect and Community Planner, augments the Project Team with his extensive experience in the development of urban commercial and housing projects. Prior to joining BEU, Mr. Penn served as general manager of Lincoln Redevelopment Corporation, primarily responsible for residential development. Earlier in his career, Mr. Penn served as a regional programs planner for the Council of Governments (MARC), served 20 years in the United States Air Force and

retired with the rank of Major. During his 20 years in the Air Force, Mr. Penn served in various capacities which included Civil Engineering Squadron Commander and Deputy for Civil Engineering, Deputy Air Force Regional Civil Engineer in Charge of Base Development and Chief of the Facility Development Division.

4. James W. Fowler—Director, Business Development Component, Black Economic Union. Prior to joining BEU, Mr. Fowler had served as Vice President with two of Kansas City's major banks and is a graduate of the Graduate School of Banking, University of Wisconsin. His primary responsibilities will focus on providing technical assistance to community-based businesses, entrepreneurs, financial packaging, development of new ventures, working relations with financial institutions and monitoring the performance of his Component personnel toward accomplishment of the scope of work and tasks.
5. Richard D. Ott, Ph. D.—Director, Education and Manpower Development Services Component with the Black Economic Union. Dr. Ott works with a wide variety of educational programs and is familiar with the special educational needs of business development from vocational training through graduate study. His responsibilities will include technical assistance and ongoing interaction with community organizations, businesses and educational institutions. Similarly, he will monitor the performance of Component personnel toward the work effort.
6. Ernestine H. Burch—Director, Procurement Component, Black Economic Union. Ms. Burch formerly directed the Information Services Component of BEU and has developed a wide variety of contacts with business, government sector and community residents. Her primary responsibilities will be to focus on providing technical assistance; contract opportunities for commercial, business and industrial development in the SIA; and developing a foundation of communication between small and minority enterprises with private, public and governmental sectors. She will also direct and monitor the performance of Procurement (including legal assistance) personnel toward the work effort.

In addition to the key personnel listed above, BEU core staff members will carry out those activities analogous to their specific technical abilities and programmatic expertise. The percentage of effort each will contribute cannot be accurately determined at this time, but will be as required. The man-months estimated to be contributed by key personnel and the personnel of the Components that they direct are as follows:

<u>Function</u>	<u>Estimated Man-Months</u>
Board of Directors	.5
Chief Executive Officer	3
Land Development	44
Business Development	22
Procurement	12
Education and Manpower Development	<u>16</u>
Total	97.5

PHYSICAL FACILITIES

BEU's offices and functions are housed in a recently completed (May, 1978) Mini-Industrial Complex (see attached brochure.) The Complex consists of three buildings—A, B and C—constructed of masonry load bearing perimeter walls with metal dock and bar joist roof system. Each building is approximately 80 x 142 feet in plan dimension. Building A is used for BEU's general office functions. A portion of Building B is used for classroom training. Buildings B and C contain office and incubator industrial space for small business operations. All were designed for the functions they presently serve. The facilities present a good appearance and are located facing one of Kansas City's major boulevards and parks. The 18th & Vine Commercial Revitalization Project is one block east. BEU retains ownership to its land development office, approximately 50 x 120 feet, directly across The Paseo Boulevard from the Complex. BEU has moved its Land Development Component into the new building. Therefore, the office is suitable and could be used as a field office for this project if necessity dictates.

CONSULTANTS

Standard contractual arrangements with consultants will be made on advice of counsel and tailored to the type of work contracted to be performed and will be in accordance with best practices and Government Procurement Regulations.

ADVISORS

BEU, without prior knowledge of this Request For Proposal, was in the process of establishing an advisory body of leading business and community leaders from the Kansas City metropolitan area. This will continue with the Request For Proposal as a part of the consideration. It is possible that an Ad Hoc Advisory Committee for this specific purpose will be formed (City, Chamber of Commerce, residents, financial representatives, etc.)

4. PRIOR AND CURRENT EXPERIENCE

A. Truman Road/Terminal Tracks (TR/TT) Area Comprehensive Planning (Now Downtown East)

With Economic Development Administration grant assistance, BEU's staff completed the TR/TT Preliminary Planning Report entitled "From Yesterday Comes Tomorrow" in August, 1975. Land use plans and renderings were prepared by Charles F. McAfee Architects and Planners and the cost of printing was borne by the Kansas City Power & Light Company as an in-kind contribution. The document was printed in October, 1975, and widely circulated. The report served a dual role. First, it provided a source of information about the area. Second, it served as a tool to generate the interest of area residents, entrepreneurs and companies in the economic development potential of the area. This interest was necessary to initiate the participatory planning process for area economic development.

As a follow-up to this report, BEU staff began to encourage City government to initiate comprehensive planning of the TR/TT area. BEU made available to the City Planning Department all of the demographic and statistical data concerning the area previously gathered by BEU's Land Development Component. In November, 1975, the City Plan Commission concurred with the comprehensive planning approach and the City Development Department agreed to begin comprehensive planning immediately as a cooperative effort with BEU, the Land Clearance for Redevelopment Authority (LCRA) and concerned community organizations from within the TR/TT area. A joint work program for this effort was developed. The first draft of this comprehensive planning program for the TR/TT planning area was completed in December, 1976. The report was a participatory planning effort that included considerable input from community

organizations and businesses located within the area and from the coalition of community organizations referred to as the TR/TT Community Planning Board (now the Downtown East Community Planning Board. The final draft of the report was reviewed and approved by the City Plan Commission and the City Council. BEU forwarded a copy of the report to EDA's Rocky Mountain Regional Office. The report is significant in that it sets the stage for future economic development projects that can be accomplished within the context of an overall plan. It is the future role of City government, in conjunction with BEU, to generate economic development activity in the area within the framework of this comprehensive plan.

Also, BEU's Land Development staff has worked closely with the staff of LCRA in contacting and making joint presentations to many community organizations within the TR/TT Planning Area. BEU supported and encouraged the formation of a coalition of these community organizations as a forum for discussion and as a means of providing formal input into the planning process. This coalition is now called the Downtown East Community Planning Board (formerly TR/TT), and it was formed during the second quarter of Fiscal Year 1976. The Community Planning Board has regularly scheduled meetings at the BEU Land Development field office and receives technical assistance and support from BEU staff. The formation of the CPB has resulted in the focusing of City attention on the concerns of the community on an areawide basis instead of a project basis. It has also been a motivating force in changing the often perceived community attitude that nothing effectively can be done to solve problems. Periodically during the period of this grant, the CPB reviewed area economic development plans of City government. This allows individuals that will be directly affected by the economic development activities, area property owners and residents to have input into the planning process.

Contact was also made with industrial firms in the planning area. In initial discussions with these firms, BEU explained the planned economic development activity in the area and the effect it would have on these firms. It was essential that these firms, especially the ones planning to stay in the area, were aware of area development activities and have a voice in the planning of them. BEU conducted this awareness effort in conjunction with LCRA and the Urban Economic Development Council (UEDC). Efforts to begin a TR/TT industrial organization began in November, 1977. Interest to begin such an organization has developed among 20 industrial firms in the area. Initial meetings with the chief executives of these 20 firms were held, the resulting in the formation of the Downtown East Business Association. BEU will continue to participate in the development of this organization.

As another aspect of the planning activities under this grant, BEU allocated funds from its EDA Technical Assistance budget to cover the cost of one day's motion picture filming throughout the TR/TT area. The purpose was to record the area as it exists now in order that a comparison may be drawn in a polished documentary film that might be produced within the next two to three years. The footage from this filming was made available by Pentacle Productions during the early part of September, 1977, and on September 10th people from throughout the TR/TT area were invited to a viewing of the rough footage. The proposed documentary could serve as a tool to generate future funds for further area development, induce incentive for further area investment and show results of specific development guidelines and procedures.

B. Area Industrial Development

1. Planned Industrial Development

The City of Kansas City has made a commitment toward the industrial development of two land segments within the Downtown East area. City government created the LCRA to accomplish this task. BEU was a major factor in getting the City to make such a commitment and has worked closely with LCRA in planning to fulfill it.

The Benton West segment (located within the Attucks East urban renewal area) is a vacant portion of land originally planned by HUD for new housing. The 60 acres of vacant land in the Manual and Benton West segments were identified in the Industrial Sites Study for the SIA as the highest rated area for development of a planned industrial development creating and sustaining job opportunities for SIA residents. As suggested in the BEU Preliminary Planning Report, LCRA initiated a Public Works pre-application with the EDA Rocky Mountain Regional Office in October, 1975. BEU staff accompanied LCRA staff during that pre-application conference and assisted LCRA, the City and their consultants with the completion of the formal application. The funds were to be used to create a planned industrial development, the Downtown East Industrial Park, which is to be located on portions of the Attucks East and Manual urban renewal areas. The grant application for \$1.2 million was approved in June, 1976. Final working drawings were completed during the Spring of 1977 and construction began in September, 1977. The EDA funds were used to improve the Benton West and Manual areas with street, curb and gutter improvements; installation of new lighting and underground utilities; and the addition of landscaping and green spaces. Thus, a

Planned Industrial Development will become a reality in the SIA competitive in quality to new industrial parks in the suburban areas and, therefore, create and sustain employment opportunities in the SIA. The physical development of the Planned Industrial Development will coincide with a marketing effort directed at the expansion needs of existing SIA and Downtown East industry.

The Land Clearance for Redevelopment Authority advertised for bids in connection with the other public works construction involved with the Downtown East Industrial Park. A pre-bid conference for the project was held on September 2, 1977, and the bid opening took place on September 23, 1977. The LCRA is acting as general contractor and conducted the formal bid for selection of subcontractors. The bids were higher than the construction budget, making it necessary to apply deductive alternates in order to bring the costs to within budget limitations.

Unfortunately, the result of this is that most of the improvements proposed for the Manual urban renewal area (portion of the Downtown East Industrial Park) will have to be deleted unless the LCRA is able to identify additional funds. Community representatives are concerned about the deletion of the proposed Manual improvements (in particular curb and sidewalk improvements which are badly needed.) The expressed hope is that the LCRA could immediately initiate a request for additional funds in order that deductive alternates may be placed back into the project. LCRA made the decision during the month of October to reject all construction bids submitted in connection with the Downtown East Industrial Park project on the basis that bids exceeded budget allocations. The architects were instructed to delete certain items from the bid package and the project was rebid during the months of October and November. There was

very limited response to this second request for bids and once again the amount exceeded budget allocations. Should LCRA elect to apply deductive alternates, the result would be the deletion of many of the amenities currently included in the construction package as well as the deletion of virtually all of the improvements proposed for the Manual urban renewal area. The prospect of this happening is of serious concern to community interests and business organizations that have to date been very supportive of the proposed industrial development.

The positive publicity resulting from designation of the area for industrial development, along with the fact that LCRA has established more competitive land prices, resulted in increased interest in the area on the part of industrial users. Consequently, only a few parcels of land remain in the Manual area and there is a strong indication that sales in the Attucks East area would also move quickly as soon as construction of public works improvements begins. Therefore, it is essential for LCRA to eliminate this present stumbling block. BEU will continue to provide assistance to LCRA in solving the current problem and getting all public improvements completed. At the same time, we have been and will continue to be actively involved in encouraging industry to expand into the Industrial Park. This included providing assistance with the preparation of EDA Business Assistance loan applications.

2. Business Retention

As a part of the work program under this grant, BEU's Land Development staff interviewed industrial firms currently located in or in close proximity to the Downtown East Planning Area. This was done in

conjunction with the LCRA and the City Development Department. Approximately 70 firms located in the area were contacted. With these firms employing a large number of Downtown East and SIA residents, the successful implementation of any comprehensive economic development plan hinges on these firms remaining in the area. The already deteriorating area economic base would deteriorate further if these firms move to locations beyond the accessibility of area employees. This is why it was absolutely necessary to control these firms in hopes of identifying the problems they were facing due to their present location and identifying solutions that will prevent the necessity for relocation. Also, the firms were informed of the advantages that would accrue because of present and future area development activities. If the need for an expanded facility was the problem, BEU encouraged the firm to expand within the present area. This would mean locating within the Downtown East Industrial Park. Indications to date are that several of these firms, that might otherwise be expected to move from the area, may become prospects for expansion into the new industrial development.

An example of this current expansion activity involves a vacated large multi-story loft building in the northeast corner of the planning area. This segment of the planning area is characterized by antiquated structures, limited room for industrial expansion, extremely limited available parking, etc. An existing company located in this segment, Wilcox Electric Company (a Northrop Aircraft Subsidiary) has acquired the vacated facility and is currently in the process of committing from \$800,000 to \$1 million in improvements. The decision of Wilcox to remain in the area and to expand is directly related to the creation of the Downtown East Industrial Park and the comprehensive planning process

currently underway within the Downtown East area. However, Wilcox is extremely concerned about the continuing parking problem as are other firms that still remain in the area. It is BEU's suggestion that this would be an ideal location for specific project planning and the commitment of public works funds either from EDA or under a proposed UDAG application. Therefore, BEU Land Development staff is in the process of communicating with businesses located within this area as to how they might encourage the necessary planning to be followed by the commitment of public resources.

Another example is the decision of Sears to build their new Catalog Merchandising Center next to its current store located in the Downtown East area. The facility will call for an additional 400 employees. Also, as BEU talks with these firms, it indicates its willingness to provide assistance in the preparation of EDA Business Assistance applications either for new facilities or expansion into existing facilities. Follow-up interviews have already resulted in expressions of interest in the EDA Business Assistance Program as a financing alternative for several industrial business expansions.

BEU also provided information concerning the industrial interviews to the University of Missouri-Extension Service which is currently operating under a statewide EDA Technical Assistance grant that makes it possible for the University to provide technical assistance to meet the specialized needs of industry. BEU is encouraging the University of Missouri to give particular attention to industry currently located within the Downtown East area and we expect to maintain a close working relationship with the Extension Service's specialist for business and industry in the future.

It is also significant to note that largely as a result of the aforementioned interview process and the EDA Business Assistance loan activity, there has been a new emphasis on the part of City administration, the City Council and others toward the importance of giving greater concentration to industrial retention. Evidence of this new emphasis is the creation of the newly formed Urban Economic Development Council. A former employee of BEU was selected to head the new entity. Funding for the UEDC effort was made possible when the City of Kansas City, Missouri, was selected as one of "ten demonstration cities" to receive joint funding from the U. S. Department of Commerce, the U. S. Department of Labor and the U. S. Department of Housing and Urban Development. BEU believes the selection of Kansas City is directly related to the fact that significant economic development accomplishments have been realized within the Kansas City Special Impact Area during the past few years.

3. Skill Center Project

Realizing the new job potential the industrial development activity in the Downtown East area will create, BEU's staff played a key role in the preliminary discussions with the City Manpower Administration regarding the possibility of developing a Skill Center within or in close proximity to the new industrial development area (Downtown East Planning Area.) Such a Skill Center could become an integral part of the mechanism for employee identification and training needed to maximize the new job potential for SIA residents. This concept was accepted by the City and the Community Development staff prepared an application to EDA for funds under the Local Public Works Program. It was not selected at that time and was resubmitted for consideration during Fiscal Year 1978. The

Skill Center is proposed for a location within the Downtown East Industrial Park fronting 18th Street between Prospect and Benton Boulevard. It was submitted to EDA the latter part of 1977 and approved. Presently, the overall design and development plans for the facility have been completed and construction commenced during the first quarter of the calendar year 1978.

Also, in an effort to establish a mechanism for selection, training and employment of SIA area residents that will maximize the new jobs potential within the EDA-funded Downtown East Industrial Park, BEU staff is currently making contact with organizations within the City of Kansas City, such as the Employment Service Systems, the Urban League and the Kansas City Skill Center in an effort to establish a cooperative mechanism for selection and job training preceded by a needs assessment analysis of companies willing to expand into the new development. BEU feels this mechanism for training and employment can be made applicable for any company expanding within the SIA; however, the prospects are particularly great in those instances when a company is utilizing the EDA Business Assistance Loan/Guarantee Program, utilizing other federally funded programs and/or considering the acquisition of public lands for expansion. The UEDC will take the lead coordinating role in the development of this mechanism.

C. 18TH & VINE REVITALIZATION

The 18th & Vine Commercial Revitalization Project has developed real potential during the grant period. BEU staff have been quite successful in generating considerable interest on the part of area merchants and property owners as well as the general business community. An organization has been formed called the 18th & Vine Commercial Revitalization Committee which receives continuing technical assistance from the BEU Land Development Component. This Committee is formed of a group of approximately 24 commercial property owners and businessmen in the 18th & Vine commercial area and tends to have a voice in the planning toward the revitalization of this historic area. Initial steps taken include the organization of a street clean-up and lot clean-up program throughout the area. This local self-help program has enabled the area to receive the attention of the City. The 18th & Vine Commercial Revitalization Committee is also working to receive a commitment from the City Public Works Department for assistance in the area clean-up.

Committee members requested that BEU conduct a needs assessment analysis, compile a list of available lease space and conduct a study on the condition of the properties in the 18th & Vine area. BEU's Small Business Development staff was solicited to assist individuals in the area with loan packages for improvement funds from available sources (i.e., SBA, LDC, conventional lenders, etc.) It was also determined that before owners begin extensive improvements, a land use plan should be conducted. Through this grant's consultant budget, BEU contracted Peckham Guyton Albers & Viets, Inc. to perform this task. With BEU's assistance, Peckham-Guyton will prepare the land use plan and, if possible, prepare specific storefront designs for selected properties in the 18th & Vine area. A work scope and timetable for this project should be

completed by mid-October, 1978. Also, BEU is in the process of identifying the funds to contract a consultant company to conduct an in-depth marketing study of the 18th & Vine area. This should be done in 1978.

Using the one prepared for the overall Downtown East Planning Area as a guideline, a preliminary planning report was prepared for the 18th & Vine area. The report, prepared by BEU with assistance from Peckham-Guyton, was entitled "From Yesterday Comes Tomorrow—Phase Two." This report was prepared for the purpose of being used as a planning and promotional tool to encourage development of commercial revitalization projects in the area. The report details historic background information of the area, presents area demographic characteristics, outlines the commercial development potential of the area and lists the type of financing tools available for use in development projects. It is our intent that the report will provide information and incentive to potential area commercial developers. Also, the report may be the basis under which specific needs for a future Public Works application can be prepared.

A specific project within the 18th & Vine area in which BEU is directly involved concerns the Mutual Musicians Foundation, Inc. This is an entity located within the 18th & Vine area and is represented on the 18th & Vine Commercial Revitalization Committee. This organization has historical and cultural significance in that it is directly associated with the rich entertainment and jazz history of Kansas City. The Musicians Foundation requested assistance from BEU with its plans for acquisition of a vacant City-owned facility at the corner of 18th & Highland. BEU is assisting the Foundation with plans to utilize the facility as a Center for Performing Arts. The project is not only individually significant, but it is also

considered a key to generating successful revitalization of the historic 18th & Vine area. BEU has assisted the Foundation in negotiating the purchase of the building and the sale was completed in February, 1978. BEU has also assisted the Foundation to identify funds to hire a project manager for program development and for gathering technical data (i.e., structural condition, etc.) concerning the building. An application was submitted to the National Endowment for the Arts by the Musicians Foundation under the sponsorship of BEU. The grant, which was awarded earlier this year, will be used for items such as program planning, architectural and engineering services and to hire a project manager for the proposed Center for Performing Arts.

D. EDA Business Assistance Program

One tool BEU staff has utilized in its business retention efforts was the promotion of the EDA Business Assistance Program. Many of the companies interviewed indicated a need for a new facility or expansion of their existing one. The companies were informed by BEU that they would be eligible for EDA Business Assistance Loans if they remained in the SIA. Also, BEU indicated its willingness to provide these companies assistance in preparing loan applications.

As a result of BEU's efforts, two companies expressed interest in the program and requested assistance with the preparation of EDA Business Assistance loan applications. These companies were:

Harold Gale Displays, Inc.—2016 Baltimore, Kansas City, Missouri. The company is involved in the manufacture of seasonal and special occasion point of purchase displays, custom displays and complete shopping center Christmas programs. It has 40 full-time employees and 20 part-time. Approximately 75% are minority and 50% reportedly currently reside within the Kansas City, Missouri, Special Impact Area. At the time contact was made, the company was considering a move out of the State into a newer more modern facility. It is anticipated that the expansion would result in the increase of full-time employment by 20 persons, to a total of 60. BEU was concerned with both the retention of existing jobs as well as the possible creation of new job opportunities for SIA residents. After a detailed analysis was conducted, it was determined that it will be to the company's advantage to remain in their existing facility (a two story loft-type building) and to make the necessary improvements that would allow for the proposed expansion. BEU staff assisted the company with the preparation of the EDA loan application. In August, 1977, the loan was approved by EDA. It was the first EDA Business Assistance loan to be made in the City of Kansas City. The loan was a direct working capital loan of \$250,000 to Harold Gale Displays, Ind. The total funding involved was \$400,000 with First National Bank contributing the additional \$150,000.

Studio Sales, Inc.—2449 Charlotte, Kansas City, Missouri. The company is engaged in the professional photo processing business and receives work from customers from all 50 states. It reportedly has approximately 65 full-time employees, approximately 40% of which currently reside in the SIA. This particular company is very interested in remaining within Kansas City and has expressed an interest in expanding into larger facilities. In addition, the company's

current facilities are located within a designated urban renewal area—the Hospital Hill renewal area—and as a result, it will eventually be forced to relocate. BEU provided information to the company concerning the Downtown East Industrial Park and the EDA Business Assistance Loan Program. However, there is currently difficulty obtaining a determination from the City regarding when Studio Sales' existing property is to be acquired. Until such a determination is made, the company is forced to delay its expansion plans. Consequently, BEU staff has continued to work to encourage the City to consider the positive benefits that will result from the retention of existing jobs and the possible creation of new jobs as the result of Studio Sales expansion. Action by the City is still pending and no future timetable has been established.

In order for loan and guarantee incentive programs to be effective in the Kansas City area, it is important that the conventional lending community be aware of these programs and encouraged to participate. Early in 1977, BEU served as a catalyst for a seminar, hosted by the Mayor and the Chairman of the Chamber of Commerce, which included the Chief of the EDA Business Assistance Division and the chief executives of local lending institutions. A similar conference was held during the first quarter of 1978 for the purpose of acquainting lending institutions with the investment potential available through participation with local development corporations (LDC's can involve loans under both SBA and EDA programs.)

E. BEU MINI-INDUSTRIAL COMPLEX PROJECT

The BEU Land Development staff prepared a development program for a proposed Mini-Industrial Complex to serve as an economic development service center and provide space for new and existing small businesses within the SIA that can benefit from on-going management services, technical assistance and cooperative services. An EDA Public Works application was prepared for funds necessary to construct the facilities. Approval by EDA for funding development of the Mini Complex was received during the fall of 1976. Construction of the project began in July, 1977, and is nearing completion.

The complex consists of three buildings which include a service center facility (BEU's administrative offices), the Business Institute Training Center (BITC) and multi-tenant light industrial lease areas to serve as incubator space for small businesses that can benefit from the many services offered by BEU. Particular consideration has been given to minority businesses and businesses from within the SIA. Construction is essentially complete and the Complex is 95% leased.

F. Commercial Development

BEU has completed feasibility studies for a proposed multi-purpose commercial center and a day care center. The studies were done with assistance from Oblinger-Smith Consultants, Inc.

1. Multi-Purpose Commercial Center—The first study was concerned with determining the feasibility of converting an office building into a multi-purpose commercial center. This building, the Lincoln Building, is located in the 18th & Vine commercial area. The building is a three story structure of brick construction with 13,000 square feet on each floor. At the present time, the first floor is occupied by one clothing store. The second floor at one time was used as a center for professional offices but has been converted into housing for elderly persons. The third floor has two 500 seat auditoriums and one time served as a performing arts center.

One of many possible avenues for the revitalization of the 18th & Vine commercial area is based upon establishing a business anchor in the vicinity. Long term improvements would then be built around this anchor. It is BEU's feeling this proposed multi-purpose commercial center could serve as the anchor needed to revitalize the area. In developing a program for this proposed center, BEU developed a marketing strategy to capture the maximum of the existing market in the surrounding area and to bring complementary additional activities to the center.

The ground floor would be converted into an open mall type of convenience retail area. This concept was adopted for this development recognizing it would be a deterrent against crime. An estimated 10 convenience or retail type stores would be on this floor. The second floor is proposed as a professional service area. BEU has approached several high quality potential tenants who have shown key interest in leasing space once the building is tastefully renovated. Several options have been considered for the third floor. This includes a combination of office and classroom use, subsidized apartments for the elderly or light industry (such as a garment manufacturer.) The results of the study were favorable and BEU has submitted a proposal to EDA for funds to pursue this development project in 1978.

2. Day Care Center—The second study concerned determining the feasibility of locating a day care center within the planned industrial development area. The site studied for locating such a facility was 18th & Benton Boulevard. The subject property would be acceptable as a day care center because of its proximity to the Downtown East Industrial Park and its accessibility to the numerous major employers which currently provide approximately 7,000 jobs. It would also be easily reached from the area housing developments such as Parade Park Homes, Lincoln Gardens, Sycamore Groves, Freeway Plaza and Parkview Homes.

A day care center is generally accepted for the benefit it provides to both employers and employees alike. Employers save money in maintaining a desired work force by a reduction of employee turnover, absenteeism and tardiness. Employers increase their ability to recruit qualified employees. Employees will have a modern, preschool education-oriented center available at a cost within their means. After analyzing the characteristics of the area and other variables in reference to day care centers, the study concluded the project was a feasible one and could be operated in a profitable and efficient manner. With the results of the study, BEU plans to pursue this project in 1978-79.

BEU has investigated the possibility of redevelopment activities under the Missouri 353 Redevelopment Program. This program, created by a Missouri State Statute some 15 years ago, allows an organization to become incorporated as a redevelopment corporation. As a redevelopment corporation, this organization could implement development projects in blighted urban areas and have tax abatements on physical improvements or construction. For 15 years, no taxes are paid (other than real estate taxes) on development projects of the corporation. After 15 years, only 50% of the taxes are paid. Full taxes are not required to be paid until 25 years after the development of the project. This program has tremendous potential as a tool to use for the development of the Downtown East Planning Area.

G. Business Development

During the past year, 27 minority clients have been identified for active accounting services, which include monthly balance sheets, profit and loss statements, bank reconciliations and general ledgers.

To assist socially or economically disadvantaged entrepreneurs in the development of management services, internships, on-the-job training and managerial training programs, periodic seminars have been held in cooperation with BEU's Educational Division.

In an effort to identify and develop new capital sources, direct calls on banks and other lending institutions were implemented to enlighten the lending officers of the need to participate in the community's economic betterment goals.

Demonstration projects for revitalization of the inner city commercial district (e.g. the historical 18th & Vine area) have been instituted in conjunction with the development of overall economic and commercial plans. A continuous joint effort is being made with the City Development Department, the Chamber of Commerce and the Missouri Division of Community Development to provide information regarding incentive programs (e.g. tax exempt industrial bonds, SBA Loan Guarantees, etc.) In addition, one-on-one in-depth meetings have been held with existing viable businesses desiring to utilize these programs.

During the past year, the Business Development Division has identified two franchises (Topsy's and Baskin-Robbins) for two of our minority clients. Four other franchises have been identified; however, no match has been made to date.

Analyses of the market potential for present or potential business ventures are an integral part of all loan packages produced by the Business Development Division. Periodically, the on-going ventures' performances are reviewed and analyzed, and updates are provided whenever necessary to capitalize on new opportunities.

Prior to formulating a business loan package or expansion project, the individual's abilities and needs are evaluated in terms of the requirements that the business will impose on the client. On more than one occasion, the entrepreneurs have been requested to utilize the management training programs which are designed to fulfill those needs.

In all cases of new business start-ups or buy-outs, extensive studies have been undertaken utilizing demographic study maps, trends analyses and traffic counts when necessary. Specifically, the following are some of the ongoing activities of business development:

1. Organization and operation of the first "Community Development Credit Union" under President Carter's new urban development program. A fact sheet regarding the Credit Union is attached to this report (see Exhibit 6.)
2. A total of 179 clients were assisted in formulating SBA flood disaster applications for loans or grants totaling \$1,463,192.
3. Assistance has been given in both the identification of a facility and an operator for an inner city day care center. A proposal has been submitted for funding and we are currently awaiting a response from EDA.
4. We are in the final stages of a proposal that includes the creation of an energy conservation company that will serve the inner city area.
5. Business Development along with Land Development have assisted in identifying and writing a proposal for an anchor project at 18th & Vine to act as a catalyst for the revitalization of the 18th & Vine area.

H. Procurement

The Procurement Division has been involved in a variety of activities that relate to minority business enterprise. They have included contract identification, consumer product safety and providing management/technical assistance to clients. The Division also keeps abreast of new legislation and programs affecting socially and economically disadvantaged business persons.

Marketing, management and technical assistance were provided to 380 clients during the past year. Three hundred forty-seven contract opportunities were referred to these clients out of 489 bid notices received. As a result of the contracts awarded, 1,440 jobs were created or sustained. Contract totals from June, 1977, through April, 1978, were:

Federal	\$ 1,545,044
State & local	5,889,824
Private sector	3,879,738
SBA 8(a)	1,275,000
	<u>\$12,589,606</u>

To determine the purchasing policies of major corporations, a questionnaire was designed and mailed along with a categorical list of goods and services, to Fortune 500 home-based corporations and companies employing 500 - 1,000 individuals. Responses received indicated that less red tape is involved when small companies negotiate contracts with minority businesses. In an effort to improve contracting strategies—by identifying corporate buyers and introducing minority sellers—the Minority Business Awareness Week is held annually and involves activities such as breakfast and luncheon meetings and seminars providing a forum for interchange between buyers and sellers.

In an ongoing effort to develop a foundation of communication between socially and economically disadvantaged entrepreneurs and the public and private sector,

the Division has established the Minority Business Development Group (MBDG) and provided technical assistance to the group which meets on a monthly basis. Comprising the group are buyers from major corporations and governmental agencies and successful minority businessmen, all who have the common goals of establishing a positive rapport and negotiating contracts.

To assist clients in improving their bid pricing methods and procedures, BEU has conducted a Blueprint Reading and Estimating class. Through the participation of clients in this class, problems experienced in bookkeeping were also identified. Referrals were made to the Education Division for individuals to receive training in that area.

Procurement staff members maintain one-on-one contact with purchasing officials of state and local government, business/trade associations, universities, foundations, professional organizations throughout the state and local major corporations in an effort to collect, summarize and disseminate contract opportunities to clients that are qualified to provide the desired services.

The United Trade Group is comprised of 250 minority vendors and meets on a quarterly basis. Along with the MBDG, UTG members receive the "Opportunity Hotline" which is published six times per year and announces contract opportunities, new market developments, new minority businesses and franchises.

I. Minority Business Awareness Program

Minority Business Awareness Week represented a change in past format which resulted from recommendations contained in the Evaluation Report of the 1975 Minority Business Exposition. While objectives and goals remained essentially the same, MBAW was meant to replace a very successful, but worn, format that had served its purpose well.

The Minority Business Exposition, jointly sponsored by the Black Economic Union and the Chamber of Commerce since 1970, was intended to attract and stimulate participation by minority entrepreneurs and businesses into the mainstream of metropolitan and surrounding area business activities. The effort experienced initial success and grew each year it was held, resulting in corporate buyers and minority sellers becoming acquainted with one another.

More importantly, the minority business community was able to display its products and services in an atmosphere which by design was conducive to that specific purpose; that is, sellers attended expecting to sell and buyers attended susceptible to buying. Special recognition was usually given each year to the corporate buyer and minority seller that best exemplified the spirit of Minority Business Exposition through positive action.

The stated purpose of the Minority Business Awareness Week was to increase awareness of minority business capabilities and promote the concept of doing business with minority-owned companies. Particular emphasis was placed on public relations activities and it was wisely decided to employ a professional public relations firm to coordinate and assume responsibility for various advertisement campaigns and public relations activities during the week.

The primary goal of MBAW was to increase the dollar volume of contracts given to minority business from major corporations and government agencies. Additionally, the sponsors hoped to substantially increase the number of major corporations that are aware of minority business capabilities; indeed, to the extent of considering establishment of corporate policies and commitments beneficial to minority-owned companies. Since such policies exist with government agencies, the goal was to increase the awareness of minority business capabilities sufficiently with government officials, so they in turn would intensify their efforts toward enforcement of established policy pertaining to dealing with minority-owned companies.

Through the public relations program it was hoped that the awareness level in the general business community would increase, thus emphasizing the importance and advantages inherent in dealing with minority-owned businesses. At the same time, the program would serve to increase the awareness of minority-owned businesses as to good business practices in selling their products and services to majority-owned companies and government agencies. Following is a partial list of sponsors currently participating with BEU in this effort:

Allis Chalmers Corporation	Builders Association of Missouri
Armco Steel Corporation	Butler Manufacturing Company
Amoco Foundation	Chemagro Agricultural Division, Mobay Chemical Corporation
American Telephone & Telegraph Co.	Clarkson Construction Company
Avon Products, Inc.	Conchemco, Inc.
Arthur Andersen & Company	Columbia Union National Bank & Trust Company
The Alpert Companies	John Deere Company of Kansas City
The Bendix Corporation	Dietrich, Davis, Dicus, Rowlands & Schmitt
H & R Block	

J. E. Dunn Construction Company	Southwestern Bell Telephone Company
Durwood, Inc.	Traders National Bank of Kansas City
Farmland Industries, Inc.	Tension Envelope
Faultless Starch Company	Trans World Airlines, Inc.
Folger Coffee Company	United Missouri Bank of Kansas City
The Gas Service Company	United Telecommunications
General Motors Corporation	Western Electric Company
GM Assembly Division-Leeds Plant	Business Men's Assurance Company
Hallmark Cards, Inc.	Unitog Company
IBM Corporation	Yellow Freight Systems, Inc.
The Jones Store Company	Remington Arms Company, Inc.
R. B. Jones Corporation	Ford Motor Company
KMBC-TV	
Kansas City Chiefs Football Club	
Kansas City Power & Light Company	
Kansas City Star	
The H. D. Lee Company, Inc.	
The Marley Company	
Massman Construction Company	
Mercantile Bank & Trust Company	
Milgram Food Stores, Inc.	
Mobil Oil Company	
Montgomery Ward	
Peat, Marwick, Mitchell & Company	
J. C. Penney Company	
Puritan-Bennett Corporation	
Sears, Roebuck & Company	

J. Education and Manpower Development

The Education and Manpower Development Division has numerous services for assisting and developing the disadvantaged or minority individual. One of the goals is the creation of mechanics whereby employers who need qualified workers are introduced to persons capable of filling the vacancies. Toward this goal, the EMD Division attempts to identify the various training and educational experiences necessary to make an unemployed or underemployed person more saleable. Training is also extended to the small business person to help make them more successful and effective. The following services will demonstrate the outreach areas used to assist in developing the minority or disadvantaged person into a more productive adult:

1. Employment Service—To assist employers in the SIA in obtaining quality employees and at the same time, assist unemployed or underemployed persons in the SIA to obtain: a) the training, education and skill development required for employment or advancement; and b) knowledge of existing vacancies and the job-finding skills needed to become satisfactorily employed. Service is offered free of charge and is open to anyone wishing to participate. One hundred fifty-six (156) employers have been served and one hundred seventy-eight (178) clients (citizens) have been served.
2. Typing (Beginning and Advanced)—To give students typing skills which will be helpful in obtaining employment or advancement. A fee of \$20.00 is charged and enrollment is open to all wishing instruction. Twenty-six (26) persons were served.
3. Shorthand (Beginning and Advanced)—To give persons skills in basic shorthand and helping to build speed to add a marketable skill for participants. This course is open to anyone wishing to enroll at a \$20.00 tuition charge. Twenty-five (25) persons were served.
3. Tax Preparation—To enable business persons and private citizens to prepare their own tax returns legally and yet, most advantageously to their own interests. A \$20.00 fee was charged with enrollment open. Nine (9) persons were served.
4. Office Management Certificate Program (in affiliation with the Metropolitan Community College)—To equip students with skills, training and credentials necessary to advance into or within a management system. This program is open to all residents of the MCC District at \$14.00 per credit hour (slightly more for non-residents.) All of the SIA is within this district. Sixteen

- (16) persons have been served.
6. Accounting and Financial Management (in affiliation with Minority Business Information Center (MBIC))—To present to small business persons within the SIA information about procedures and services available to better enable them to be responsible and efficient managers of their fiscal activities. Enrollment was open to all with no tuition charge. Seventy-five (75) persons participated.
 7. Blueprint Reading and Estimating—To provide construction industry persons within the SIA with the skills necessary to interpret blueprints into projects and into bid information. This class was open to all interested parties at a \$20.00 tuition charge. Thirteen (13) persons participated.
 8. Advertising and Marketing Seminar—To assist business persons, particularly retailers, in the SIA to better price and move merchandise. There was no charge, participation was open and sixteen (16) persons participated.
 9. Telephone Seminar (in affiliation with Southwestern Bell Telephone Company)—To enable persons working as secretaries and receptionists to be more effective when using the telephone. There was no charge and fourteen (14) persons participated.
 10. Grantmanship Workshop—To provide persons working with community agencies with the skills and knowledge to write better proposals and grant requests. Enrollment was open, no charge, and thirty-five (35) persons participated.
 11. Basic Bookkeeping—To give students skills in handling basic ledger entries, and as time allows, to become familiar with accounting procedures. There was a \$20.00 tuition fee with open enrollment. Nine (9) persons have been served.
 12. Youth Business Opportunity (in cooperation with Central High School)—To expose students to the possibilities of becoming business persons by having presentations by successful minority businesses and followed with a tour of business operations within the SIA. Enrollment was limited to students in Central High School business classes. There was no charge, and two hundred fifty-eight (258) young people participated throughout the year.
 13. Urban League Career Fair (in affiliation with the Urban League)—To present to high school age young people the world of business ownership as a career opportunity. This program was taken to public schools in and around the SIA and was available to interested students. A total of six hundred ninety-nine (699) persons were addressed through this program.
 14. Vocational Exploration Program (in affiliation with the National Alliance of Businessmen)—To expose students to possible career choices while they still have time to modify their school programs to obtain training necessary to enter the chosen field, and to

earn a minimum wage during this process. Students must meet poverty guidelines. Forty (40) students enrolled with no cost to the participants.

15. Non-Traditional College Programs

- a. Central Michigan University, M.S. Degree Program
- b. Central Missouri State University, M. S. Degree Program
- c. McPherson College, Non-Sexist Teaching in Elementary and Secondary Schools

16. Other

- a. Manpower Coordinating Committee—BEU meets regularly with Urban Economic Development Council (UEDC) personnel to discuss and implement programs in cooperation with the City of Kansas City and other agencies providing manpower services. Attempts have been made to have all agencies engaging in such activity to affiliate into a cooperative. One meeting of this type was hosted by BEU in August, 1977. The participants were invited by UEDC.
- b. Minority Job Bank—BEU is now offering an extensive employment counseling service. The purpose of this service is to provide employment opportunities for the unemployed, under-employed and the unidentified employable.

As a result of the vast amount of requests received by BEU for minority talent in all areas of employment, BEU hopes to match applicants with employers, thus obtaining mutual satisfaction for both the employer and the potential employee.

These services are available free of charge to anyone wishing to participate.

K. Contact Points

1. Craig M. Smith
ECONOMIC DEVELOPMENT ADMINISTRATION
U. S. Department of Commerce
505 Title Building
909 - 17th Street
Denver, Colorado 80202
303-837-4714
2. Darrel Clark
CITY DEVELOPMENT DEPARTMENT
City Hall, 15th Floor
414 East 12th Street
Kansas City, Missouri 64106
816-274-1855
3. Miguel P. Madrigal
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
318 Argyle Building
306 East 12th Street
Kansas City, Missouri 64106
816-221-0636
4. Vernon Brooks
DEPARTMENT OF URBAN AFFAIRS
City Hall
414 East 12th Street
Kansas City, Missouri 64106
816-274-2631
5. Thomas Brady
DOWNTOWN EAST BUSINESS ASSOCIATION
% Wilcox Electric Company
1400 Chestnut
Kansas City, Missouri 64127
816-231-0700
6. Charles J. Allen
18TH & VINE COMMERCIAL REVITALIZATION COMMITTEE
1818 Highland Avenue
Kansas City, Missouri 64108
816-421-2807
7. John Church
MUTUAL MUSICIANS FOUNDATION, INC.
1823 Highland Avenue
Kansas City, Missouri 64108
816-471-5212

8. Lawrence Connell
NATIONAL CREDIT UNION ADMINISTRATION
2025 M Street, N.W.
Washington, D. C. 20456
202-
9. Thomas Kilbride
U. S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
Kansas City Area Office
Fourth & State Avenue
Kansas City, Kansas 66101
913-374-4355
10. John Dennison
CENTRAL MISSOURI STATE UNIVERSITY
Warrensburg, Missouri 64093
816-429-4674

L. Additional Proposal Content and Outline Requirements

The following is included to meet the requirements for additional proposal content and outline:

- (a) General Description: Area Plan for Area No. 3, Proposed by City Development Department, May, 1978; and Annual OEDP Report and Program Projection on the Special Impact Area of Kansas City, Missouri, 1977-1979, by the Overall Economic Development Plan Committee, July, 1977. (Attachments 2 and 3)

These two attachments contain a general description of the physical, economic and social characteristics of the neighborhood in addition to a wealth of other data.

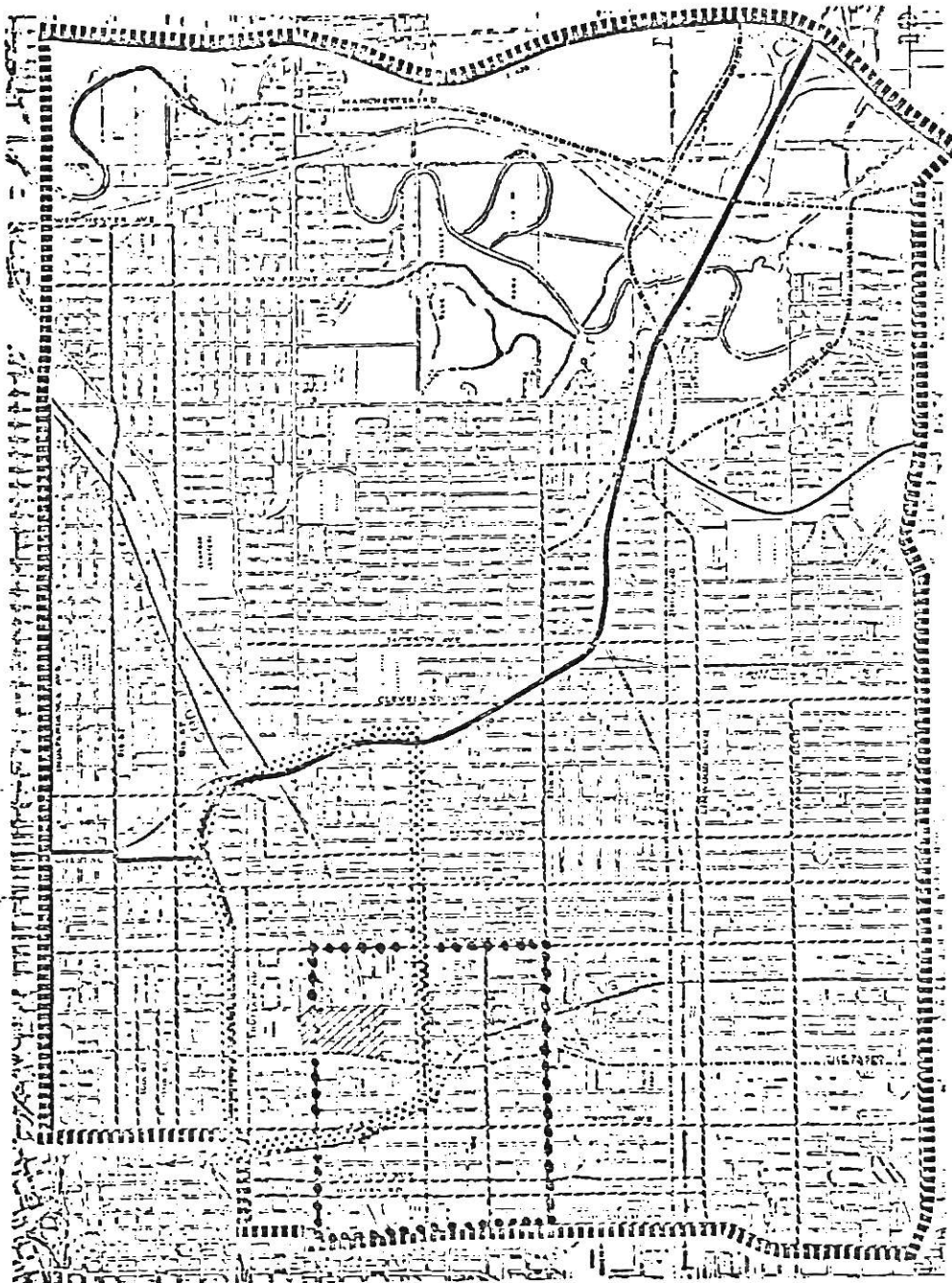
- (b) A Signed Letter, etc.: Signed letters certifying that this proposal is consistent with the local community development plan and the Overall Economic Development Plan are included from the OEDP Committee, Chairman; the Mayor, the Assistant City Manager in charge of Community Development and from the Director of City Development. (Attachment 4)
- (c) The Current Administrative and Operating Budget, etc.: The Black Economic Union's current administrative and operating budget and requests for funding currently pending are included. (Attachment 3)

M. Additional Standards for Responsive Proposals

The following is included to meet additional standards:

- (a) Non-Profit Status (Exhibit 7)
- (b) 501(c)(3) Status (Exhibit 8)
- (c) Serving a Neighborhood With Low-Moderate Income Residents
(Attachments 2 and 3)
- (d) Being Controlled By and Accountable to Residents of the Neighborhood: BEU is not controlled by the Downtown East Planning Area neighborhood in any sense of the traditional meaning. BEU's responsibilities, as an EDA-assisted agency, operate in the entire Special Impact Area and cannot be, in the traditional sense, controlled by any single neighborhood within the SIA. It is hoped that we have provided sufficient evidence to show that through our past and current involvement with the neighborhood, the participatory planning process already established and proposed, the composition of our Board of Directors and their residences and business addresses within the area, and the purposes for which the Corporation is organized; that BEU is indeed controlled, accountable and responsive to the Downtown East Planning Area neighborhood and to the neighborhoods comprising the Special Impact Area, both individually and collectively. The evidence of this, we hope, is inherent in our proposed approach.
- (e) Having an Adequate Accounting System for Recording Costs Under a Cost-Reimbursement Type Contract (Exhibit 9)

ATTACHMENT 1



Special Impact Area

Dotted line: DOWNTOWN EAST PLANNING AREA

Line of dots: LINCOLN REDEVELOPMENT AREA

Diagonal hatching: 18TH & VINE REVITALIZATION AREA



ATTACHMENT 2

AREA PLAN
FOR AREA NO. 3

DOWNTOWN EAST PLANNING AREA

PRELIMINARY DRAFT
FOR DISCUSSION ONLY

DRAFT #4 -

May 1978

Prepared By
City Development Department
15th Floor, City Hall
Kansas City, Missouri 64106

OUTLINE OF THE COMPREHENSIVE PLAN

FOR

KANSAS CITY, MISSOURI

The comprehensive plan for Kansas City consists of four groups of reports identifying the requirements for giving order and purpose to the City's form and change. Ranging from broad values to specific programs, the reports are grouped according to four levels of consideration: City-wide Viewpoint, Strategies Plans, General Plans, and Project Plans.

Part I - Citywide Viewpoint

One report provides a statement of four related segments: factors and assumptions of population, economic, and development change within the city over the next twenty-five years; the elements of citywide development; alternative development concepts; and a plan of actions to be carried out over the next five years.

Part II - Strategy Plans

A series of reports provides statements of citywide needs and how these needs can be accomplished over the next one to twenty-five years within seven functional areas: housing, economic development, urban design, environment, new development, conservation and redevelopment, and development resources.

Part III - General Plans

Part III consists of two types of plans: function plans and area plans.

Section A - Function Plans

Each report in this section provides a citywide plan for one of these major urban functions: land use, fire and police facilities, parks and recreation, water and sewerage facilities, highway transportation, non-highway transportation, and natural resources, preservation and conservation.

Section B - Area Plans

The plans of this section discuss the full range of urban functions and proposed actions for each of forty-six areas covering the entire City. These reports are intended for wide public distribution.

Part IV - Project Plans

These reports, along with accompanying sketches, maps and drawings, provide physical development plans for smaller areas ranging in size from several specific blocks to a single parcel of land ownership. Project plans are prepared as a result of community interest, neighborhood concerns, rezoning or subdivision actions, major public improvements, land development by private developers, or conservation or rehabilitation activity.

PREFACE

This is a plan for the Downtown East Planning Area which is No. 3 of 46 areas for which plans are being prepared by the City Development Department for the City of Kansas City, Missouri.

The 600-acre planning area is bounded on the north and east by I-70, on the south by 23rd Street, and on the west by Troost Avenue.

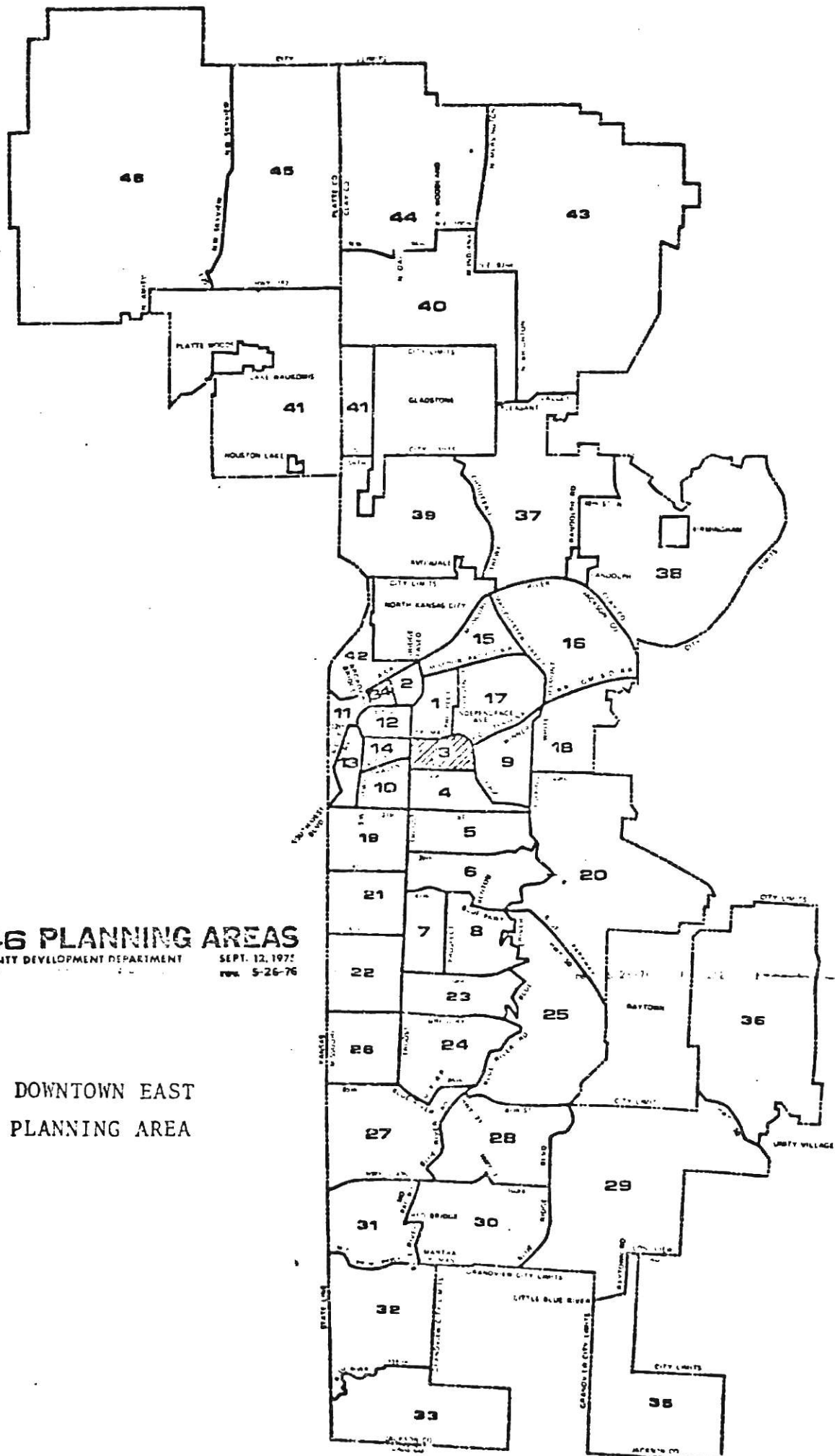
During the area planning process, the City Development Department provided planning and management services and helped the community set priorities on the use of limited public funds. Meetings were held with various community organizations, block clubs and interested individuals to encourage resident participation in preparing the area plan. Discussion of the plan has also been held with various businesses and industries in the area. Attempts are made to identify limited public funds available to meet these high priority needs.

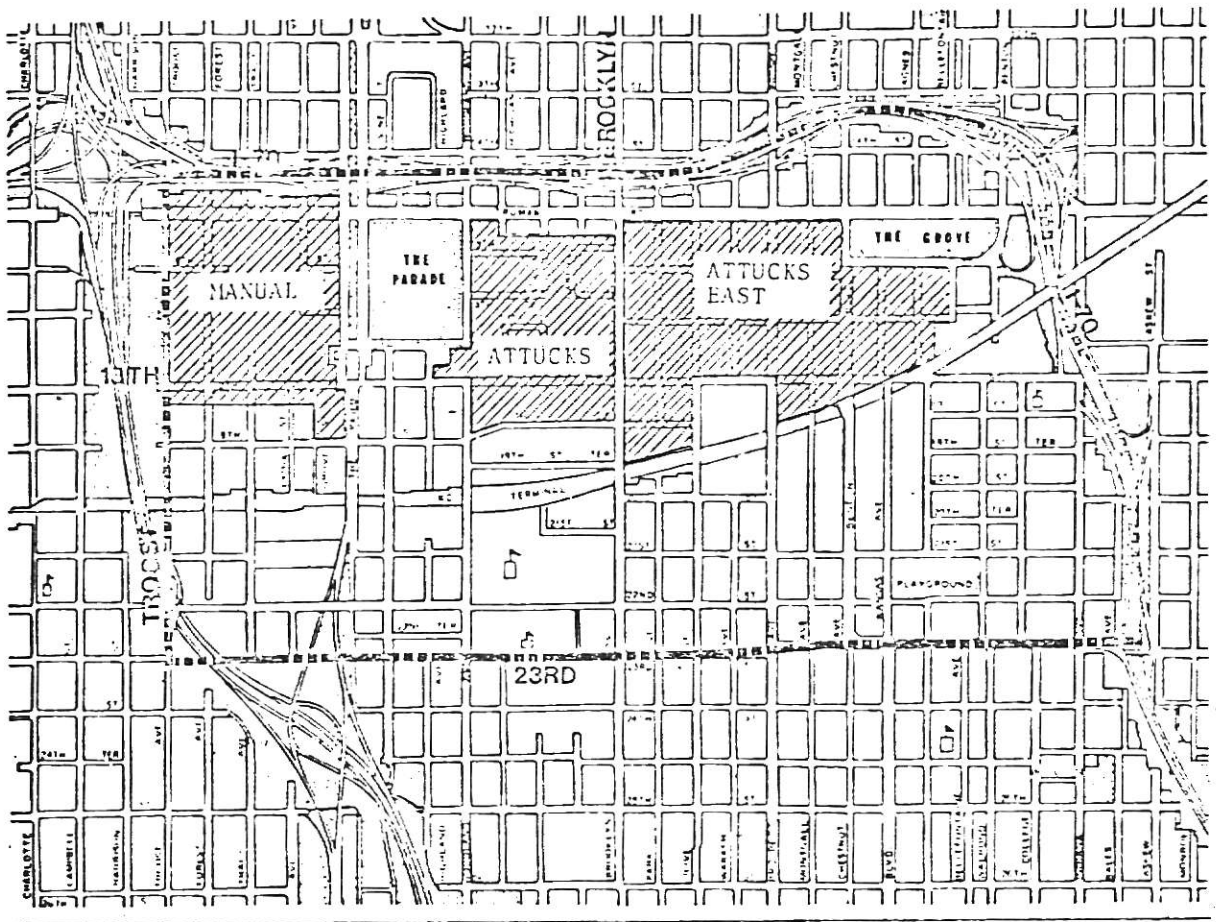
This report was prepared by Darrel Clark and Joseph Watson, planners in the City Development Department. Assistance was given by other City departments and citizens in the area.

This study was financed, in part, by a Comprehensive Planning Assistance Grant from the Department of Housing and Urban Development under Section 701 of the Housing Act of 1954, as amended.

46 PLANNING AREAS CITY DEVELOPMENT DEPARTMENT SEPT. 12, 1975 REV. 5-26-76

DOWNTOWN EAST
PLANNING AREA





Downtown East Area

URBAN RENEWAL PROJECTS



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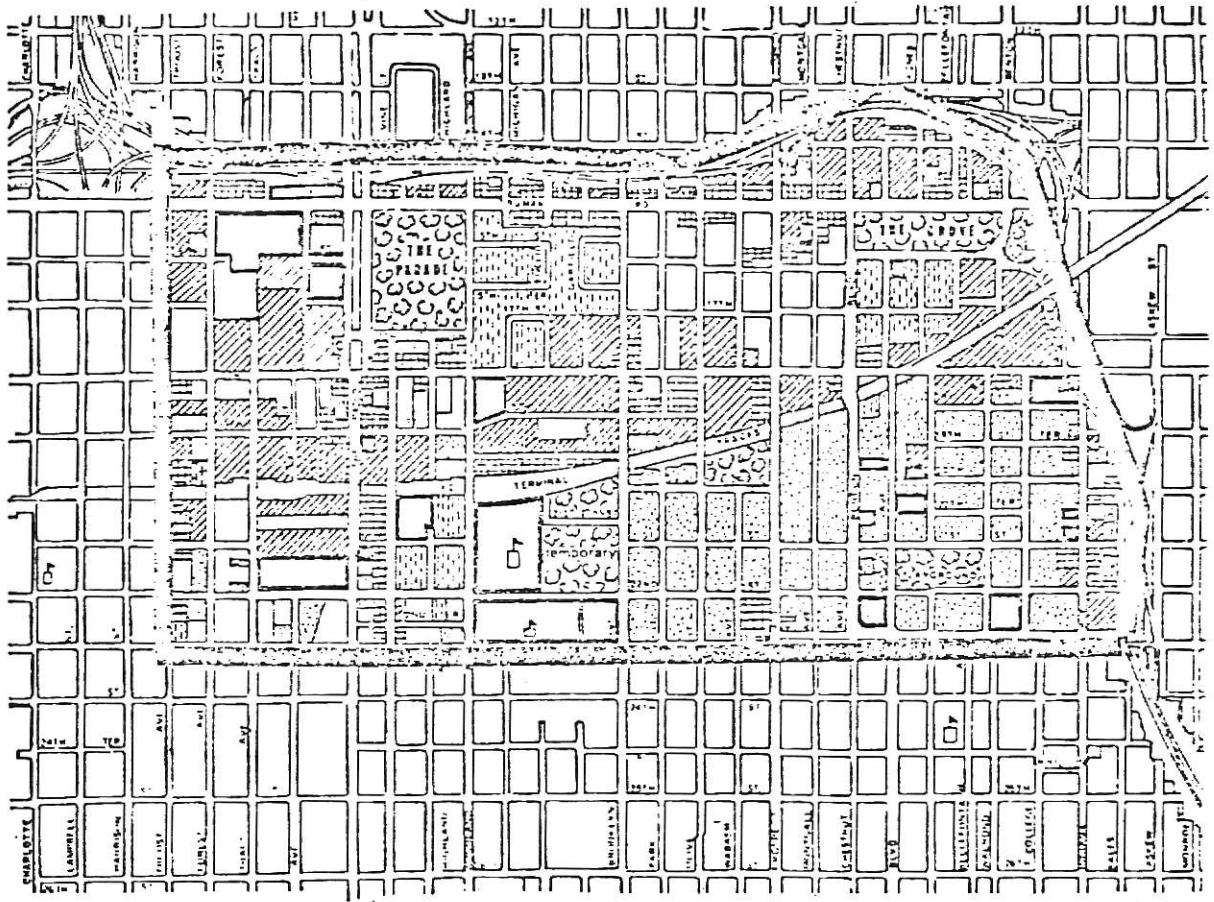
I. THE DOWNTOWN EAST PLANNING AREA IS
AN INNER CITY AREA WITH FOUR DISTINCT
FUNCTIONS

1. EXISTING FUNCTIONS INCLUDE RESIDENTIAL, INSTITUTIONAL,
EMPLOYMENT, AND TRANSPORTATION
2. THE PRIMARY FUNCTION OF THE AREA IS RESIDENTIAL
 - (1) Single-Family Units Are Concentrated Primarily
In The South And Southeast Part Of The Planning
Area.

Over 80 percent of this low density housing stock was constructed prior to 1939. Based on the structural survey conducted in the Fall of 1976, many of the structures can be sound by establishing a conservation and rehabilitation program for this area.








- (2) Most Of The Multi-Family Units Are Concentrated
In Planned Development Areas North of 18th Street.

There are 510 multi-family units in the Parade Park Homes Development (Attucks Urban Renewal Area), 152 units in the Lincoln Redevelopment Area, and 179 units in the Sycamore Groves Project (east half of the Attucks East Urban Renewal Area). The Parade Park and Lincoln Redevelopment Projects are successful projects with occupancy rates remaining high and stable. The first applications for rental of the Lincoln Gardens Apartments were about 10 to 1, demonstrating that there is a market for multi-family dwelling units

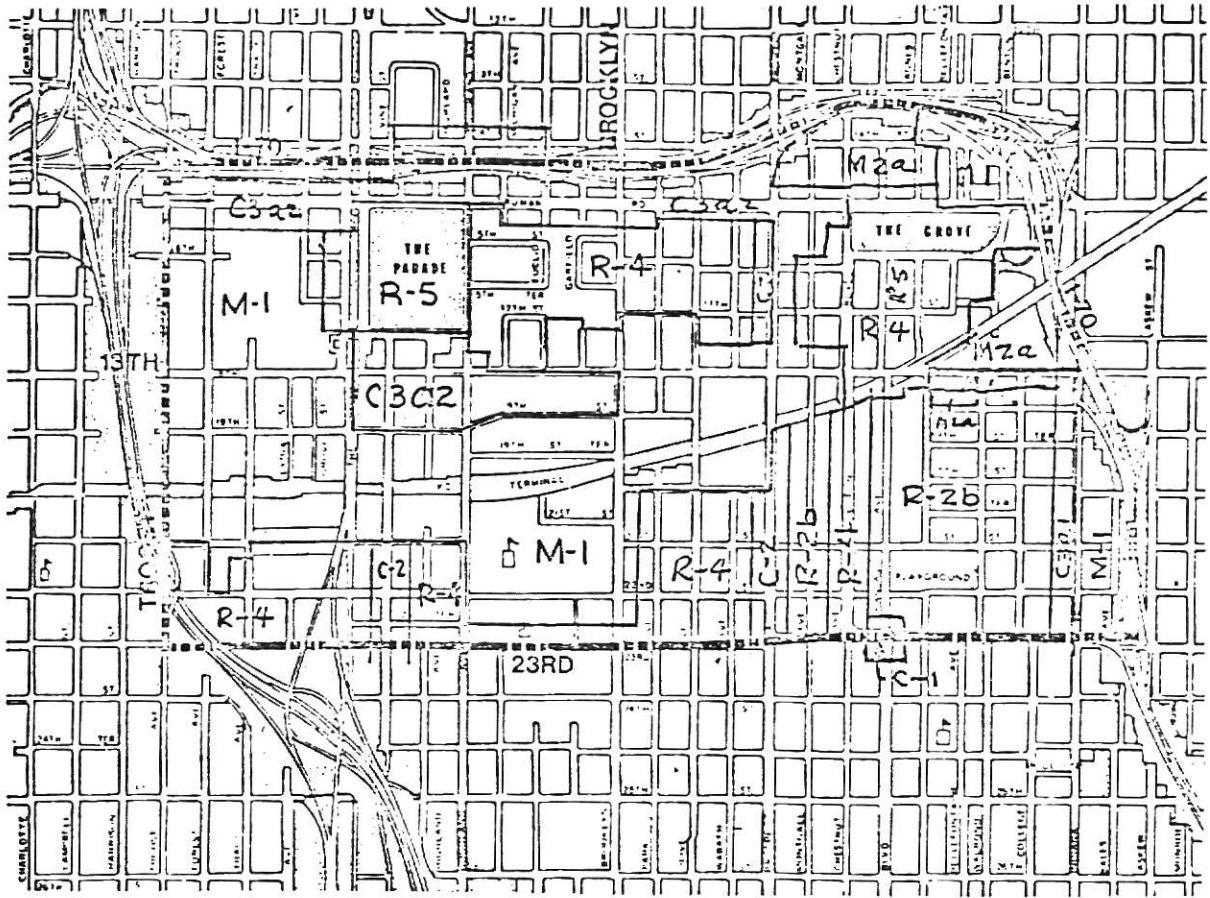


Downtown East Area

Existing Land Use

	Low Density Residential 0-8 Units Per Acre		Retail Commercial
	Medium Density Residential 9-28 Units Per Acre		Parks and Open Space
	High Density Residential 29 Units and Over Per Acre		Industrial
	Public/Semi-Public		

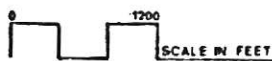




Downtown East Area

EXISTING ZONING

R2b	TWO FAMILY	C3a1	INTERMEDIATE BUSINESS (LOW BUILDINGS)
R4	LOW APARTMENT	C3a2	INTERMEDIATE BUSINESS (HIGH BUILDINGS)
R5	HIGH APARTMENT	M1	LIGHT INDUSTRIAL
C1	NEIGHBORHOOD RETAIL BUSINESS	M2a	HEAVY INDUSTRIAL
C2	LOCAL RETAIL BUSINESS		



N

in the area.

(3) Demographic Characteristics Indicate A Decline
In Number Of Population And Housing Units Since
1950.

- Population Characteristics----The 1970 Census shows population in the area to be 98 percent Black. Twelve percent of the population residing in the area were 65 years and older. This compares with 9 percent for the SMSA or metropolitan area.
- Income----1970 Census information for the five census tracts in the area shows median family income varies from \$2,333 to \$7,115. The low income families reside in a small area west of The Paseo and south of 18th Street. Median family income for the entire planning area in 1970 was \$5,300. This is about one half the median income for the Standard Metropolitan Statistical Area (SMSA).
- Residential Occupancy----Information from census reports reveal that owner occupancy has increased about 6 percent during the past decade. Owner occupancy in 1970 was reported to be about 36 percent compared to 30 percent in 1950.

In comparing census information on population with housing information, it is evident that a large portion of the senior citizens in the area are owner occupants.

- Structural Conditions----A building conditions survey was conducted in the Fall of 1976 by staff of the City Development Department and Land Clearance for Redevelopment Authority. About 49 percent of the 1,175 structures were classified as sound, 35 percent were identified as deteriorating, 9.5 percent were dilapidated but occupied, and 6.5 percent were dilapidated and vacant.

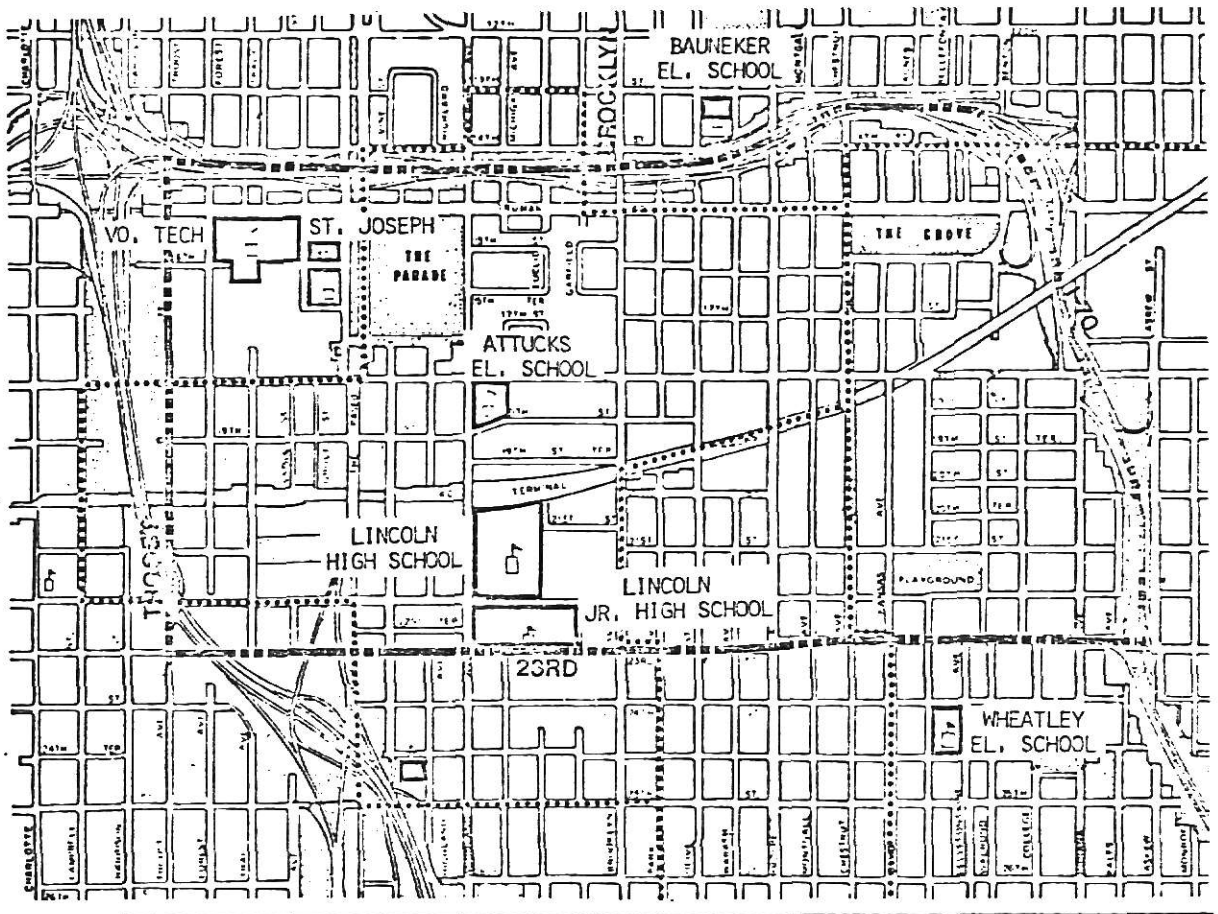
3. THE INSTITUTIONAL FUNCTION INCLUDES EDUCATION FACILITIES,
OPEN SPACE AND PUBLIC BUILDINGS

(1) Seven Education Facilities Serve The Area.

Lincoln High School and Lincoln Junior High School are public institutions which provide secondary education opportunities for students in the planning area and adjacent areas. Five elementary school boundaries extend into the planning area. Three of these schools are in use: Attucks, Wendell Phillips and Phyllis Wheatley. Students in the Banneker service area are bused to Garfield School. Students that formerly attended Yeager are now attending Attucks and Kensington.

The Technical-Vocational School, located south of Truman Road and west of Lydia, provides a broad range of specialized programs. This school is operated by the Kansas City Board of Education. Programs offered are coordinated with public and private industrial and commercial institutions to insure job placement of candidates.

St. Joseph Parochial School, located west of Paseo and north of 16th Street, provides elementary education to students in a rather large portion of the inner city area. This school and the adjacent church have a rather difficult access problem at the present time since many of the students are transported by car from the areas to the south and southwest.



Downtown East Area

SCHOOLS

- SCHOOL SITES
- SERVICE BOUNDARIES



(2) Open Space.

Public open space and recreational opportunities are available at major parks such as The Parade and The Grove. Neighborhood playgrounds serving people in the area are Prospect Park and Montgall Playground. The parkway and boulevard system which runs through the area provides picturesque settings for residential and institutional uses adjacent to them. These facilities provide linkages to other major open spaces outside the planning area. They also provide a base for improving the appearance and character of the area as east-west open space linkages are created through urban renewal areas.

(3) Some Of The Public Buildings In The Area Have Been Replaced.

Fire Station #10 located at 1509 East 9th Street, and Station #18 located at 3211 Indiana provide fire protection services to many residents, industries and businesses in the area. Both of these are new stations.

The castle-like structure located south of the Terminal Railroad Tracks and east of Vine has been designated as having historical significance. The building has been acquired for use by the Black Archives. Since this planning area is one of the older inner city areas, additional research should be undertaken to identify historic buildings and provisions should be made to restore those so identified.

4. THE EMPLOYMENT FUNCTION INCLUDES INDUSTRIAL, COMMERCIAL
AND INSTITUTIONAL ACTIVITIES

There were about 6,250 people employed in the planning area in 1970. This has increased as urban renewal lands, primarily in the Manual Urban Renewal Area, have been developed for industrial purposes. Employment in 1976 is estimated to be in excess of 7,000 persons.

(1) Industrial Activities Are Concentrated In Four
Areas.

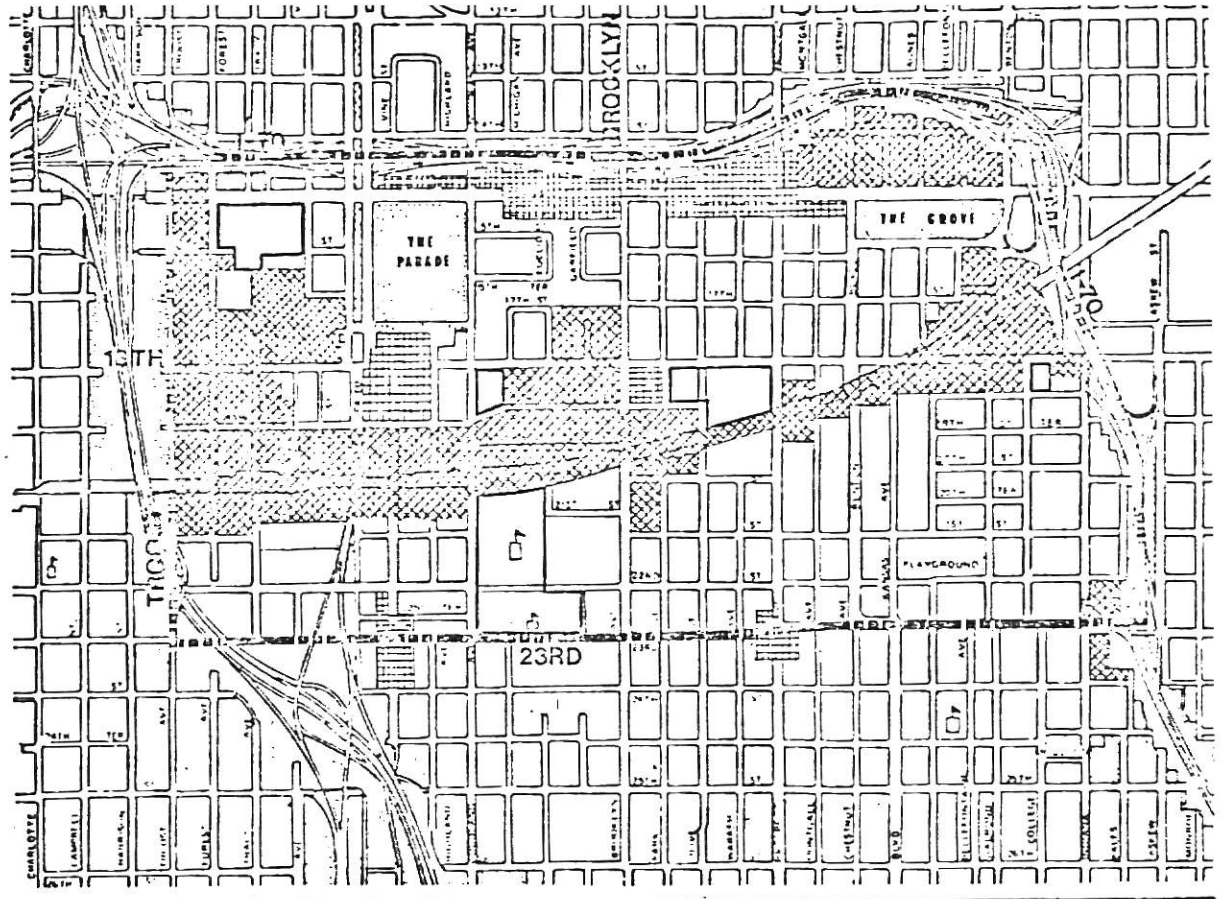
The first industrial area is identified as the Manual Urban Renewal Area located south of I-70 and west of The Paseo. The second area is located north of Truman Road between Prospect and Bellefontaine. The third concentration is located west of I-70 between The Grove and 18th Street. The remaining industrial activities form a ribbon pattern along the Terminal Railroad Tracks which runs diagonally through the planning area.

(2) Commercial Activity Is Scattered Throughout The
Planning Area.

Clusters of development, serving the residents of the area, are found at 18th and Paseo, 23rd and Vine, and at 23rd and Prospect. A ribbon of intensive commercial development, along both sides of Truman Road, cater more to regional demands than to local needs.

(3) There Are Four Major Institutional Employment Centers In The Planning Area.

The Kansas City Water and Pollution Control Departments field office and garage facilities are located south of 18th Street between Olive and Prospect. The Technical-Vocational Center is located south of Truman Road between Forest and Lydia. The third institutional facilities consists of the Lincoln High School and Lincoln Junior High School, located south of the Kansas City Terminal Railroad Tracks between Woodland and Brooklyn, and the fourth is the Area Transit Authority offices and garage. All of these institutions provide jobs and have a positive economic impact on the area.



Downtown East Area

EMPLOYMENT FUNCTION

-  COMMERCIAL
-  INDUSTRIAL
-  INSTITUTIONAL



N

THE TRANSPORTATION FUNCTION INCLUDES RAILROADS, MAJOR
STREETS, BUS FACILITIES AND PUBLIC UTILITIES

- (1) The Kansas City Terminal Railroad Right-Of-Way
Runs Diagonally Through The Planning Area And
Provides Rail Access To Some Of The Industrial
Properties In The Area.

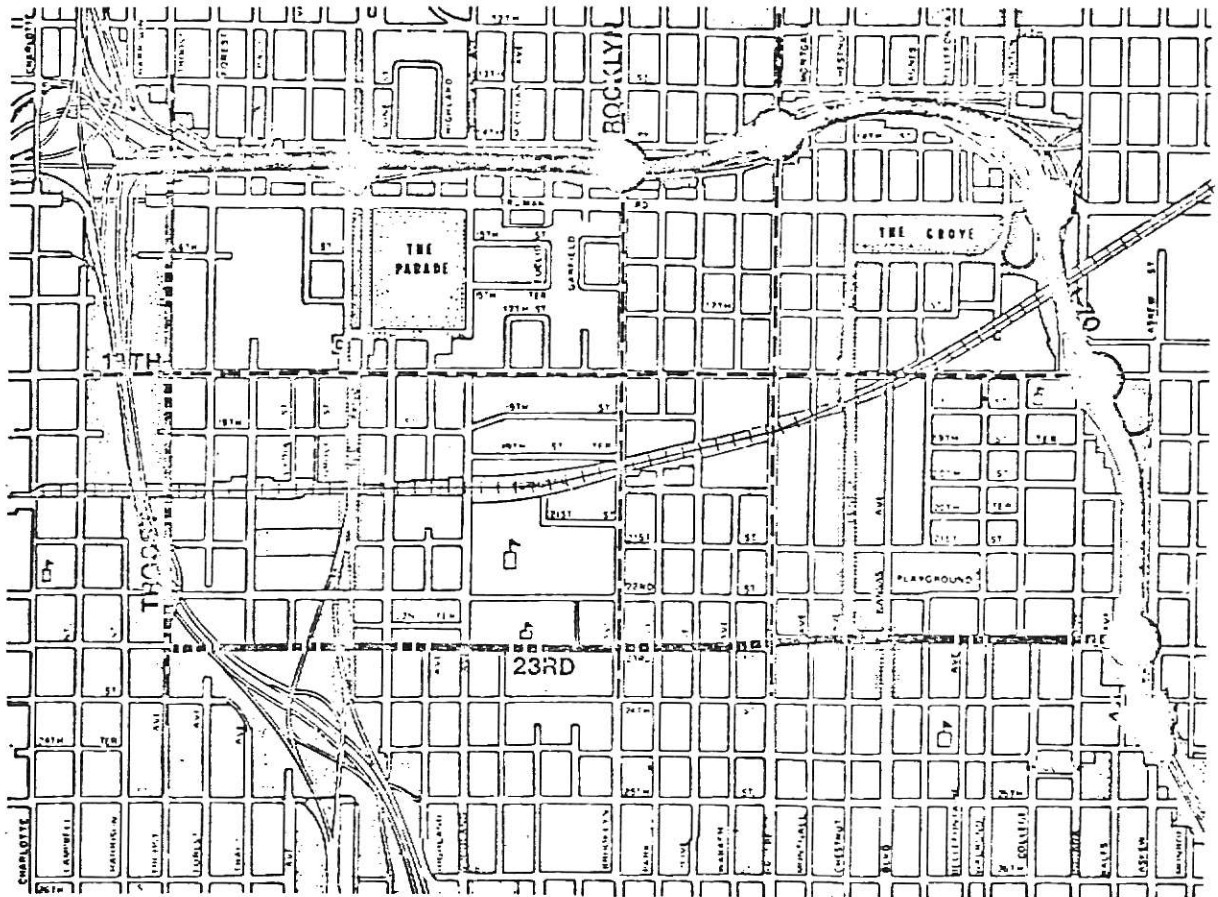
For the most part, topography has limited rail access to industries located along the north right-of-way line.

- (2) Seven ATA Bus Lines Provide Access To And From
Points In The Planning Area.

Most employment centers and residential areas are within four or five blocks walking distance from bus service.







- (3) The Planning Area Is Well Served By Major Highways
And Streets And By Parkways And Boulevards.

I-70 is the northern and eastern boundary of the planning area. Access to and from this interstate route is provided at The Paseo, Brooklyn Avenue, Prospect, Truman Road, 18th Street, and 23rd Street interchanges. 23rd Street which is the southern boundary of the planning area, and Truman Road are designated as primary arterials on the approved Major Street Plan. Troost Avenue, the west boundary of the planning area, Brooklyn Avenue, Prospect Avenue and 18th Street are designated as secondary arterials. The Paseo and Benton Boulevards provide open space linkages to major parts in the planning area and to major public facilities in the area.



Downtown East Area

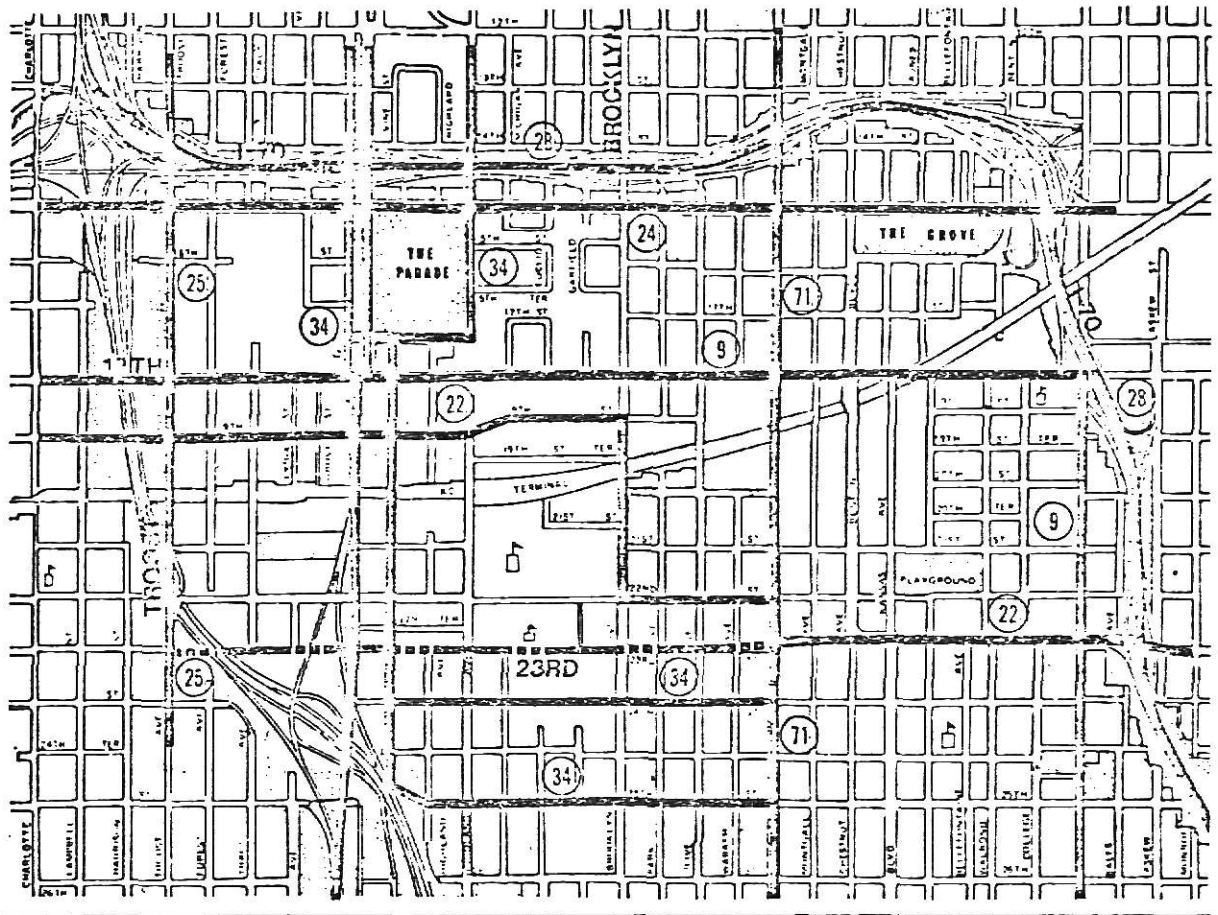
TRANSPORTATION FUNCTION

-  INTERSTATE ROUTES
-  INTERCHANGES
-  PRIMARY ARTERIALS
-  SECONDARY ARTERIALS
-  PARKWAYS AND BOULEVARDS
-  RAILROADS



SCALE IN FEET

N



Downtown East Area

TRANSPORTATION FUNCTION

METRO BUSES

— BUS ROUTES

(24) ROUTE NUMBER



II. IN THE FUTURE, THE FOUR EXISTING
FUNCTIONS WILL BE CONTINUED BUT
MODIFIED

1. SOME CHANGE IS LIKELY TO OCCUR IN THE RESIDENTIAL FUNCTION

(1) Low Density Residential Will Remain Predominant
In The Area South Of The Terminal Tracks And
East Of Brooklyn.

- Rehabilitation and conservation programs should
be undertaken to sustain this low density area
----Both loan and grant programs, using Community
Development type programs, should be explored.

(2) Adopted Development Plans Call For New Medium Density
Residential Development To Be Constructed.

- To date, 179 apartment and duplex units in
the Sycamore Groves Project have been completed
----These units are located in the east part of
the Attucks East Urban Renewal Project. The
plan for this project suggests that an addition-
al 80 units be constructed in a medium-rise
structure to house senior citizens.
- Lincoln Redevelopment Corporation, developers
of the 152 unit Lincoln Gardens Project, is
preparing plans for additional units south of 22nd
Street----This new project conforms with the
general guide plans for a larger area approved
by the Plan Commission and adopted by the City
Council on April 13, 1973. Plans for the next
stage of development show about 86 townhouse
units and about 128 units in a high-rise struc-
ture for senior citizens.
- The Black Economic Union (BEU) is in the process
of implementation of a commercial and residential
project at 18th and Vine----Their project suggests
that the upper floors of existing commercial build-
ings be used for residential purposes in the

same manner that they were used a number of years ago.

2. ADDITIONAL INSTITUTIONAL FACILITIES AND PROGRAMS ARE EXPECTED

(1) Education Facilities In The Area Will Be Expanded.

- A manpower skill center, funded by an EDA Grant, will compliment labor, intensive industrial development, and the existing Technical-Vocational Center in the area----
This new facility will provide job training opportunities for residents within the special impact area of the city and provide an incentive to attract new businesses and industry to the Manual-Attucks East Industrial Areas.
- New commercial and industrial development anticipated in the area will give direction to added programs to the Technical-Vocational Center.
- The existing Lincoln High School and Junior High School and the Technical-Vocational School will continue an active educational role in the area.

(2) Additional Open Space Is Planned For The Area.

- The approved plan for the Industrial Park in the west part of the Attucks East Urban Renewal Area proposes an east-west linear park----
This park is provided for the purpose of offering a walk-to-work atmosphere from residential developments in adjacent areas to the interior of Industrial Park. Other open space concepts which have been incorporated in the plan for the Industrial Park include building setbacks and landscaped areas at the periphery to reduce noise in adjacent residential areas.

- Landscaping along Truman Road, I-70 and other major streets will provide linkage with existing open spaces and boulevards----This type of treatment will provide a park-like setting for all parts of the planning area.
- Maintenance of the former Municipal Stadium site as temporary open space will improve the appearance
- Removal of commercial structures on the south side of Truman Road between Michigan Avenue and Brooklyn and converting this land to open space use will improve the appearance of the Parade Park Homes residential project
- If crowded industrial developments south of Truman Road and east of Bellefontaine becomes vacant, the property should be acquired for open space----This would improve the neighborhood environment and the appearance of the new Sycamore Groves residential project.

(3) Plans Are Underway For The Construction Or Renovation Of Public Buildings In The Area.

- The castle-like structure located at 22nd and Vine will be converted to a museum to house Black archives
- A new ATA office building and garage, north of 18th Street and east of Lydia, has been completed and in operation

(4) Utility Systems Will Need Some Changes To Support New Development.

- Changes in the utility systems are proposed in redevelopment of the area----An EDA Grant for improvements in the utility systems has been approved for the Manual and Attucks East Urban Renewal Areas. The electrical distribution system and street lighting will be improved. Sanitary and storm sewers will be separated and new streets and sidewalks will be constructed.
- System improvements in other areas will be made as rehabilitation and redevelopment is implemented, i.e., the Lincoln Redevelopment Area----It should be noted that EDA-funded street lighting in the urban renewal areas is being coordinated with Community Development programs in adjacent areas.

3. EMPLOYMENT FUNCTIONS WILL BE MORE VISIBLE.

- (1) Employment Is Estimated To Increase To About 9,100 Persons By 1980 And About 10,200 People Will Be Employed In The Area By 1985.

Most of this employment will occur in the industrial areas located in the Manual and west part of Attucks East Urban Renewal areas.

- (2) Employment Will Increase In The Planning Area As New Commercial, Industrial And Educational Facilities Are Constructed.

Most of this activity will occur in vacant areas in the Manual and Attucks East Urban Renewal Areas. Some is expected on vacant land along the west side of I-70.

(3) Additional Employment Is Expected In The 18th And Vine Commercial Rehabilitation Area And In The Area North Of Truman Road, East of Brooklyn.

(4) Facilities Have Recently Been Constructed Or Approved Which Will Add Employment.

- The ATA office and garage at 18th and Lydia

- Skill Center financed with EDA funds and located north of 18th Street, west of Brooklyn

- Some existing businesses and industries in the area are considering the Land Clearance for Redevelopment Authority holding for new and expanding facilities

- Others are looking at sites in the area because they would be near the freeway system, near the Central Business District and potential energy savings

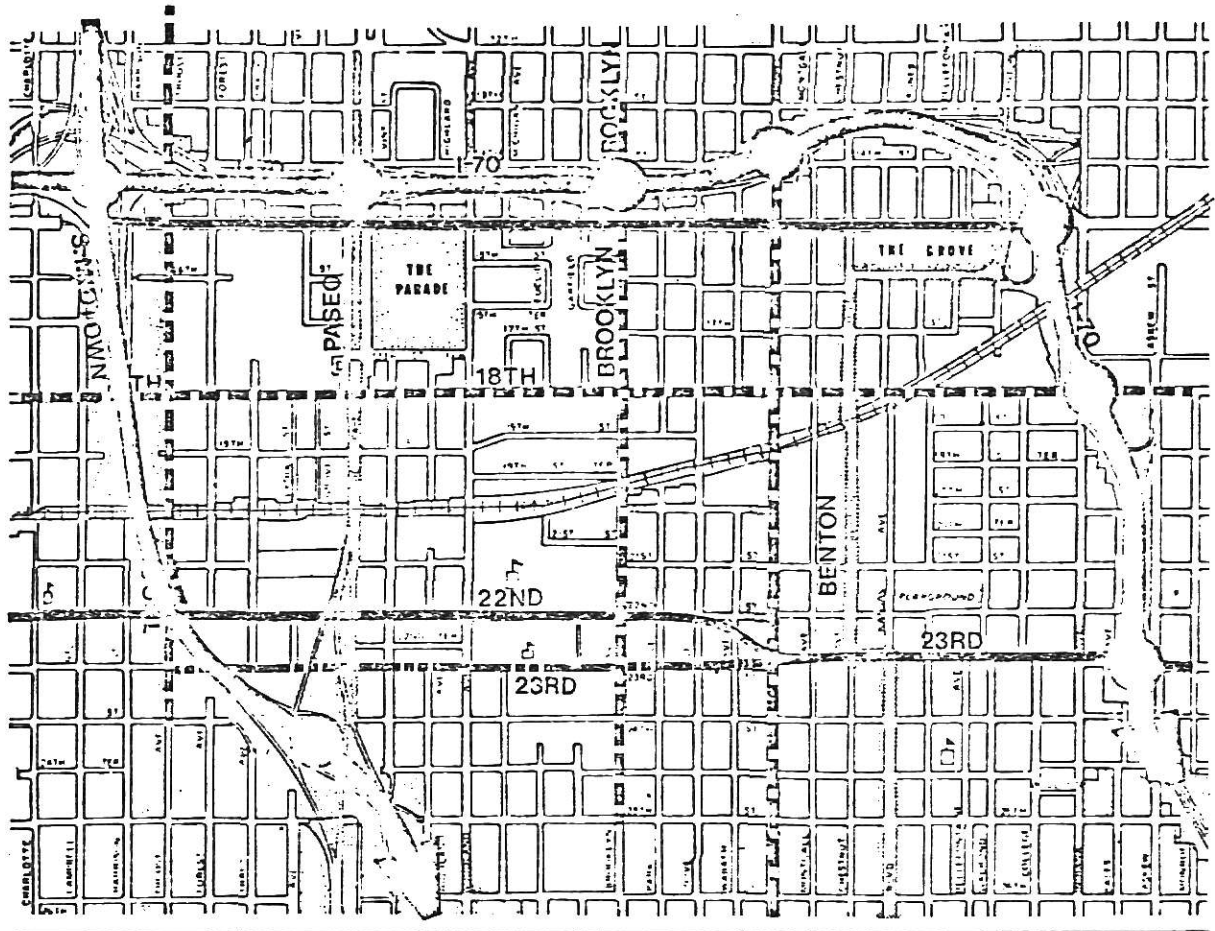
- The 18th and Vine rehab area, funded by EDA, will have a positive impact

(5) The Proposed Development, Redevelopment And Rehabilitation Added To Existing Employment Should Create A Market For Housing And Services.

(6) Neighborhood Commercial Development Will Be Attracted To The Area As The Residential Areas Are Revived.







4. THE TRANSPORTATION FUNCTION WILL IMPROVE ACCESS TO THE AREA

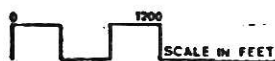
(1) The Construction Of The South Midtown Freeway Will Cause The Planning Area To Be Surrounded On Three Sides By A Freeway.



Downtown East Area

TRANSPORTATION FUNCTION

-  INTERSTATE ROUTES
-  INTERCHANGES
-  PRIMARY ARTERIALS
-  SECONDARY ARTERIALS
-  PARKWAYS AND BOULEVARDS
-  RAILROADS



N

- (2) Construction Of The 22nd-23rd Street Improvement In The South Part Of The Area To Major Street Standards Will Provide Linkage Of The Planning Area To The Following.

- I-70 interchange on the east
- Expanding Hospital Hill complex
- Crown Center development
- Pershing Square development
- Southwest Trafficway and I-35
- Kemper Arena and the CID

- (3) It Is Recommended That Brooklyn Avenue, Prospect Avenue, Troost Avenue And 18th Street Be Developed To Higher Capacity Routes.

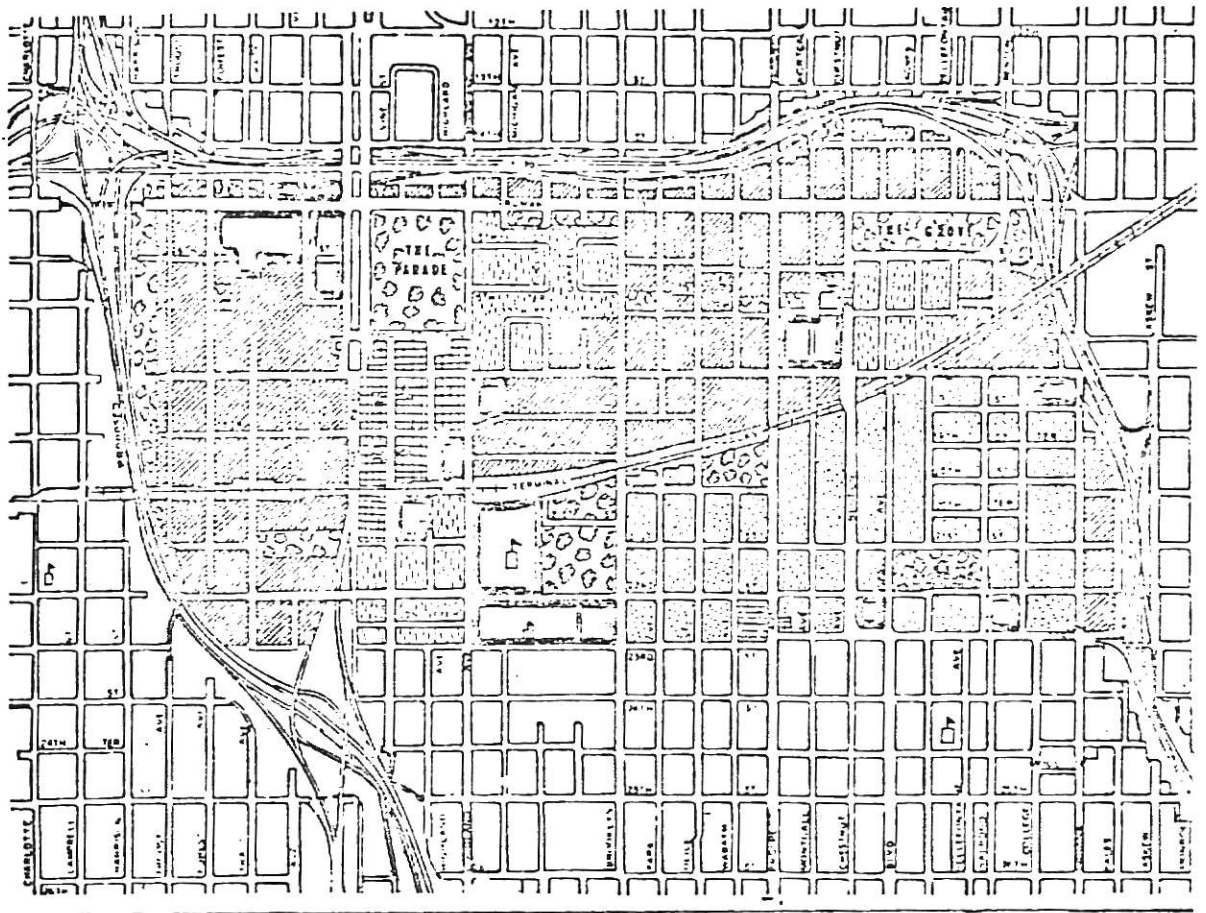
- (4) Development In The Area Should Improve ATA Ridership And Services To And From The Area.

- (5) Railroads Are Expected To Play A More Active Role.

As new industries are attracted to the area, more rail traffic is expected. Energy problems assist railroads in their efforts to complete the movement of goods.

5. THE LAND USE PLAN SUGGESTS A MIX OF FUNCTIONS.

- (1) Residential Is Suggested In The South And Southeast Part Of The Planning Area.
- (2) Institutional Activities For The Most Part Are Adjacent To And Separate From Residential And Non-Residential Uses.



Downtown East Area

Land Use Plan



N

This creates a desirable separation and the institutional uses are more accessible to the residents of the area.

- (3) Employment Centers Provide A Job Opportunity Base To Promote Construction And Rehabilitation Of Residential Areas As Well As Support Retail Activities.
- (4) Transportation Facilities Provide The Linkage Of This Area To Most Of The Metropolitan Area.

III. GUIDELINES SHOULD BE ESTABLISHED FOR THE AREA TO HELP IMPLEMENT THE PLANS

Once the guidelines and goals have been established and achieved, community education, involvement and counseling becomes important. This knowledge will help equip people in the community with the methods and capabilities to become involved in shaping their environment.

This plan has identified the needs of the planning area. Very often, these needs are not included in current programs of the City Council. Therefore, the process of adjusting city programs to meet the needs established in this plan may take several years.

Plans and programs need to be coordinated to insure positive impact in the planning area. Such programs should include the construction of street lights, streets, curbs, sidewalks, sewers, water lines, landscaping and open space.

1. PRESERVE AND REHABILITATE THE RESIDENTIAL AREA

- (1) Clearing Of Isolated Residential Uses In Industrial Areas And Of Dangerous Buildings Scattered Throughout The Area.
- (2) A Grounds Inspection Program Should Be Initiated.

- (3) Capital Improvements Are Needed Throughout The Area.
 - (4) Provide Low Cost Money For Rehab And Property Maintenance.
2. ASSIST INDUSTRIES AND BUSINESSES IN PLANNING FOR MAXIMUM ATTRACTIVENESS, PROPER SCREENING AND SETBACKS
- (1) A Strong Marketing Strategy And Program Is Essential.
 - (2) Development Controls Are Needed To Create A Quality Development Environment.
 - (3) A Public Improvement Program Is Needed.
3. PREPARE PROJECT PLANS FOR INDUSTRIES AS NEEDED
- (1) Prepare Project Plan For Industries Located In The Benton-1-70 Area.
4. INSTITUTIONAL FACILITIES SHOULD BE PROVIDED TO STIMULATE EDUCATION
- (1) Post-Graduate Education Should Be Provided.
 - (2) Additional Courses Should Be Offered.
5. TRANSPORTATION FACILITIES SHOULD BE IMPROVED TO INCREASE ACCESS

IV. GENERAL ACTIONS ARE NEEDED TO
IMPLEMENT THE PLAN

1. IN ORDER TO REVITALIZE THIS AREA, SEVERAL MAJOR ACTIONS
ARE NEEDED

(1) Marketing Will Play An Important Role In
The Rebirth Of The Commercial Area.

- A strong marketing program is needed to develop the Manual Urban Renewal Area and the west part of the Attucks East Project for industrial use
- Commercial revitalization and historic preservation of the 18th and Vine area should be accelerated

(2) Public Improvement Programs Should Parallel
Other Actions.

- Public improvements in the industrial area will be financed, in part, by a grant of \$1.5 million from EDA---This includes curbs, gutters, sidewalks, streets, alleys, sewers, lighting and landscaping. Programs in adjacent areas should be coordinated to support and increase the effectiveness of this effort.
- Land should be acquired and a street constructed along an alignment of Lydia Avenue from 18th Street, north to 17th Street, to provide access to St. Joseph Parochial School
- Deteriorated commercial buildings on the south side of Truman Road from Woodland to Brooklyn should be removed and the land used as open space

- The resurfacing of the existing fire lane from Woodland to Brooklyn; repair/replacement of sidewalks; additional lighting for security; sewer improvements to eliminate overflow problems; and exterior repainting of units
- As a part of the overall landscaping plan for the area, the south side of 18th Street from Woodland to Brooklyn should receive priority consideration----The use of trees, shrubs, and ferning would provide for a more harmonious relationship between Parade Park Homes and the existing multi-tenant building south of 18th Street.

(3) Zoning And Development Codes Need To Be Established.

- Design objectives are critical to the Attucks East industrial development----A linear park is provided in order to develop a walk-to-work atmosphere with the adjacent housing areas and provide a substantial open space amenity within the interior. Nodal development is encouraged at each end of the park at its termination at the residential developments in order to attract a land use simultaneously beneficial to housing and industry. Such appropriate uses include a day-care center and service commercial development. Traffic segregation is encouraged by allowing truck access from Truman Road, 18th Street, Prospect Avenue, and Olive Street, each of these streets either being a peripheral major arterial or a street bisecting the development. Truck traffic has been eliminated from those streets directly adjacent to the residential areas. Development restrictions are included to insure uniform architectural design quality while allowing orderly land sales.
- Zoning changes and development programs for other parts of the planning area should be initiated as project plans are developed

(4) Rehabilitation, Conservation And Clearance.

- The 18th and Vine area should be revitalized
----The combined residential/commercial character of the area should be strengthened. One means of accomplishing this would be to encourage apartment development above the commercial shops, and promote the upgrading of residential uses on the periphery of an established commercial core.
- The 18th and Vine area should be designated as a historical district, taking advantage of the jazz history unique to this portion of Kansas City----Certain structures within the area should be evaluated for listing on the National Register of Historic Buildings.
- A public works improvements program should be implemented----This program to be aimed at improvement of curbs, gutters, sidewalks, streets/alleys, sewers, lighting and landscaping would be coordinated with other such programs in the Truman Road/Terminal Tracks area. It would lend itself to the retention of the area's historic character. The contribution of EDA funds would lower private development costs, thus inducing commercial redevelopment.
- While no immediate large-scale expenditure of public funds are recommended for the Truman North area certain early directives for commercial rejuvenation can be initiated----These would include removal of isolated residential structures, public works and landscaping along Truman Road and I-70, code enforcement, and the encouragement of overcrowded industrial uses to relocate within the Manual-Attucks East industrial areas.
- Residential areas should be upgraded----As part of the Dangerous Building and Demolition Program, those vacant structures "which reasonably appear to present an immediate danger to public health, safety, or general welfare and which cannot be economically rehabilitated should be razed." Approximately 75 such buildings exist within the area.

- (5) Prepare Specific Project Plan For The Benton-I-70 Industries.

2. HISTORICALLY OR ARCHITECTURALLY SIGNIFICANT STRUCTURES SHOULD BE PRESERVED

The following structures have been identified by the Landmarks Commission as landmarks:

1. Armour Memorial Home
(Western Baptist Bible College)
2119 Tracy
1903-1904
Architect: George Mathews
Builder: L. Crosby & Sons
2. Gillis Orphans Home
(Western Baptist Bible College)
2119 Tracy
1899
Architect: Van Brunt & Howe
3. Vine Street Workhouse
2001 Vine Street
1895-1897
Architect: Wallace Love
Builder: Hollinger & Mitchell
4. Public Works Building
2000-2010 Vine Street
1906
Architect: S.E. Edwards
5. Musicians Union Local 627
1823 Highland Avenue
1904
Architect: Rudolf Markgraf

ATTACHMENT 3

OVERALL ECONOMIC DEVELOPMENT PLAN COMMITTEE

P. O. Box 4443
Kansas City, Missouri 64127

Mr. Craig Durkin
U. S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
Office of Procurement and Contracts
Room B-133 (711 Building)(ACS-F)
451 - 7th Street S. W.
Washington, D. C. 20410

Dear Mr. Durkin:

The Overall Economic Development Plan Committee is pleased that the Black Economic Union of Greater Kansas City, Missouri, has proposed the Downtown East Planning Area as the neighborhood in which to conduct studies and provide technical assistance in their response to your Request For Proposal. This neighborhood is a vital segment of the Special Impact Area and is one appearing to have the best potential for comprehensive revitalization within the SIA at the present time.

We are pleased, too, at the recognition, in this instance, by the U. S. Department of Housing and Urban Development that advanced neighborhood development organizations such as BEU can play a vital role in the efforts necessary to revitalize portions of our urban areas. The history of BEU and our association with them certainly supports that conclusion. As evidence of the general need and deteriorating conditions which need addressing, I have requested that the proposal include a copy-in the appropriate place-of the Annual OEDP Report and Program Projection.

I hereby certify that the proposal is consistent with the Overall Economic Development Plan of Kansas City, Missouri's Special Impact Area.

Very truly yours,



William H. Johnson
WILLIAM H. JOHNSON ARCHITECTS
Chairman,
Overall Economic Development Plan Committee

WHJ:pab

ATTACHMENT 4



City of Kansas City, Missouri
Heart of America

City Development Department

Office of the Director

15th Floor, City Hall
Kansas City, Missouri 64106

816 274-1841

June 27, 1978

Mr. Craig Durkin
U.S. Department of Housing and
Urban Development
Office of Procurement and Contracts
Room B-133 (711 Building) (ASC-F)
451 - 7th Street, S.W.
Washington, D.C. 20410

Dear Mr. Durkin:

It is my understanding that HUD has invited the Black Economic Union of Greater Kansas City to respond to a Request For Proposal whereby advanced Neighborhood Development Organizations (NDO's) such as BEU would, over a twelve month period, seek to articulate a neighborhood development strategy for their neighborhood and develop technical assistance models for replication. BEU has selected the Downtown East Planning Area as the neighborhood in which to perform the studies.

The City staff works closely with the Black Economic Union, has participated in its activities over the past ten years, and supports its involvement in community development programs. The Black Economic Union's proposal to develop a strategy for the Downtown East Planning Area is consistent with Kansas City's plans for that area.

Sincerely,

Joseph E. Vitt, Director
City Development Department

JEV:aml



Office of the Mayor

Charles B. Wheeler, M.D., J.D., Mayor

City of Kansas City, Missouri
Heart of America

29th Floor, City Hall
Kansas City, Missouri 64106

816 274-2595

June 27, 1978

Mr. Craig Durkin
U.S. Department of Housing and
Urban Development
Office of Procurement and Contracts
Room B-133 (711 Building) (ASC-F)
451 - 7th Street, S.W.
Washington, D.C. 20410

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Sincerely,

Charles B. Wheeler, M.D., J.D.
Mayor of Kansas City, Missouri

CBW:aml



Office of City Manager

City of Kansas City, Missouri
Heart of America

29th Floor, City Hall
Kansas City, Missouri 64106

816 274 2474

June 28, 1978

Mr. Craig Durkin
U. S. Department of Housing and
Urban Development
Office of Procurement and Contracts
Room B-133 (711 Building) (ASC-F)
451 - 7th Street, S. W.
Washington, D. C. 20410

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Sincerely,

James I. Threatt
Assistant City Manager

JIT/ph

ATTACHMENT 5

BLACK ECONOMIC UNION
CURRENT ADMINISTRATIVE & OPERATING BUDGET

1) <u>Application of Fund</u>	<u>Federal Cash</u>
1) Personnel:	
a) Salaries.	\$250,200
b) Personnel Burden.	34,345
2) Consultant/Contract Services:	
a) Consultants.	22,139
3) Travel.	13,340
4) Other Cost.	67,278
5) Indirect Cost.	<u>239,020</u>
	<u>\$626,322</u>
2) <u>Source of Fund</u>	
Community Services Administration	\$100,000
Economic Development Administration	476,322
Non-Federal Funds	<u>50,000</u>
	<u>\$626,322</u>

REQUESTS FOR FUNDING AND HOW THEY RELATE TO THIS PROPOSAL

The Black Economic Union is an advanced Neighborhood Development Organization which has a demonstrated record of integrating and coordinating public, private and voluntary resources and cooperatively extending the capability of local government in its community development strategy.

The Black Economic Union, at the present time, is engaged in the following three projects with assistance from the Economic Development Administration (EDA), the Office of Minority Business Enterprise (OMBE), and the Community Services Administration (CSA).

- 1) INDUSTRIAL AND COMMERCIAL DEVELOPMENT for the Special Impact Area for the City of Kansas City, Missouri. This project, funded by the Economic Development Administration (EDA) is engaged in developing an Industrial Park and the retention of the existing industry in the SIA on a continuous basis. Under this project, we are engaged in commercial revitalization of the 18th & Vine Special Impact Area of Greater Kansas City.

During the last three years, BEU has developed 46 acres of industrial park, Downtown East Industrial Park, as a cooperative effort with the City of Kansas City, Missouri and the Land Clearance Redevelopment Authority. The project is funded by EDA. In spite of EDA's support, the complexity of the

problem is overwhelming the resources allocated by EDA.

Therefore, Kansas City still has the problem of urban decay and out-migration from the inner city which remains a serious issue. The Black Economic Union believes that with the added support from the Department of Housing & Urban Development a more comprehensive and in depth approach can be taken jointly between the existing Economic Development Administration program and the Department of Housing & Urban Development through BEU.

In our involvement with the retention of Industry and Commercial Revitalization over the last five years, we conclude that not only is comprehensive and thorough planning required, but also, utmost trust and confidence is required between the community and the organization which is serving a catalytic role. This cannot be achieved within a short period of time due to its complexity. In other words the maturity and credibility of the organization within the community is an essential part in leading such a complex program into a successful one. In that regard the existing EDA program and the proposed HUD program go hand in hand.

- 2) MINORITY BUSINESS DEVELOPMENT program is funded by the Office of Minority Business Enterprise (OMBE). The target area which we propose to your office for assistance is made up predominantly with low income minority population.

During the year 1977, we have identified 1.8 million dollars worth of capital resource for the area of minority business persons, as well as, identified some 27 million dollars worth of contract opportunities for them. The result of such activity has had a great impact on the general economic status of the residents within our target area including their employment opportunities and purchasing power. This effort, in our opinion, is a very essential one to the effort of your office trying to revitalize the inner city of our urban area, simply because the physical improvement alone cannot solve the urban issue without supporting on-going activities.

- 3) The third program we are engaged in is assisting socially, economically disadvantaged persons through offering them EDUCATIONAL TRAINING opportunities. Also, we are providing our clients with such services as resume writing, pre-job and post-job counseling, career development, and placement. At the present time, more than 300 people are enrolled in our program. Again this program will have a direct impact on the program proposed to your office in bringing the quality of life that is needed to the inner city resident. The Educational Training program is funded through the Community Services Administration (CSA).

EXHIBIT 1

TASK PLAN

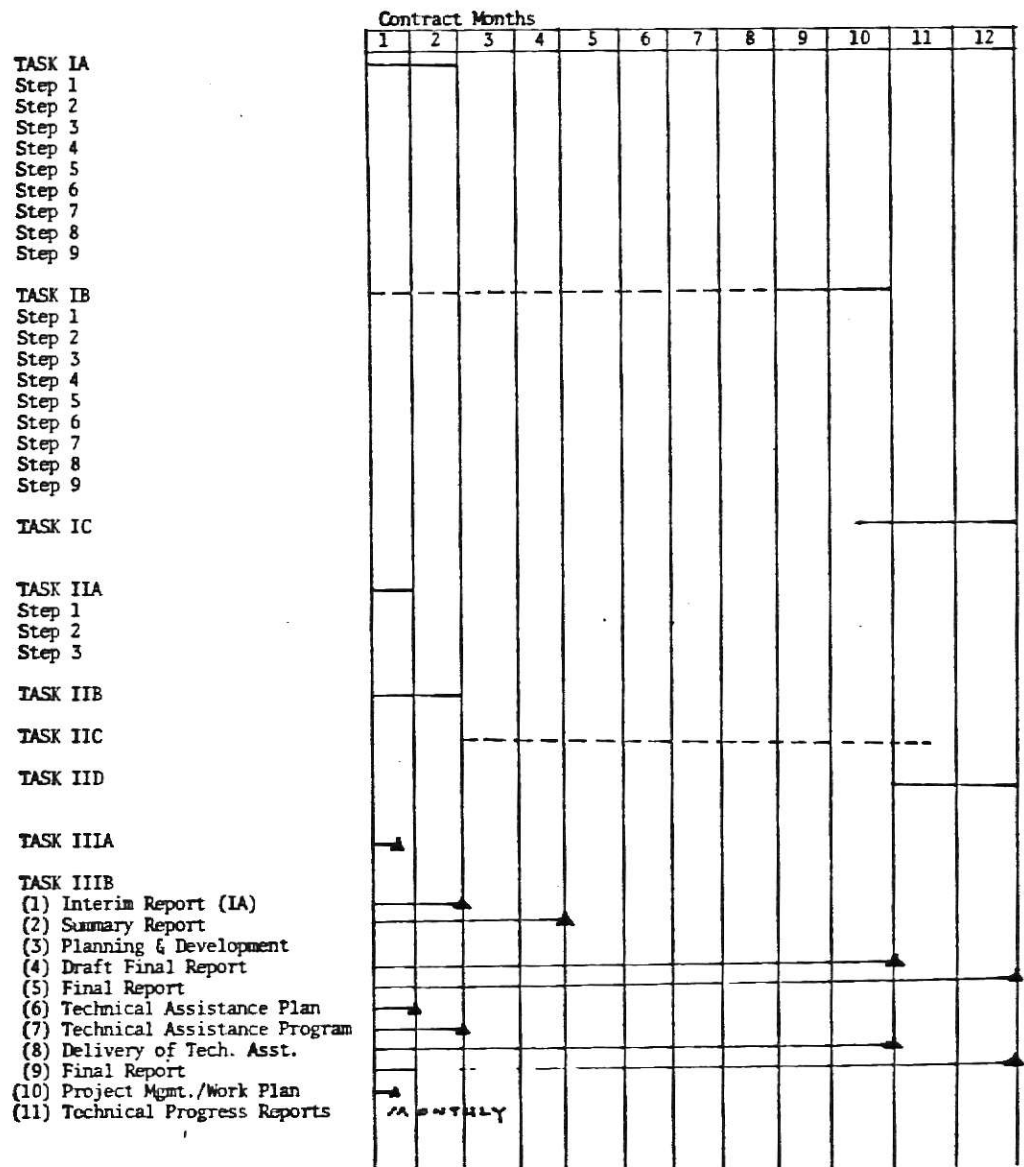


EXHIBIT 2

II. EMPLOYMENT POLICIES AND PRACTICES

- A. Employment Policies and Objectives**
- B. Agreement of Understanding**
- C. Probation**
- D. Advancement**
- E. Performance Appraisal**
- F. Seniority**
- G. Grievances**
- H. Suspension and Other Disciplinary Action**
- I. Termination of Employment**

The answer is simple--community involvement insures success of its many programs. When persons are involved in "community betterment" and have a say-so in those programs, they tend to work harder toward achieving success.

A. Employment Policies and Objectives

Our employment objective is to select personnel who meet high standards of personality, character, education and occupational qualifications, who can carry on our work competently, have a capacity for growth, and will become a living part of the BEU organization.

BEU recognizes that its fundamental strength and future growth depend directly upon the contribution made by each person within its framework, that productivity and efficiency result from actual job satisfaction and from the opportunity each person receives and accepts for his or her individual self-development.

This organization shall not discriminate in its hiring and personnel procedures against any application for employment or any employee because of race, creed, color, national origin, religion sex or age. In conformance with fair procedures and the general purpose of selecting the best possible employees for the business, any discrimination in recruiting, selection, employment, placement, promotion, training, separation or any other personnel action shall be prohibited.

Our employment practices and policies are therefore designed to:

1. Place you, as closely as possible, in a position which best suits your talents and skills.
2. Offer you the opportunity for self-development and advancement through training and educational assistance.
3. Provide fair and equitable treatment.
4. Recognize your overall value to BEU.

Orientation to BEU personnel policies shall be made by the Supervisor, who may delegate orientation to the Employee Development Director.

B. Agreement of Understanding

1. Confidential Relationship

Each person, upon accepting employment with BEU, enters into a relationship of trust and confidence. Our clients rely on this relationship, and our reputation throughout the community is held at stake by such a relationship: Any breach of confidence is considered gross misconduct, and subjects the employee to immediate dismissal.

2. The Agreement

THIS AGREEMENT, made and entered into this _____ day of _____, between _____, herein referred to as "Employee" and BLACK ECONOMIC UNION OF GREATER KANSAS CITY, herein referred to as "BEU KC",

WITNESSETH:

WHEREAS, Employee has been or is about to be employed by BEU KC and as a part of his employment will be engaged on behalf of BEU KC and clientele of BEU KC in marketing analysis, development of business processes and methods, lending of expertise in business management, and service on the Board of Directors of various corporations and other community organizations; and

WHEREAS, BEU KC will train employee in business techniques and will give Employee an opportunity to gain invaluable experience in business fields, all at expense of BEU KC.

NOW, THEREFORE, in consideration of said employment and of the salary from time to time paid to Employee hereby agrees as follows:

1. Employee at all times; both during his employment and after the termination of his employment, will hold inviolate and keep secret all knowledge or information of the business processes and/or methods of BEU KC or the clientele of BEU KC, marketing analysis results, business techniques, or any other information relating to BEU KC or clientele of BEU KC learned by him while in the employ of BEU KC and that he will not impart or make known any of the

same or anything relating to the same to any competitor or other person, firm or corporation, except when authorized to do so in the course of his employment.

2. Employee further agrees that he will not, within a radius of 100 miles from present offices of BEU KC, for one year after termination of this agreement, directly or indirectly, own, manage, operate, control, be employed by, participate in, give service to, or be connected in any manner with the ownership, management, operation or control of any organization similar to BEU KC or to any consulting firm similar to BEU KC.
3. Employee further agrees that upon his termination of employment from BEU KC he will, within three days thereafter, resign from any and all positions on various business boards or organizations, profit or non-profit, governmental or otherwise, which he has held if such position was held by Employee as a direct or indirect result of his employment with BEU KC.
4. It is understood that, if employee violates or threatens to violate any covenant hereof, BEU KC shall be entitled to an injunction by any competent court of equity enjoining Employee from continuing in violation hereof. Nothing herein shall be construed as prohibiting BEU KC from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages from Employee.
5. This Agreement is made and shall be interpreted under the laws of the State of Missouri.

IN WITNESS WHEREOF, the parties have hereunto signed this agreement on the day and year first above written.

EMPLOYEE

BLACK ECONOMIC UNION OF GREATER
KANSAS CITY

By _____
Executive Director

C. Probation

1. The probationary period is designed to observe the performance of the new employee.
2. Probation lasts for the first 90 days of employment, but may be extended if, in the judgment of the Department Head, the employee's performance reflects a need for additional job training and/or experience. The extension may not exceed 90 days.
3. An employee may be discharged at any time during the probationary period if the Department Head is satisfied that the employee is unable or unwilling to perform the duties of the position in a satisfactory manner, or that habits and dependability do not merit the continuance of that employee.
4. During the probationary period, sick leave and vacation leave are accrued, but may not be taken with pay.

E. Performance Appraisals

It is policy that the performance of each employee be appraised on a regular basis so that the employee may develop basic working strengths and maximize potential. The appraisal and subsequent appraisal discussion between employee and supervisor will serve as one of the more important methods by which employee career development may be stimulated and achieved.

1. On or before the 45th calendar day of a worker's employment, performance will be appraised with special emphasis on areas of needed correction. The Employee Development Director will be advised of the review.
2. On or before the 90th calendar day of a worker's employment, the performance will again be reviewed.
3. Primary responsibility is with the supervisor. The Employee Development Director is responsible for ascertaining that the reviews are completed and the records are filed.
4. A review will be conducted under any of the following circumstances:
 - a. Promotion, after 90 days;
 - b. Transfer, after 90 days;
 - c. At the request of either the supervisor or the worker;
 - d. Significant change of job content, after 90 days; and
 - e. Following the 90-day review, once every year.

F. Seniority .

Tenure alone shall not determine seniority rights, rather a combination of tenure, productivity, and qualifications will provide the basis for making any judgments regarding seniority.

G. Grievances

1. Employees who feel improper action has been taken against them may submit the grievance in writing, through the supervisor to the Department Head, who will attempt to resolve the issue.
2. If the Department Head's decision is considered to be unsatisfactory, the grievance shall be referred to the Executive Director.

The decision shall be final unless the grievance implies discrimination because of race, age, color, sex, religion, politics or national origin.

3. If the grievance originates by any of the above mentioned causes, it should be referred to the Equal Employment Opportunity Officer (EEOO) by the complainant who will advise the complainant of the following procedure:
 - a. In an informal written complaint, a memorandum is sent to the Office of Economic Opportunity directly responsible for the particular program and also to the Regional Human Rights Coordinator.
 - b. If the complaint is resolved by the Equal Opportunity Officer, he or she shall make a written report of the disposition to the Department Head, the complainant, the respondent and the Regional Human Rights Coordinator within thirty calendar days after receipt of the complaint.
 - c. If the complainant or the respondent is dissatisfied with the decision of the Equal Employment Opportunity Officer, a hearing can be requested before a panel of three persons, one agreeable to the complainant, one agreeable with the respondent, and one agreeable with

the Regional Human Rights Coordinator and the Equal Employment Opportunity Officer. The procedures are then conducted by the Regional Human Rights Coordinator.

4. The Equal Opportunity Officers

- a. The designated Equal Opportunity Officer is Willie Smith, Jr. The designated Equal Opportunity Counselor is Barbara Dodd.**

H. Suspension and Other Disciplinary Action

The Department Head may, for disciplinary purposes, suspend without pay, or require extra work or training of any employee for such length of time as considered appropriate, but not to exceed ten working days in any six months period. Such a suspension, demotion or other disciplinary action shall be in accordance with a statement in writing specifically setting forth the reasons for such action and a copy of such a statement shall be furnished to the employee. An employee may be suspended for a longer period pending the investigation or trial of any charges made against him or her. The following are declared to be among the causes for suspension, requirements for extra work or training, demotion or dismissal:

1. Willful violation or any of the provisions of the personnel rules and regulations or administrative regulations.
2. Incompetence or inefficiency in the line of duty as reflected by performance, or performance ratings.
3. Gross carelessness or negligence in the care of property or equipment.
4. Abusive and improper treatment of other employees.
5. A permanent or chronic physical or mental ailment or defect which incapacitates the employee in the proper performance of the duties of his or her position.
6. Habitual tardiness or leaving the job without permission during regular working hours provided that such tardiness or absence is unexcused or is not regularly compensated by additional work during hours other than regular working hours.
7. Scandalous and disgraceful conduct while on or off duty which reflects upon and brings the image of BEU into public disrespect.

I. Termination of Employment

1. Resignation

To resign in good standing, non-supervisory employees must submit in writing, a resignation notice to the Department Head at least two weeks in advance. Supervisory employees must submit a written resignation notice to the Director of Operations at least 30 days in advance. The written resignation should state the general reasons for the resignation. Employees who have resigned in good standing according to these rules shall be eligible for reinstatement, provided a position for which they are qualified shall be open and available. All business property except expendables, assigned to the employee must be returned before the resignation is finalized. The Department Head will hold an exit interview with the employee to ascertain the reasons for the resignation. Upon completion of the exit interview, the employee shall be considered to have resigned in good standing.

2. Layoff

- a. Employees may be laid off because of a reduction in working volume, a change in the financial condition, or other reasons deemed justifiable by the Executive Director.
- b. If a layoff should become necessary, the employee will be laid off on the basis of seniority, productivity, and qualifications. In effect, the employee with the most inferior combination of seniority, productivity, and qualifications will be laid off first. This procedure will be graduated until the employee with the most superior combination of seniority, productivity, and qualifications will be laid off last. Workers will be recalled in reverse order of layoff.

3. Dismissal

- a. A Department Head may recommend to the Executive Director that an employee be dismissed, provided that the good of the organization's program will be served thereby. No dismissal of a permanent employee shall take effect unless prior to the effective date of the dismissal the Department Head has communicated with the employee setting forth the reason or reasons for the dismissal.
- b. When a decision is made to dismiss an employee, that employee will be given a written two-week notice of dismissal, or, in lieu of the two-week notice, that employee will be given two weeks pay in addition to normal remuneration through the last day worked, and attendance at BEU will cease on the day of the exit review.

BE

EXHIBIT 3

BOARD OF DIRECTORS
BLACK ECONOMIC UNION
of Greater Kansas City
*G. Lawrence Blankinship, Chairman
(Former K. C. City Councilman and
Leading Area Businessman)

Administration
*Connie Coleman
(Director)

*Chang D. Hwang
Chief Executive Officer
PROJECT DIRECTOR

Fiscal
*Robert Smith
(Director)

Business Development
*James Fowler
(Director)

Education & Manpower
Development Services
*Richard Ott, PhD.
(Director)

Procurement
*Ernestine Burch
(Director)

Commercial, Housing &
Land Development
*Percy J. Penn
PROJECT MANAGER

DOWNTOWN EAST NEIGHBORHOOD

DEVELOPMENT PROJECT

Director of Operations
(To Be Recruited)

Marketing & Financial Specialist
(Field Recruitment)

Field Specialist/Research Analyst
(Field Recruitment)

CONSULTANTS:

Pecham Guyton Albers & Viets, Inc.

Professional Management Associates, Inc.

ORGANIZATIONAL CHART & KEY PERSONNEL

FOR THE PROPOSED:

DOWNTOWN EAST
NEIGHBORHOOD

DEVELOPMENT

PROJECT - RPPH-4301

Percentage of Time: Flexible, but as required to accomplish the work. New hires = 100%.

EXHIBIT 4

PERCY J. PENN, ASPO, AIP (Assoc.)

ADDRESS: 2123 Brooklyn, Kansas City, Missouri 64127.

PHONE: 816-231-3323

OBJECTIVE: Planning administration or management executive in an organization seriously concerned with regional or community development (encompassing all or partial aspects), especially where an analytical approach, persuasion, a major interest in human factors, and the combining of public/community concerns with those of the private sector are sought to be advanced.

EDUCATION: Tuskegee Institute, Alabama - 1952, B.S. (Major - Architecture). Armed Forces Institute of Technology - 1963-64, 35 semester hours toward B.S. (Aeronautical Engineering). University of Southern California - 1964-65, 12 semester hours toward M.S. (Advanced Engineering Management). Universities of Portland (Oregon) and Massachusetts - courses in mathematics (awarded Air Defense Command Certificate of Educational Achievement). Degree candidate, May, 1974, Kansas State University - Master in Community and Regional Planning. Summer Institute, University of California, Energy Issues in Architecture and Planning - 1975.

RELATED MILITARY EDUCATION: Base Civil Engineering Management Course; Squadron Officers Management Course; Department of Defense Management Information Systems Program (Program Evaluation Review Techniques - Pert); Air University's Labor/Management Relations Seminar.

SUMMARY OF QUALIFICATIONS: Direction of total operations, establishment of goals objectives, and priorities; personnel evaluation, management and administration; management of Architectural and Engineering design processes and the incorporation of social, economic, and environmental considerations; construction contracts and specifications, materials and methods, maintenance and repair, technical writing and reports, design and planning criteria; management of housing and renewal activities; management and resolution of Labor/Management conflicts; Master Navigator (Air Defense Expert rating - jet and conventional aircraft). Planning Generalist - knowledge of the comprehensive planning process and administration of planning, programming, and budgeting systems; preparation of environmental impact statements; Redevelopment Process.

EXPERIENCE: 1976-Present: Granted leave of absence to accept job offer as General Manager of Lincoln Redevelopment Corporation. Repaired project documentation for elderly high-rise, market-rate residential units, cooperatives, etcetera; prepared and received approval for Chapter 353 (Missouri Revised Statutes Redevelopment Laws) project designation and development Plan after six years of previous futile effort by the Corporation; Direct the total operations of the Corporation and the development Team; developed operational plan and budget, action plans, blight assessment reports, etcetera. During first year, paid from private funds, hired by the City of Kansas

EXPERIENCE:

City, Missouri at beginning of second year as consultant to serve as Chief Administrative Officer of the Corporation. Issues Requests For Proposals, marketing strategy, project financing, etcetera.

1974-1976: Regional Programs Planner for Council of Governments (MARC). Coordinated various professional disciplines (Economists, Planners, Engineers, Social Scientists) as the Environmental Review Team leader. Assessed the Regional Transportation Plan for environmental impacts from data provided; responsible for managing Contracts between the Council and the State Highway Departments of Kansas and Missouri; and Section 5 Program of the Urban Mass Transportation Administration; Requests For Proposals; etcetera; Council Representative to the Federal Executive Board on Energy issues. Adjunct Instructor for Park College.

1972-1974: Concluded 20 year (career reserve, Major, USAF) military duty on September 1, 1972; received appointment to the Kansas State University faculty as Instructor, Department of Architecture and Design, for Academic years 1973-74; simultaneously entered full-time graduate study in Community and Regional Planning. Have so far completed three semesters and 46 hours of the four semesters and 48 hours required for the degree: Masters in Community and Regional Planning. Worked between classes as an Engineering Technical V, State Highway Commission (Kansas), on environmental research and impact statements. In addition, was able to serve for four months as Special Assistant to the Director, Shawnee County (Topeka) Community Assistance and Action Agency (OEO); and as planning consultant on the Forbes AFB Initial Reuse and Development Plan - Kiene and Bradley Partnership, Architects, Engineers, Planners and Developers.

1969-1972: Civil Engineering Squadron Commander and Deputy for Civil Engineering. As commander, administer the affairs of over 500 personnel. Areas dealt with are training, regulatory requirements, promotions, grievances, personal problems, morale, welfare, drug abuse, discipline, etcetera. As Deputy for Engineering exercise authority in planning, supervising, direction, control, and coordination of activities. Direct total activities through subordinate military and civilian personnel. Make decisions and commitments on budgetary use, real estate, fire protection, safety, labor/management relations. On Boards concerned with control of air and water pollution, disaster planning, zoning, land use, drainage, utility rates. Credited with having the best Base Engineer Emergency Force construction team in the entire U.S. Air Force. Chairman of Installation Architect/Engineer Selection Board.

1968-1969: Deputy Air Force Regional Civil Engineer in Charge of Base Development, Headquarters 7th Air Force, Republic of Vietnam. Responsible for planning and development for all (10) major air bases in Vietnam. Supervised the efforts of 14 architects, engineers, and site developers.

1966-1968: Chief, Facility Development Division, Deputy Chief of Staff Civil Engineering, 13th Air Force HQ, the Philippines. Staff

EXPERIENCE: Civil Engineering, 13th Air Force HQ, the Philippines. Staff advisor to Commander, 13th Air Force, on planning and programming of all Air Force construction and base development in the countries of Thailand, the Republic of China, and the Philippines.

OTHER FACTS: Military: Chairman, Military Equal Opportunity Council (given credit for maintaining good race relations among 11,000 personnel). Base Domestic Action Council. Equal Opportunity Officer. Bronze Star recipient.

Civic: Commissioner of Urban Renewal, Topeka, Kansas (term expired 1977). Board Member, Topeka Day Care Association; Mayor's Committee on Recycling; State Youth Director, NAACP; Vice President NAACP Housing Corporation; Governor's Commission on Energy. Professional Association: Society of American Military Engineers; Associate of American Institute of Planners; American Society of Planning Officials.

Peckham Guyton Albers & Viets, Inc.

Architecture
Engineering
Planning

Graphics
Interiors
Landscape
Industrial Design
Construction
Management

Suite 201
118 West 47th
Kansas City, Missouri 64112
816 759-0944

Offices in
Kansas City
St. Louis

Member
American Institute
Of Architects

PROJECT DIRECTOR

JERRY A. OGBURN

Director of Planning
Peckham Guyton Albert & Viets, Inc.

Master of Community and Regional Planning
Kansas State University, 1970

Bachelor of Architecture
Kansas State University, 1965

The Industrial Development Institute
University of Oklahoma
American Industrial Development Council (Current)

1976 - 1978 Vice President and Director, Kansas City Office
Oblinger-Smith Corporation, Kansas City, Missouri

1974 - 1976 Director, Kansas City Office, Oblinger-Smith
Corporation, Kansas City, Missouri

1973 - 1974 Senior Consultant, Government and Educational
Services, Lawrence-Leiter and Company, Management
Consultants, Kansas City, Missouri

1972 - 1973 Director of Planning and Design, Environmental
Designers, Ltd, Independence, Missouri

1970 - 1972 Special Projects Coordinator, Office of State Planning,
Department of Community Affairs, State of Missouri

1969 - 1970 Planning/Urban Design Consultant, Manhattan, Kansas
(Private Practice)

1965 - 1968 Urban Designer and Planner, Nottingham and Associates
Arlington, Virginia and San Juan, Puerto Rico

JERRY A. OGBURN (Cont.)

Major Work Experience

Project Manager for the following assignments:

Missouri Statewide Airport System Plan; for the Missouri Department of Transportation through a grant from the Federal Aviation Administration (1976-1978).

Arlington, Texas Development Management System (1978); prepared for the City of Arlington.

Broadway Boulevard Development Strategy and Urban Design Specification; for the City of Kansas City, Missouri and the Broadway Corridor Development Committee. Follow-up to previous work sponsored by the Kansas City Life Insurance Company (1977).

Mid-America Regional Council/Water Quality Management Program (208); Land Use and Environmental Planning Element; prepared for the Mid-America Regional Council, including the entirety of the Kansas City Metropolitan Region. Also conducted a Community Attitude Survey under separate contract (1977).

Near South Neighborhood Conservation Project; Lincoln, Nebraska; prepared in cooperation with the Near South Neighborhood Association, under contract to the City of Lincoln, Nebraska (1977).

University Place Commercial Area Revitalization Project; prepared in cooperation with the University Place Association, under contract to the City of Lincoln, Nebraska (1977).

Housing Rehabilitation and Code Enforcement Program for the City of Maryville, Missouri; under contract with the City of Maryville as part of Community Development Block Grant Discretionary Program (1977).

Urban Design and Economic Analysis for the Westport Area, Kansas City, Missouri; sponsored by the Kansas City Life Insurance Company (1976).

Economic Development Plan for the Kansas City, Missouri Central Industrial District; prepared for the City Development Department, City of Kansas City, Missouri and the Central Industrial District Association through a Technical Assistance Grant from the Economic Development Administration (1975-1976).

Redevelopment Plan for the Kansas City Stockyards Company; prepared for the Kansas City Stockyards Company (1974).

JERRY A. OGBURN (Cont.)

Resource consultant on the following commercial area revitalization projects:

City of Excelsior Springs, Missouri (CBD).

City of Kirksville, Missouri (CBD).

18th and Vine Area/Kansas City, Missouri.

Downtown Industrial Area/Kansas City, Missouri.

City of Tulsa, Oklahoma (city-wide).

In addition to the above assignments, feasibility and development management projects have been conducted as follows:

Development Management Program for the City of Newton, Kansas (1976-1977).

Development Plans and Regulations for the Tri-County Council of Governments, Nebraska (1976).

Community Facility and Indoor Swimming Pool Feasibility Study for the City of Lee's Summit, Missouri (1976).

Brush Creek/Open Space Corridor Plan for the City of Prairie Village, Kansas (1976).

Economic Development Strategy for Coffey County, Kansas (Ozarks Regional Commission/1976-1977).

Industrial Park Feasibility Study for the City of Garnett, Kansas (Ozarks Regional Commission/1976).

Industrial Park Feasibility Study for the City of Yates Center, Kansas (Ozarks Regional Commission/1976-1977).

Interim Sewer Policy Analysis for the City of Shawnee, Kansas (1976).

Also, several additional projects have involved: the preparation of Community Development Block Grant Applications for communities in Kansas and Missouri; comprehensive planning and development studies; master plans for neighborhood and community parks; and feasibility studies for renovation of public facilities.

JERRY A. OGBURN (cont.)

Professional Affiliations

American Institute of Planners
American Industrial Development Council
American Society of Planning Officials
Certified Planner-in-Charge, States of Kansas & Missouri
Urban Land Institute
Missouri Planning Association
American Society of Consulting Planners
Historic Kansas City Foundation
Missouri Heritage Trust
Missouri Industrial Development Council
Southern Industrial Development Council

National Awards

Tau Sigma Delta, National Architectural Honorary (current)
American Institute of Planners Outstanding Student Award; 1970
National Endowment for the Arts, Travel Award, 1970

U. S. Junior Chamber of Commerce Outstanding Young Man of
America for 1978



PROFESSIONAL MANAGEMENT ASSOCIATES, INC.

909 Pershing Drive
Suite 208
Silver Spring, Maryland 20910
(301) 588-5331

Professional Management Associates, Inc. was established by a team of experienced Health Care and Business professionals to assist administrators, in both the private and public sectors, in the resolution of increasingly complex service delivery and management issues. The use of professional management organizations is a sound and established business practice. In particular, more and more Health, Social Service and Small Business organizations are making use of professional management organizations to assure achievement of their goals.

SERVICES

A unique component of Professional Management Associates, Inc. is the provision of audio/video services which include cassette taping and audio/video programming. Managers can discover how the use of films, slides, sound materials and displays can effectively promote their agency's causes.

AREAS OF SPECILIZATION

A compendium of knowledge, in areas of technology and application is represented in the professional staff of PMA, Inc. A "Core" staff and a resourceful cadre of associates is maintained to provide managers with effective approaches to today's problems. As a firm, PMA represents over 100 years of professional service experience in the following areas: HEALTH CARE SERVICE DELIVERY, ACCOUNTING SYSTEMS & FINANCIAL PLANNING, PRE-PAID PROGRAM DEVELOPMENT, MARKETING, FEASIBILITY STUDIES & ADVERTISING, PROGRAM PLANNING, RESEARCH, EVALUATION & ANALYSIS, GRANT & CONTRACT PREPARATION, FUND RAISING, CONFERENCE PLANNING & MANAGEMENT, DOCUMENT PREPARATION, MANAGEMENT INFORMATION SERVICES, AND CIVIL RIGHTS COMPLIANCE.

PROGRAM AREAS

HEALTH CARE

VENTURE DEVELOPMENT

ECONOMIC DEVELOPMENT

HOUSING & URBAN DEVELOPMENT

The focus of Professional Management Associates, Inc. is on four major areas of increasing concern to today's administrator: (1) Health Care (2) Venture Development (3) Economic Development and (4) Housing and Urban Development.

PMA's philosophy is one in which emphasis is placed upon the minimization of artificial client dependency. Efforts are made to insure that the client will have increased resident capability following the completion of each assignment.

PROFESSIONAL MANAGEMENT ASSOCIATES, INC.

STAFF

Waymon Guinn, President: Mr. Guinn, educated at Rockhurst College, (B.A.) Industrial Relations and University of Massachusetts (M.B.A.) Business Administration, is responsible for overall management of all corporate efforts. Mr. Guinn's particular strengths are in the areas of health care delivery systems, urban economic development, and venture development. In addition, he is responsible for management of PMA's operating ventures.

James F. Sanders, Jr., D.P.M., Executive Vice-President: Dr. Sanders received his B.A. in sociology with a minor in science from Temple University, a doctorate in podiatric medicine from Temple University, and extensive training toward an M.B.A. at the New York Institute of Technology. Dr. Sanders shares with the firm nineteen years of experience in public health, health care delivery systems (including all aspects of neighborhood and family health centers, and HMO's), civil rights, and human relations. Most of his experience has been at the executive level. Dr. Sanders is responsible for the general management of all PMA consulting assignments.

J. Conway Wilson, Jr., Project Manager: Mr. Wilson has a distinguished record of accomplishments in general program management and development. Mr. Wilson, an entrepreneurially oriented urban social scientist has successfully served a variety of organizations including federal agencies; institutions of higher learning; and private organizations to solve organizational development problems associated with new program and project initiatives. His areas of expertise include program development and research; program evaluation; information systems design; policy analysis; and conference and workshop management.

Andrea Jolly-Penn, Consultant: Ms. Jolly-Penn provides the firm with extensive experience in community based organizational development. During the past eight years she has worked directly with a variety of community organizations, specifically in the areas of urban planning, citizen involvement, land development, proposal writing, fund raising, and civil rights compliance.

Clifton Barnhill, Consultant: Mr. Barnhill has over eight years experience in administrative and planning capacities in urban community development programs. His particular areas of specialization include: program development and evaluation, training, citizen participation, and urban development.

Deborah R. Walls-Johnson, Consultant, (Project Co-ordinator):
Ms. Walls-Johnson is a graduate of Michigan State University's School of Social Work. Ms. Walls-Johnson demonstrates notable skills and expertise in the design, implementation and evaluation of community service programs at the local, state and federal levels. Ms. Walls-Johnson exhibits diversity in her methodical approach to a variety of PMA special assignments.

*Detailed resumes are available upon request.

EXHIBIT 5

FOR LEASE

**18th and Paseo
Kansas City, Missouri**

300 square feet up to 6,620 square feet



**First Class Office - Light Industrial Space
Located in the Downtown East Industrial Park
Near Interstate 70 Freeway Interchange
Quality Space at an Excellent Price**

**Sixteen Foot Clear Ceiling Height
10' x 10' Truck Doors for each Bay
Drive-In Truck Doors
Excellent Off-Street Parking Facilities**

EXCLUSIVE AGENTS

Roger L. Cohen & Co.

Commercial & Industrial Realtors

123 West Tenth Street

Kansas City, Missouri

816/ 471-0700

Contact: John Scott Brennan

a development of Black Economic Union, Kansas City, Missouri

EXHIBIT 6

FACT SHEET

WHAT: The DOWNTOWN EAST FEDERAL CREDIT UNION is a democratic, member-owned, financial cooperative, chartered April 24, 1978, under the laws of the United States by the National Credit Union Administration.

WHY? It is through this vehicle a reawakening of people and neighborhoods takes place, especially in low-income and poverty neighborhoods, that people can begin to own and control the wealth of their neighborhoods. The community type credit union is a financial cooperation that utilizes adult education to produce wealth in neighborhoods.

MARKET: The feasibility of having an established community credit union within the Special Impact Area is promising. It has been estimated that 50% of a credit union's potential membership market becomes active participants. Based on the DOWNTOWN EAST FEDERAL CREDIT UNION's mixed market population of residential, business and labor, it would be realistic to project the potential membership for DOWNTOWN EAST FEDERAL CREDIT UNION to number approximately 80,000 people.

MEMBER-SHIP: The field of membership shall be limited to those having the following common bond:

1) Persons who reside or work in that part of Kansas City, Missouri designated (by the ECONOMIC DEVELOPMENT ADMINISTRATION) as the Special Impact Area (SIA) bounded on the north by Independence Avenue, on the east by Interstate 435, on the south by 39th Street, and on the west by Gillham Road; unremarried spouses of persons who died while within the field of membership of this credit union; employees of this credit union; members of their immediate families; organizations of such persons;

2) Individual proprietorships, partnerships, or corporations located within the above SIA and actively engaged in a legal business practice within the community; and

3) Incorporated or unincorporated associations located in the above SIA.

SERVICES: Because of the physical deterioration of the target area of DEFCU it is unlikely that other lending institution's would consider an inner city location at this time. It has been the personal observation of those who reside in the area of service that those existing lending institutions are limiting their services to retail services, such as checking accounts, savings accounts, credit cards, safety deposit boxes, etc. Access to cash loans for small businesses, home purchases, home improvements, appliances, auto's and personal loans is limited.

(over)

With the establishment of the DEFCU, residents of our target area invest their savings dollars in share deposits with DEFCU, the credit union itself reinvests these deposits back into the community. As the capital growth of DEFCU continues to grow, the loan portfolio begins to reflect new lending dimensions. Home repair, home purchases, business loans, personal loans, financial counseling, etc.. In effect, the credit union begins to immerse itself into the economic lives of its' members. It is at this point that local residents begin to exercise control over their own neighborhood economics. As indicated, our unique market mix of residential and occupational population is the key to a successful credit union that will act as the catalyst to a turn-around plan to begin stimulating community development.

INFORMATION:

CREDIT UNION (DEFCU) Office - 1710 The Paseo - 474-1833 - Kansas City, Missouri 64108.

DIRECTORS: Percy C. Myers, President
Percy J. Penn, First Vice President
Charles T. Munson, Second Vice President
James G. Heffron, Treasurer
Ernestine Burch, Secretary
Harold T. Rowan, Sr.
Nathan Crookshank

Supervisory Committee

G. Lawrence Blankinship, Chairman
Constance Coleman
Dr. Robert Jones
Sylvester Holmes

COMMITTEES:

Credit Committee

Chairman: James W. Fowler, Chairman
Charles J. Allen
Marvin L. Groves
Ron Copeland

SPONSORING INSTITUTION: BLACK ECONOMIC UNION



Each member account insured to \$40,000

NCUA

by Administrator, National Credit Union Administration

PAYROLL DEDUCTION

Members may utilize automatic payroll deduction to make deposits in share (savings) accounts. All share accounts are federally insured up to \$40,000 by the National Credit Administration (NCUA).

EXHIBIT 7



State of Missouri . . . Office of Secretary of State

JAMES C. KIRKPATRICK, Secretary of State

ARTICLES OF INCORPORATION OF A GENERAL NOT FOR PROFIT CORPORATION

(To be submitted in duplicate by an Attorney)

HONORABLE JAMES C. KIRKPATRICK
SECRETARY OF STATE
STATE OF MISSOURI
JEFFERSON CITY, MISSOURI 65101

We, the undersigned,

(Not less than three)

Name	Number	Street	Address City	State
Curtis R. Mc Clinton, Jr.	4221	Vineyard Road	Kansas City	Missouri
Fran Wyatt	3310	Monroe	Kansas City	Missouri
Lester G. Matthews	7912 E. 118th Terr.		Kansas City	Missouri

being natural persons of the age of twenty-one years or more and citizens of the United States, for the purpose of forming a corporation under the "General Not For Profit Corporation Law" of the State of Missouri, do hereby adopt the following Articles of Incorporation:

- The name of the corporation is: **BLACK ECONOMIC UNION OF GREATER KANSAS CITY**
- The period of duration of the corporation is: **perpetual**
(Please state "perpetual" or a definite number of years)
- The address of its initial Registered Office in the State of Missouri is: **700 Commerce Tower, 511 Main Street**
in the **City** of **Kansas City, 64105** County of **Jackson** and
(Name)
the name of its initial Registered Agent at said Address is: **Herbert Horowitz**
- The first Board of Directors shall be **(three(3))** in number, their names and addresses being as follows:
(Not less than three)

Name	Number	Street	Address City	State
Curtis R. Mc Clinton, Jr.	4221	Vineyard Road	Kansas City	Missouri
Fran Wyatt	3310	Monroe	Kansas City	Missouri
Lester G. Matthews	7912 E. 118th Terr.		Kansas City	Missouri

NOV 26 1969

- The purpose or purposes for which the corporation is organized are:
 - To promote, encourage, motivate and develop the disadvantaged and underprivileged citizen in his economic, social, and community life and, in furtherance of such a basic purpose, to assist individuals and organizations who are not incorporators, members, trustees or officers of the corporation in arrangements for financing necessary to improve their participation in the economic life of the American economy;
 - To encourage by education and promotional means, the achievements of the disadvantaged and underprivileged citizen in his economic, social and community life, and to provide educational opportunities for deserving persons in the establishment of scholarships;
 - To solicit, collect and otherwise raise money for charitable and educational purposes; to expend, contribute, disburse and otherwise fund and disburse of the same for such purposes, either directly or by contributions to other organizations, agencies or institutions organized for the same or similar purposes and to whom a direct contribution would be tax-exempt under Section 501(c)(7) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law); to assist in harmonizing and making more efficient the work of charitable and educational organizations by cooperating with and assisting such organizations in community planning; to encourage, motivate and develop the disadvantaged and

Corp. No. 52

underprivileged children in his economic, social and community life; to receive by gift, will or otherwise, money, real estate or personal property and to hold the same in trust or otherwise and to distribute it as may be deemed best for the promotion of charity and education; to receive, hold, transfer and convey real property; and to do any and all other things necessary or proper in connection with or incident to any of the foregoing; and

(d) To do whatever is deemed necessary, useful or conducive in carrying out any of the purposes of the corporation and to exercise all other authority enjoyed by corporations generally by virtue of the provisions of the Missouri Not For Profit Corporation Law, in accordance with Section 501 (c) (3) of the Internal Revenue Code of 1954.

MISSOURI
6901 97 ADH

(NOTE: Any special provision authorized or permitted by Statute to be contained in the Articles of Incorporation may be inserted above.)

(INCORPORATORS MUST SIGN BELOW)

[Signatures of Incorporators]
Incorporators

VERIFICATION

STATE OF MISSOURI
County of JACKSON

I, Herbert H. Hoenig, a Notary Public, do hereby certify that on the
day of November, 1969, Curtis R. McClinton, Jr., Fran
Wyatt, and Lester G. Matthews (Name of Incorporators)

personally appeared before me and being first duly sworn by me severally acknowledged that they signed as their free act and deed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true, to their best knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

NOTARIAL SEAL

[Signature]
Notary Public

My commission expires _____

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION
OF

BLACK ECONOMIC UNION OF GREATER KANSAS CITY

TO: THE HON. JAMES C. KIRKPATRICK
SECRETARY OF STATE
STATE OF MISSOURI
JEFFERSON CITY, MISSOURI 65101

The undersigned, a corporation, for the purpose of amending its Articles of Incorporation and pursuant to the provisions of the "General Not For Profit Corporation Law" of the State of Missouri, hereby executes the following Articles of Amendment:

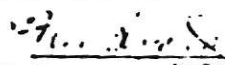
1. The name of the corporation is: BLACK ECONOMIC UNION OF GREATER KANSAS CITY

2. There are some members, having voting rights with respect to amendment

3. (a) At a meeting, at which a quorum was present, held on March 16, 1970, same receiving a vote of the majority of the Trustees then in office, the following amendments were adopted in the manner prescribed by the "General Not For Profit Corporation Law" of the State of Missouri being as follows

"8. Upon the dissolution of the corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Trustees shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes."

IN WITNESS WHEREOF, the undersigned corporation has caused these Articles of Amendment to be executed in its name, by its President, and its Secretary, this 21 day of March, 1970.


(CORPORATE SEAL) Its Secretary

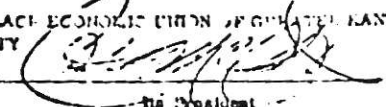
BLACK ECONOMIC UNION OF GREATER KANSAS CITY
By 
Its President

EXHIBIT 8



StL:EO:71:266

Gentlemen:

Purpose: Charitable & Educational

Accounting Period Ending: December 31

On the basis of your stated purposes and the understanding that your operations will continue as evidenced to date or will conform to those proposed in your ruling application, we have concluded that you are exempt from Federal income tax as an organization described in section 501 (c)(3) of the Internal Revenue Code. Any changes in operation from those described, or in your character or purposes, must be reported to the District Director, at the above address, for consideration of their effect upon your exempt status. You must also report any changes in your name or address.

Pending issuance of regulations under section 509 of the Code we are unable to make a determination as to whether you are a private foundation as defined in that section. Upon issuance of the Regulations we will evaluate your application and make the appropriate determination.

For years beginning prior to January 1, 1970, you are required to file the annual information return, Form 990-A. For each subsequent year, please refer to the instructions accompanying the Form 990 for that particular year to determine whether you are required to file. If filing is required, you must file the Form 990 by the 15th day of the fifth month after the end of your annual accounting period.

You are not required to file Federal income tax returns (Forms 1041, 1065 or 1120) so long as you retain your exempt status, unless you are subject to the tax on unrelated business income imposed by section 511 of the

P. O. Box 1458 - Central Station
St. Louis, Missouri 63188

Internal Revenue Service

Internal Revenue Service

Date: May 7, 1971

On reply, refer to:

F:1:3:38:MC

Black Economic Union of Greater
Kansas City
700 Commerce Tower
911 Main Street
Kansas City, Missouri 64105

Code, in which case you are required to file a Form 990-T. In this letter we are not determining whether any of your present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers and gifts to or for your use are deductible for Federal estate and gift tax purposes under the provisions of sections 2055, 2106 and 2522 of the Code.

You are not liable for the tax imposed under the Federal Insurance Contributions Act (social security taxes) unless you file a waiver of exemption certificate as provided in such act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act. Inquiries about the waiver of exemption certificate for social security taxes should be addressed to this office. Any questions concerning excise, employment or other Federal taxes may be directed to the nearest Internal Revenue Service office in your District.

This is a determination letter.

A minority directory publicizing minority businesses is not an exempt activity unless it can be shown that such businesses are unable to obtain promotion through conventional means. If the minority directory becomes your primary activity, without a showing that promotion is unobtainable through conventional means, this could result in revocation of your exempt status.

If upon issuance of the regulations we determine that you are a private foundation, you will be required to comply with the provisions of section 508(e), which specifies that a private foundation is not exempt unless its governing instrument includes certain provisions set forth in that section and the regulations thereunder. Failure to comply with the requirements of section 508(e) will result in retroactive revocation of this determination.

Very truly yours,

E. C. Bayne, Jr.
District Director

ED-4

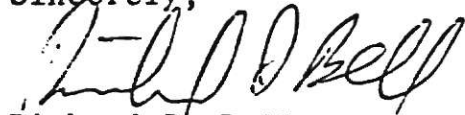
EXHIBIT 9

RICHARD I. BELL
CERTIFIED PUBLIC ACCOUNTANT
EMPIRE BANK BUILDING
88 AND BROADWAY
KANSAS CITY, MISSOURI 64105
(816) 474-5620

To Whom It May Concern:

I have examined the accounting system and related internal controls of the BLACK ECONOMIC UNION and have concluded that it correctly records transactions in all material respects according to generally accepted accounting principles on a basis consistent with prior years.

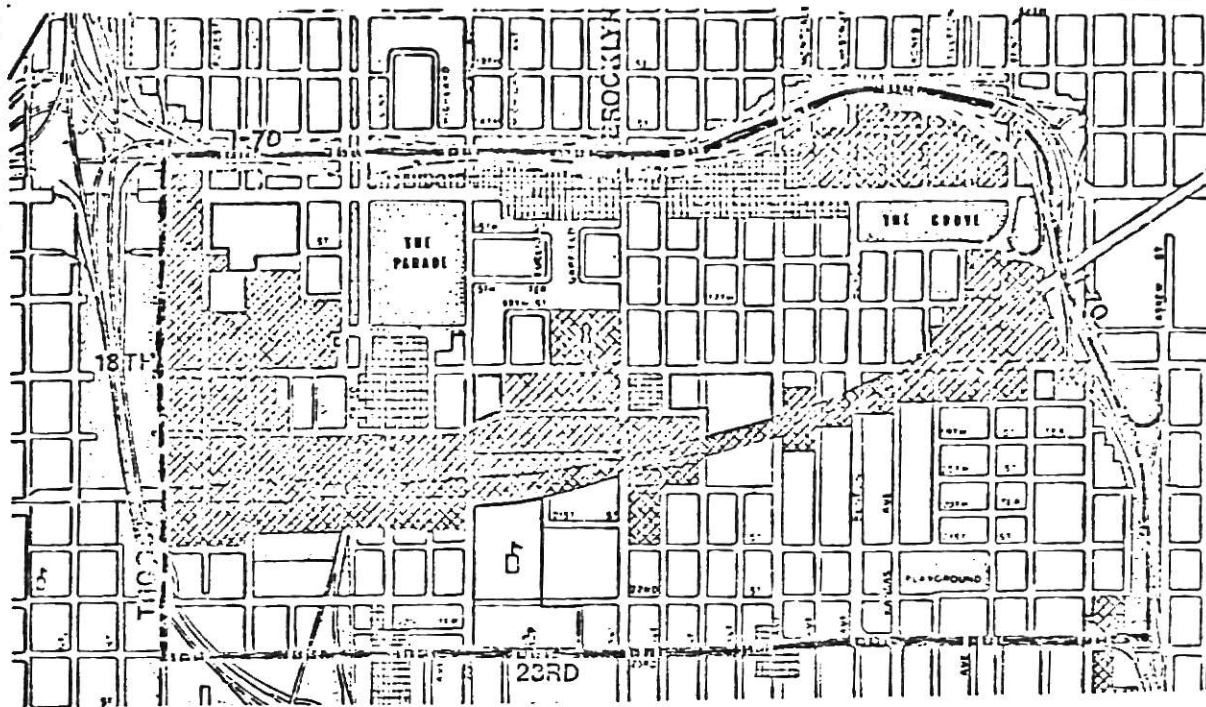
Sincerely,

A handwritten signature in cursive script, appearing to read "Richard I. Bell".

Richard I. Bell
Certified Public Accountant

RB:jb

APPENDIX I



DOWNTOWN EAST PLANNING AREA

A. GENERAL DESCRIPTION AND HISTORY

One of the earliest records associated with the area now known as "18th & Vine" and the "Downtown East Planning Area" (formerly the "Truman Road/ Terminal Tracks Planning Area") is noted in the Jackson County Historical Society Journal in a discussion about the life of Mr. Joseph Boggs. Boggs (1749-1843) was a native of Pennsylvania and served with General George Washington at Valley Forge. After the war, Boggs moved to Missouri, and in 1825 he received the first license issued by Clay County to operate a ferry across the Missouri River. Eventually Boggs moved to Jackson County, owning a farm at 21st and Vine (which presumably extended north as far as 18th Street.) During the last half of the 19th Century, Boggs' farm was subdivided for residential and commercial purposes, and by the early part of the 1900's the property had been thoroughly absorbed into the fabric of the city. A

geometric grid of city streets was interrupted by the Terminal Tracks rail extension running on a northeasterly course out of town.

Also, a remarkable piece of urban design—a boulevard system—had been enacted by the city fathers and a very important feature of this system—The Pasco—touched the 18th & Vine area, transits the western edge of the Downtown East Planning Area and is still recognized as a valuable asset to this community.

As a Center of Commerce

During the 1920's, 30's and early 40's, "Yesterday", the area was a thriving commercial area. There were two top flight hotels, twelve restaurants, eight barber shops, three theatres, five large churches, two funeral homes and an assortment of convenience stores. It was the base for Black professionals in Kansas City and at one time accommodated twenty doctors, ten dentists, eight lawyers, several real estate offices and a dozen drug stores.

The Jazz Era

The era from 1920-1940 was the apogee of the area's history. Jazz was King; 18th & Vine and 12th & Vine were the Courts. William F. Woo wrote this account:

If you are a jazz musician and reside in Kansas City you live with many ghosts—the ghosts of Lester Young and Charlie Parker, the shadows of Count Basie, Ben Webster, Jimmy Rushing, Pete Johnson, Joe Turner, Mary Lou Williams and many others still living. The few jazz clubs in existence close at 1:30 a.m., and the union regulations prevent musicians from "jamming" on dates (those impromptu occasions when musicians played against each other, "cutting heads" as they called it.) One night in the 1930's, the tenor saxophonists, among them Lester Young, Ben Webster, Herschel Evans, and Herman Walder, heard that Coleman Hawkins was in town and they went to play against him. They battled for hours and Lester outlasted them all. Hawkins finally got in his car and drive after his band which had gone on to St. Louis. The old musicians never forget

these times, and in a few years these tales will become legends.

The genesis of jazz in Kansas City can be dated roughly from the organization of Local 627, the Negro musicians' union, in 1917. One of the best historians of jazz in the Southwest, Franklin S. Driggs, states that James Scott, the great ragtime pianist, was already at work in Kansas City then, and that the riff (the repeated phrase which was to reach its apothecosis at the hands of the big Moten and Basie bands with their hard-driving brass sections) was ragtime's legacy to Kansas City music. Bennie Moten had been working since 1916 with a small band, but the city showed little interest in him or his music.

During the 1920's big traveling bands formed throughout the Southwest and gravitated towards Kansas City, which had more night clubs and dance spots than any other area. The bands employed their own Darwinian law, eliminating each other in battles on the same program until only the best survived. These groups eventually made Kansas City their headquarters.

In those palmy days there were scores of clubs where a musician could sit in if he didn't have a regular job. The clubs had colorful names such as the Yellow Front, the Subway, the Spinning Gardens and the Sawdust Trail, and some of them were operated by men like Ellis Burton or Piney Brown who could always be counted on to help a musician who needed a meal, a drink or a few dollars. Piney is dead now, but a blues named after him is still being played and sung—

*Yes, I dreamed last night
I was standing on 18th & Vine
I shook hands with Piney Brown,
And I could hardly keep from crying.*

"There were places all up and down 12th Street, all up and down 18th Street. And in all the parks," said Herman Wlader, a long-time board-member of Local 627. "Look here, a place never did close, man." Count Basie recently recalled that "In those days when they opened a club, they took the key to the door and handed it with a \$5-bill to a cab driver and told him, 'Ride as far as that'll take you, and throw away the key.' They never did close the doors."

Sam Price, a pianist, told in *Hear Me Talkin' to Ya* by Nat Hentoff and Nat Shapiro how one night about ten he passed a club where there was a session. He went home, changed clothes and returned about one. They were still playing the same song. In the same book, Mary Lou Williams remembers being awakened by Ben Webster early one morning. "Get up, pussycat," Webster told her. "We're jammin' and all the pianists are tired out."

The 1920's and 30's was the Pendergast Era, the period when a corrupt political machine was in motion deriving huge sums from gambling and prostitution. During that time, the law posed no threat to the more than 50 jazz clubs operating in the 12th-18th & Vine area.

The Decline of The Area

In 1939, Tom Pendergast went to prison for income tax evasion. The Citizens Association captured City Hall from the Pendergast organization in 1940, and a year and a half later, World War II began. The clubs closed and the musicians who were not already established in big traveling bands drifted off. Others went to war and a few remained. The great era of Kansas City jazz was over and there was little sentiment about it at the time.

Urban renewal brought total clearance to much of the area in the 1960's. Twelfth & Vine disappeared completely and today 18th & Vine, and its buildings, is a hollow memory of a glorious past.

Signs of Rebirth

In 1971 the neighborhood was included as part of a Special Impact Area (SIA) when that designation was approved by the Economic Development Administration (EDA) of the U. S. Department of Commerce, making the area eligible for economic benefits (i.e., grants for public facilities and infrastructure improvements, long term-low interest loans and/or guarantees for industry expansion, and technical assistance grants for planning and development organization.)

In July of 1974 an EDA Technical Assistance grant was utilized to fund an

Industrial Sites Study of the SIA. The study was published in June, 1975, and it effectively identifies those sites within the SIA that are suitable for "...the location of an employment base" that could be responsive to area residents. Vacant urban renewal land in the Downtown East Planning area fronting Truman Road, some of which is directly adjacent to the 18th & Vine area, was identified as the area most suitable for the creation of a planned industrial park.

In August, 1975, the Black Economic Union (BEU) published a preliminary planning report entitled "From Yesterday Comes Tomorrow". The report suggests comprehensive planning of areas surrounding the proposed industrial development site. This report gives particular emphasis to economic development projects within the suggested comprehensive planning area that can be implemented through the use of grants and loans from EDA.

However, it also stressed that equal emphasis must be given to social aspects of the planning and development process. As the title implies, the area has undergone several complete metamorphoses and the process of urban evolution continues. Note in the following Table No. 1 how many of the projects suggested in 1975 have been completed.

Present Condition

The Downtown East Planning Area continued its post-war decline well into the 70's but over the past few years it has somewhat leveled off. However, the many years of decline and methodic deterioration have left its mark on the area. This can be evidenced by several vacant or under utilized buildings, a decline in commercial activity and general disinvestment in the area. Some structures have been totally removed and others appear to be in a state of

severe physical delapidation.

Economic and social variables continue to rank the area well below metropolitan levels, including low median income levels, high unemployment rates and low educational attainment levels.

But the area still offers an excellent opportunity for the successful and cost effective investment of both private and public resources. Serious consideration has been given to the economic validity of the redevelopment effort as well as the need for economic resources to adapt to changing markets. The revitalization program would also be approached from the standpoint of being a part of a much larger comprehensive planning and implementation program, somewhat constrained due to a lack of resources, but already underway in the Downtown East Planning Area.

Market Conditions/Resources

Although some portions of the area are now only a skeleton of what they once were in the past, it continues to be a center of activity seven days a week, with most of the activity being generated by portions of the convenience goods and services, entertainment, food service oriented businesses and industry. They have provided the area with a limited but consistent drawing power over the years. Additionally, Pender's Menswear, a retail clothing store, has for many years provided the area with significant customer traffic—even though most have moved out of the immediate area—and plans to remain in this area.

The Mutual Musicians Foundation, Inc. continues to be a gathering place for jazz artists and devotees. Nationally and internationally known jazz greats as well as other out-of-town visitors and residents of the metropolitan area

have been coming to the Foundation and the Downtown East area since before 1927. And since the MMF has announced its plans to expand its programs and activities in the area, this trend is expected to continue. The MMF's plans center on preserving and perpetuating the area's nationally recognized reputation in the realm of jazz. Such jazz greats as Bennie Moten, Count Basie, Charlie Parker, Jay McShann and many others emanated from the MMF.

Additional resources are: The Downtown East Planning Area in which the 18th & Vine district is located has a current employee population of over 6,000 and is growing.

The area has an excellent potential to become a "new town/in town" for residents and employees of firms locating in the 100-acre Downtown East Industrial Park (projected employment 3,300 jobs.) Of special note is the \$11 million facility recently completed by the Area Transit Authority (ATA). This facility, which employs approximately 625 people, is within the boundaries and only one block from the 18th & Vine area. Also within the Downtown East Planning Area and within one block of the 18th & Vine area, there are three community centers: Gregg Community Center which provides activities for old and young, the Coaches Council, and the Boys Club.

There are six major churches and several smaller ones of various denominations with many members living outside the immediate area.

Residential and industrial uses are the most dominating functions of the area. Surrounding 18th & Vine are both single and multi-family units. Multi-family housing consists of 1,245 housing units: Parade Park Homes—512; Lincoln Gardens—152; Sycamore Groves—179; Freeway Plaza—64; Parker Square—204 and

Parkview—136. However, they have no coherent pattern and much of the single family stock predates the 30's. Viable housing alternatives do not now exist.

Several buildings are of historical and cultural significance and date back as far as 1888. Some are already designated by the Kansas City Landmarks Commission in their Preliminary Inventory of Historic Buildings and Sites.

There are continuous commercial buildings, primarily one and two story structures, within a 6 square block commercially zoned area. Industrialization is growing rapidly, the latest project being the newly completed BEU Mini-Industrial Complex at 18th and The Paseo.

Many of the vacant buildings appear to be suitable for re-use for small and large space users, retail goods and services, and recreation and entertainment activities.

There are 45 commercial operations varying in size from small to moderate providing retail, professional services, industrial services and community activities.

Most of the existing merchants, property owners, residents and institutions in the area appear to be willing to actively participate in the redevelopment effort.

Few businesses, if any, would have to be relocated in an effort to create a well-balanced mix of goods and services.

The residents, tenants, customers and owners in the vicinity of the 18th & Vine intersection are fortunate in having an active and enthusiastic community organization, the 18th & Vine Commercial Revitalization Committee. This

group, organized by BEU in 1975, is structured around interested representatives of the various businesses and institutions in the immediate area. In addition, three other groups are very active in the area: the Downtown East Community Planning Board, the Overall Economic Development Plan Committee and the Downtown East Business Association which formally adopted By-Laws very recently with BEU's assistance. BEU works closely with all of these groups and is somewhat responsible for their operation, particularly the Community Planning Board and the OEDP Committee.

Many significant physical improvements have been initiated over the past two years and, to whatever extent necessary, have been funded by members and patrons of these groups.

Future Outlook

The focus in the Downtown East comprehensive Planning Area has so been on planning for the 18th & Vine Revitalization Project. Now that plans for this portion of the comprehensive planning area are well advanced and several key projects identified for implementation, if funding can be secured BEU's staff has determined that three additional packets—or special project areas within the boundaries—are deserving of concentrated attention. Therefore, BEU is in the early phase of designating these special project areas in conjunction with the community by providing technical assistance. The last four months have been spent on in-depth studies in the 18th & Vine project area; however, future activity and project planning is to be extended to other areas within the next 4-6 months.

In conjunction with the above emphasis, BEU has and is examining possible

funding sources for the following:

Community and Industrial Credit Union—for savings, home improvement loans, housing and business development, etc.

Local Development Company—as a mechanism for business development and improvement to commercial areas.

Economic Development Administration—for anchor project development, land banking and planning.

Community Development Block Grant Funds—for public works improvements, seed money, etc.

Housing and Urban Development-Mortgage Guarantees—for housing development, and the possibility that FHA will declare the area an Historic Preservation District so that low-interest loans for home improvements could be obtained.

The major portion of the planning area is within the Lincoln Redevelopment Corporation redevelopment area which has tax abatement and condemnation powers subject to City approval. BEU has a co-venture working relationship with LRC so that the entire community can share in the benefit of abated taxes if the Chapter 353 designation be utilized.

TABLE NO. 1

PREVIOUS REPORT - 1975	CURRENT STATUS
The following projects were suggested in "From Yesterday Comes Tomorrow":	
1. <u>Planned Industrial Development</u> Manual Urban Renewal Area and the Attucks East Urban Renewal Area, west of Benton Boulevard (proposed EDA Public Works financing for design and development of public works improvements.)	<u>Completed</u> - EDA Public Works grant approved June, 1976, and work is in progress
2. <u>Mini-Industrial Complex</u> The Mini-Industrial Complex project (proposed EDA Public Works financing of design and building construction.)	<u>Completed</u> - EDA Public Works Grant & Loan approved September, 1976, and work is essentially complete
3. <u>Black History and Cultural Museum</u> (Proposed EDA Public Works financing of design and construction.) Involves the possible renovation of historic landmark buildings.	<u>Preliminary Planning and Program Development</u> in progress, being initiated by the Black Archives of Mid-America. Commitments received from City for Phase I renovation funds.
4. <u>18th & Vine Commercial District Renovation</u> (proposed EDA Public Works financing for design and development of public works improvements.	<u>Preliminary Land Use Planning, design study and implementation schedule</u> underway.
5. <u>Municipal Stadium Demolition</u> (Proposed EDA Public Works financing of demolition.)	<u>Completed</u> - EDA Public Works grant approved, 1976 and work is accomplished.
6. <u>Fire Station Relocation</u> In accordance with Lincoln Redevelopment plan (proposed EDA Public Works financing.)	<u>Completed</u> - EDA Public Works grant approved December, 1976, and work is in progress.
7. <u>Day Care Center</u> (Proposed EDA Public Works financing of design and construction.)	No significant progress but still considered a viable project.

B. POTENTIAL PROJECTS AND IMPACTS

As stated, various projects have been subjected to preliminary investigation and some degree of preparation in the past few weeks. This has been made necessary by BEU's insistence that individual projects be optimal from the standpoint of need, feasibility, marketability and complementarity. This diversified approach has also been made necessary by the uncertainties of financing, resource limitations and pre-requisite political support for specific projects. However, such effort has not been wasted, even though all projects cannot, of course, be developed simultaneously. This degree of flexibility will enable BEU to be in a position to move on short notice in an optimum direction when funding is received.

The overall plan for the area's revitalization is based on the catalytic effect of technical assistance, leveraging of public and private funds and improvements to key anchors identified as to practicality, location, need and visibility within the area. These would serve to lend credibility to BEU's effort and would generate sufficient ancillary activity to make the participation by the area property owners attractive financially for them to develop their respective properties in unison with BEU's efforts.

/

ANATOMY OF A PROPOSAL
"DOWNTOWN EAST NEIGHBORHOOD DEVELOPMENT PROJECT"

APPENDIX II



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D.C. 20410

April 26, 1978

EXHIBIT 1

OFFICE OF THE ASSISTANT SECRETARY
FOR ADMINISTRATION

REQUEST FOR PROPOSAL H-4301

IN REPLY REFER TO:

ACS-F

Dear Offeror:

This is a Request for Proposal for technical assistance services by advanced neighborhood organizations in connection with community development. The Department's Office of Neighborhood Development is planning a comprehensive program to increase the programmatic and managerial capability of neighborhood based development organizations. This RFP is the first offering; it is addressed to advanced organizations with a track record of successful projects. Later this year, the Office of Neighborhood Development will announce programs for newer and less advanced groups.

You are invited to submit a proposal to be received not later than 3:00 p.m. local time at the place designated for receipt of offers, Thursday, June 15, 1978 to the Department of Housing and Urban Development in accordance with this Request for Proposal and the following attachments:

- Attachment A - Statement of Work
- Attachment B - Method of Selection and Factors for Award
- Attachment C - Proposal Instructions and Conditions
- Attachment D - Contract Pricing Proposal, Optional Form 60
- Attachment E - Certifications and Representations, HUD-178
- Attachment F - Contract Schedule

Approximately 20-25 cost reimbursement type contracts in the range of \$75,000 to \$150,000 are anticipated to be awarded as a result of this RFP. HUD reserves the right to award the type and number of contracts most appropriate after negotiations and to substitute provisions of this RFP as necessary. Therefore you are requested to submit a proposal on a basis which is considered to be realistic for the approach you propose. A minimum of two contracts are expected to be awarded in each of the five geographic areas identified in Attachment C. The remaining contracts will be awarded as outlined in Attachment B without any consideration to geographic area.

Contracts will be awarded to the responsible offerors whose proposals are within the competitive range and determined to be the most advantageous to the Government, price and other factors considered. The factors to be considered and the method to be utilized in the evaluation of the proposals and selection of the Contractors are set forth in Attachment B.

Offerors are invited to attend pre-proposal conferences which will be held as scheduled below. The conferences will consist of a presentation on the procurement process, an explanation of the requirements of the RFP, and a question and answer session. All offerors requesting in writing a copy of the RFP from the Office of Procurement and Contracts will be mailed within one week after the last pre-proposal conference a written summary of the conferences. No remark or explanation at any conference shall qualify or alter in any manner any portion of this RFP. The RFP may be modified only by written notice to all offerors in the form of an amendment to the RFP. Pre-proposal conferences will be held as follows:

Chicago	Tuesday, May 2, 1978 1:00 p.m. local time	Blackstone Hotel 636 South Michigan Chicago, Illinois 60605
New York	Thursday, May 4, 1978 1:00 p.m. local time	Harlem State Office Bldg. 165 West 125th Street New York, New York
Dallas	Tuesday, May 9, 1978 1:00 p.m. local time	Baker Hotel 1400 Commerce Dallas, Texas 75221
San Francisco	Thursday, May 11, 1978 1:00 p.m. local time	Jack Tar Hotel Jack Tar Square Cathedral Hill San Francisco, CA 94101

Proposal Submission

By Mail

Department of Housing and Urban Development
Office of Procurement and Contracts
Room B-133 (711 Building) (ACS-F)
451 7th Street, S.W.
Washington, D.C. 20410

Hand-Carried Delivery

711 14th Street, N.W.
Room 902
Washington, D.C.

To prevent opening by unauthorized individuals your proposal should be identified on the envelope or wrapper as follows:

~~REVISITS to~~ Proposal Submitted in Response to RFP H-4301
Due Date: June 15, 1978, 3:00 P.M. local time
Aug 11, 4

LATE PROPOSAL WARNING: The Conditions applicable to late proposals and modifications in Paragraph 10, Attachment C of RFP H-4301 shall be strictly applied with regard to submission of the above proposals. Although the Office of Procurement and Contracts is located at 711 14th Street, Northwest, all mail is processed through the HUD Central Office and delivered by shuttle to the 711 Building. Offerors should consider this factor in planning for timely delivery at the place designated for receipt of offers. All proposals must be received in Room 902 at the 711 Building by the deadline indicated above to be considered timely. If you have any questions concerning this RFP, please contact Frank Slezak by telephoning (202) 724-0043.

Sincerely,



Craig Durkin
Contracting Officer

This RFP consists of 38 pages



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

AUGUST 11, 1977

EXHIBIT Z

COUNCILWOMAN JOANNE COLLINS
CITY HALL TWENTY-FOURTH FLOOR
414 EAST 12TH STREET
KANSAS CITY, MISSOURI 64106

DEAR MS. COLLINS,

THE ENCLOSED NEWS ARTICLE RELATING TO WHAT IS COMMONLY CALLED THE "TWENTY-THIRD STREET PROJECT" PRESENTS LINCOLN REDEVELOPMENT CORPORATION (NON-PROFIT) WITH A DILEMMA: (1) TO REMAIN SILENT AND NOT REBUT THE IMPLICATIONS AND CONCLUSIONS OF THE ARTICLE WHICH IN ESSENCE STATES THAT THE TWENTY-THIRD STREET PROJECT IS THE "ONLY GAME IN TOWN" WHERE EFFORTS ARE BEING MADE TO PROVIDE A MIX OF HOUSING IN THE INNER-CITY; OR, (2) TO PUBLICIZE THE FACTS OF LINCOLN REDEVELOPMENT'S MANY INITIATIVES OVER THE PAST TWELVE YEARS TO REDEVELOP AN AREA OF THE INNER-CITY IN MUCH THE SAME WAY IT IS NOW BEING SAID IS AN ORIGINAL IDEA WITH THE TWENTY-THIRD STREET PROJECT AND THE RESPONSE OR NON-RESPONSE TO THOSE INITIATIVES.

THERE ARE OBVIOUS DANGERS ASSOCIATED WITH BOTH ACTIONS. BY REMAINING SILENT LRC WOULD SUFFER FROM THE IMPRESSION GIVEN THAT IT IS NOT ENGAGED IN ANY MEANINGFUL WAY WITH THE CHARGE IT HAS BEEN GIVEN BY THE CITY COUNCIL, AS THE "COMMUNITY-BASED DEVELOPER" FOR THE LINCOLN AREA, TO REDEVELOP AND REVITALIZE A SIZABLE PORTION OF THE INNER-CITY. SILENCE WOULD LEND CREDENCE TO AN UNTRUE AND MISLEADING STORY. ON THE OTHER HAND, PUBLICIZING THE FACTS OF THE MATTER AND POINTING UP THE INACCURACIES-BY-OMMISSION (NOT THE REPORTER'S FAULT) WOULD MEAN PLACING LRC IN OPPOSITION TO CERTAIN PROMINENT AND POWERFUL PUBLIC OFFICIALS (MENTIONED AND QUOTED IN THE ARTICLE) AND, PERHAPS, CAUSE A DEGREE OF EMBARRASSMENT TO THEM MORE THAN LIKELY TO THE DETRIMENT OF THE CORPORATION AND ITS EFFORTS. WE WOULD LIKE TO STATE AT THE OUTSET THAT WE ARE NOT OPPOSED TO THE TWENTY-THIRD STREET EFFORT.

WE HAVE DECIDED NOT TO PURSUE EITHER COURSE BUT INSTEAD TO PROVIDE YOU WITH SOME OF OUR OBSERVATIONS REGARDING WHAT HAS BEEN REPORTED FOR YOUR PRESENT AND/OR SUBSEQUENT USE. OUR OBSERVATIONS ARE AS FOLLOWS:

A. INSOFAR AS THE CITY AND HRS COMING TO AN AGREEMENT ON A MULTIMILLION DOLLAR HOUSING PROJECT WHICH "COULD SET THE STANDARD FOR REBUILDING THE INNER-CITY," WE WOULD OBSERVE THAT THE CITY HAS ALREADY INVESTED TIME AND MONEY IN COMPREHENSIVE PLANNING WHICH, IF IMPLEMENTED AND SUPPORTED BY THE OFFICIALS MENTIONED IN THE ARTICLE, COULD SET THE STANDARD NOT ONLY FOR INNER-CITY DEVELOPMENT IN KANSAS CITY BUT ALSO NATIONALLY.

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2*
Vernon J. Brooks, Vice President 3*
James W. Spencer, Vice President 4*
G. Lawrence Blankinship, Secretary 2

Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brice
Basil North
CHARLES HAZLEY

Chairmen: (1) Finance Committee (2) Planning & Development Committee (3) Public Grounds Committee (4) Legal & Public Relations Committee

C FURTHER:

1. THE CITY PASSED A RESOLUTION (#39269) ON FEBRUARY 14, 1971, APPROVING THE PREPARATION OF A COMMUNITY RENEWAL PROGRAM AND FILING AN APPLICATION FOR A FEDERAL GRANT.
2. ORDINANCE #42453 APPROVING AND ADOPTING THE 701 REDEVELOPMENT PLAN FOR THE LINCOLN REDEVELOPMENT AREA AS A POLICY GUIDE WAS PASSED BY THE CITY ON APRIL 13, 1973. ADOPTION OF THE 701 PLAN PRESUMABLY SET THE "STANDARD" NOW BEING MENTIONED.
3. THE 701 PLAN EMBODIES THE "NEW TOWN IN TOWN" REDEVELOPMENT CONCEPT, COMPREHENSIVE IN NATURE, FOR A COMMUNITY LARGE ENOUGH TO PROVIDE BASIC COMMUNITY ELEMENTS (HOUSING, COMMERCIAL, CULTURAL, RECREATIONAL, EMPLOYMENT, INSTITUTIONAL, ETCETERA) YET SMALL ENOUGH TO PRESERVE AND ENHANCE A SENSE OF COMMUNITY.
4. THE CONCEPT ALLOWS FOR PHASED DEVELOPMENT WHICH CAN:
 - A. PRESERVE THE EXISTING COMMUNITY WHERE FEASIBLE;
 - B. UTILIZE EXISTING PRIVATE AND PUBLIC INFRASTRUCTURE, I.E., BUSINESS, INSTITUTIONS, STREETS, UTILITIES, ETCETERA; AND,
 - C. APPORTION REQUIRED CITY SUPPORTIVE SERVICES AND INVESTMENTS (PUBLIC WORKS IMPROVEMENTS AND MAINTENANCE, "SEED MONEY", ETCETERA) OVER A REASONABLE TIME FRAME.
5. THE ARTICLE RAISES THE QUESTION AS TO WHETHER PEOPLE WOULD WANT TO LIVE IN THE TWENTY-THIRD STREET AREA AFTER THE CITY SPENDS \$1,000,000 ON IMPROVEMENTS THERE. WE AT LINCOLN CONTENT THAT PEOPLE DO WANT TO LIVE IN THE LINCOLN AREA AND THAT :
 1. OUR REMAINING POPULATION HAS STABILIZED AND INCLUDES RESIDENTS WHO HAVE BEEN HERE FOR SEVERAL DECADES. THERE ARE STRONG INDICATIONS FROM CURRENT RESIDENTS THAT THEY WANT TO REMAIN AND THAT THEY SUPPORT THE REDEVELOPMENT EFFORT.
 2. NEIGHBORHOOD BUSINESSES HAVE SIMILARLY STABILIZED AND SUPPORT FURTHER REDEVELOPMENT EFFORTS AS BEING IN THEIR BEST INTERESTS (FIORELLA'S, REGAL PHARMACY, A&P, J.D. JOHNSON, SYLVESTER NORRIS, PALACE CAB, CALUMET, THREE STAR, BLANKINSHIP DISTRIBUTORS, ETCETERA). THE COMBINED BUSINESS VOLUME BETWEEN 18TH AND 27TH STREET; BROOKLYN TO THE PASEO EXCEEDS \$1,000,000 ANNUALLY.
 3. SINCE THE 152 UNIT LINCOLN GARDENS APARTMENTS WAS OPENED TO LOW AND MODERATE INCOME FAMILIES IN 1972, OCCUPANCY LEVELS HAVE EXCEEDED 95 PERCENT. CURRENTLY, THERE IS A WAITING LIST OF FAMILIES DESIRING TO RESIDE HERE.
 4. A NUMBER OF BLACK PROFESSIONALS WORK, AND SOME LIVE, IN THE LINCOLN AREA (E.G., WEST PASEO, LINCOLN SCHOOLS, MARTIN LUTHER KING HOSPITAL, AREA CHURCHES, NILES HOME, ETCETERA).
 5. MANY OF THE LRC PRINCIPALS (BOARD MEMBERS) WHO COULD AFFORD TO LIVE ELSEWHERE STILL RESIDE IN THE LINCOLN AREA.
 6. THERE ARE STABLE SINGLE FAMILY HOME AREAS WITHIN THE LINCOLN BOUNDARIES.

7. THE LINCOLN AREA IS OF SOME CONSIDERABLE HISTORIC AND SYMBOLIC IMPORTANCE TO MANY LONG-TIME RESIDENTS OF KANSAS CITY. (PLEASE NOTE THAT IT HAS BEEN CHOSEN AS THE SITE FOR THE BLACK ARCHIVES MUSEUM PROJECT).

8. PROSPECTIVE TENANTS HAVE EXPRESSED INTEREST IN HAVING HOUSING ALTERNATIVES PROVIDED IN THE LINCOLN AREA.

C. THE ARTICLE POINTS TO THE FACT THAT A "SUBURBAN-STYLE" SUBDIVISION DEVELOPMENT IS BEING ADVOCATED FOR THE TWENTY-THIRD STREET PROJECT. WE WOULD LIKE TO OBSERVE:

1. ASIDE FROM THE QUESTIONABLE AND SOMEWHAT DISCREDITED SUBURBAN STYLE, WHY THE EXCITEMENT ABOUT A HIGH-RISE FOR THE ELDERLY IN THAT AREA AND NOT IN THE LINCOLN AREA WHERE IT WOULD HELP TO IMPLEMENT STATED CITY POLICY AND WHERE FULLY ONE-THIRD OF THE AREA ARE PAST AGE SIXTY-FIVE?

2. THE ELDERLY HIGH-RISE PLANNED FOR LINCOLN HAS ALREADY PASSED ITS FIRST TEST BY BEING APPROVED BY THE CITY'S PLAN COMMISSION (NOVEMBER 3, 1976) FOR CHAPTER 353 DEVELOPMENT.

3. THE STATE OF MISSOURI'S HOUSING DEVELOPMENT COMMISSION IS OFFERING TO PROVIDE INTERIM AND LONG TERM FINANCING.

4. THE ELDERLY PROJECT ALSO CONSISTS OF 86 TOWNHOUSE UNITS AND PROVIDES FOR AN EXTENDED FAMILY LIVING ARRANGEMENT. AS YOU PROBABLY KNOW, JUST THE OTHER NIGHT HERE IN KANSAS CITY, ALEX HALEY CRITICIZED THE AMERICAN PARENTS WHO ISOLATE THEMSELVES AND THEIR CHILDREN IN "LARGE, NEW HOUSING AREAS AWAY FROM GRANDPARENTS," AND OUR TENDENCY FOR PUSHING ASIDE OUR SENIOR CITIZENS.

5. THE ENTIRE PROJECT PACKAGE WAS PUT TOGETHER BY LRC WITHOUT AN OUNCE OF ASSISTANCE BY THOSE WHOSE OSTENSIBLE JOB IT IS TO HELP US AND HAS BEEN FORMALLY SUBMITTED TO HUD (JUNE 1977). THIS PROJECT IS COVERED BY THE 701 PLAN WHICH IS FORMAL CITY POLICY.

6. ADDITIONAL TOWNHOUSES, CO-OPS, REHABS, AND SINGLE FAMILY PROJECTS ARE PLANNED ALONG WITH COMMERCIAL AND CULTURAL DEVELOPMENT EFFORTS.

7. A NUMBER OF CURRENT AND FORMER COMMUNITY RESIDENTS HAVE EXPRESSED SUPPORT FOR, AND INTEREST IN LIVING IN, THE HIGH-RISE, INCLUDING SOME OF THOSE WHO WOULD BE DISPLACED BY THE PROJECT.

D. THE ARTICLE NOTES THAT THE PLANS FOR THE TWENTY-THIRD STREET PROJECT SURFACED IN JULY OF THIS YEAR AND THAT THE CITY AND THE PRIVATE DEVELOPERS ARE "HURTLING TOWARDS AGREEMENT." THIS SEEMS A BIT STRANGE TO US IN THAT LRC'S EFFORT HAS BEEN ONGOING FOR YEARS, AND MANY RESIDENTS, AS WELL AS OTHER NECESSARY PARTIES TO THE REDEVELOPMENT PROCESS-PRIVATE INDUSTRY AND FEDERAL OFFICIALS HAVE BEEN WAITING FOR THE CITY TO MAKE A POSITIVE AND FIRM COMMITMENT THAT IT SUPPORTS THE REDEVELOPMENT OF THE LINCOLN AREA. IT WAS THE CITY AND THE DELAY TACTICS IT ALLOWED WHICH WAS LARGELY RESPONSIBLE FOR HALLMARK CARDS, INC. TO WITHDRAW ITS MANAGEMENT ASSISTANCE AND \$500,000.00 LAND ACQUISITION AND BLIGHT CLEARANCE COMMITMENT IN MARCH OF THIS YEAR. HUD HAS LET IT BE KNOWN THAT IT WILL BE VERY RELUCTANT TO TAKE ACTION IN THE LINCOLN

MS. JOANNE COLLINS

8/11/77

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AREA UNTIL THE CITY'S COMMITMENT TO REVITALIZING THE AREA IS CLEAR. ONCE THE CITY HONORS ITS COMMITMENT, HUD HAS PROMISED US THEIR BEST EFFORT. IN ADDITION, PLEASE NOTE THE CRUCIAL DELAYS LRC HAS SUFFERED AT THE HANDS OF THE CITY IN ATTEMPTS TO GET HOUSING DEVELOPMENT ASSISTANCE FUND LOAN:

1. OPERATIONAL PLAN AND BUDGET (CONTENT AND FORMAT AS OUTLINED BY THE CITY). SUBMITTED NOVEMBER 19, 1976; REJECTED JANUARY 20, 1977.
2. NEW SUBMITTAL (CONTENT ESTABLISHED BY CITY). SUBMITTED FEBRUARY 14, 1977. REVISED AT CITY'S REQUEST AND RESUBMITTED MARCH 3, 1977.
3. REPLY RECEIVED MAY, 1977.
4. CONTRACT SIGNED JUNE 27, 1977.
5. NEW MATERIAL REQUESTED AUGUST 8, 1977. PROVIDED AUGUST 8, 1977.
6. NEW MATERIAL REQUESTED AUGUST 9, 1977. WILL BE PROVIDED AUGUST 17, 1977.
7. TO DATE NOT ONE DIME RECEIVED AS A RESULT OF CONTRACT SIGNING BY LRC. WE WISH THAT THE CITY WOULD "HURTLE" TOWARD AN AGREEMENT WITH US ALSO.
- E. A FORMAL REQUEST WAS MADE FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS ON JANUARY 25, 1977, AMENDED JANUARY 31, 1977, AND ON FEBRUARY 28, 1977. TO DATE WE HAVE NOT EVEN RECEIVED THE COURTESY OF A REPLY. (COPY OF JANUARY 25, 1977, LETTER ENCLOSED WHICH EXPLAINS OUR REASONS).

F. WE WOULD ASK THAT CERTAIN COMPARISONS BE MADE:

TWENTY-THIRD STREET

- TWO INDIVIDUALS FOR PROFIT. PRIVATE PROJECT.
- NEWLY FORMED EFFORT.
- UNCERTAIN IF CHAPTER 353 TOOLS CAN BE OBTAINED.
- CITIZEN INVOLVEMENT?
- QUESTIONS RAISED AS TO DEVELOPER RESPONSIBILITY AND CONTINUITY OF EFFORT.
- OTHER PROJECTS SUCCESSFULLY CONCLUDED?

LINCOLN REDEVELOPMENT

- 17 MEMBER COMMUNITY BASED BOARD. NOT FOR PROFIT.
- EFFORT BEGAN IN 1955 AND CONTINUOUS.
- HAS CHAPTER 353 STATUS. INCORPORATED BY STATE AS CHAPTER 353 REDEVELOPER.
- CITIZENS ARE INVOLVED HAVE BEEN INVOLVED SINCE BEGINNING AND FROM ALL INDICATIONS HAVE COMMUNITY BACKING. (REFERENCE NEWSLETTERS).
- LRC HAS RESPONSIBILITIES TO ITS REDEVELOPMENT AREA AS SPECIFIED IN THE 701 PLAN.
- "Although Lincoln has never shown a profit, it can easily be called a success. Lincoln Gardens is

MS. JOANNE COLLINS

8/11/77

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TWENTY-THIRD STREET

LINCOLN REDEVELOPMENT

clean and well kept. There are no broken windows or major crime problems. The horrors of some low income housing simply do not exist at Lincoln." BY DR. DARWIN DAICOFF, HIRED BY THE CITY TO DO: "AN ECONOMIC ANALYSIS OF THE TAX ABATEMENT ASPECT OF KANSAS CITY URBAN REDEVELOPMENT PROJECT." JUNE, 1975.

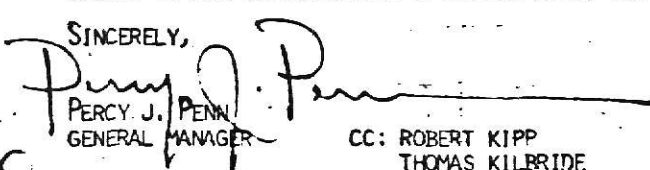
6. THERE IS MENTION OF THE TWENTY-THIRD STREET PROJECT AS BEING A "SOLID IDEA FOR DEVELOPMENT." WE WONDER ABOUT THIS AND MAKE THE FOLLOWING POINTS:

1. WHOSE IDEA?
2. IT IS REMARKABLY LIKE EFFORTS OF LRC WHICH HAVE BEEN STALLED.
3. LRC HAS BEEN REQUIRED BY THE CITY TO DIVULGE CORPORATE INFORMATION AND PRESENT PLANS, COMPREHENSIVE AS WELL AS SPECIFIC, IN OUR DEALINGS WITH THE CITY. WE HAVE BEEN REQUIRED TO SUBMIT DEVELOPER-TYPE PACKAGES, RATHER THAN TO HAVE OUR REDEVELOPMENT PLANS ACCEPTED.
4. AT LEAST ONE SENIOR-LEVEL CITY FUNCTIONARY HAS ADVISED US THAT THE INFORMATION WE HAVE BEEN REQUIRED TO SUBMIT IN OUR NEGOTIATIONS FOR CITY ASSISTANCE HAS BEEN CO-OPTED FOR USE IN THE TWENTY-THIRD STREET PROJECT.

IN THE INTEREST OF SOME BREVITY, WE CONCLUDE OUR REBUTTAL HERE. HOWEVER, THERE IS MUCH, MUCH MORE WHICH WE FEEL CAN BE ADEQUATELY DOCUMENTED, AS WE OBSERVED TO THE MAYOR JUST THIS WEEK: ONCE WE MOVE AWAY FROM THE POLICY LEVEL SUPPORT AREAS OF THE CITY COUNCIL, THE CITY MANAGER, AND MAYOR'S OFFICE, LINCOLN SUFFERS GREATLY AT THE SUB-LEVELS OF THE CITY. HENCE OUR INTEREST IN TRYING TO KEEP YOU INFORMED.

IN SUMMARY, OVER THE PAST YEAR, WE HAVE FOLLOWED EVERY DIRECTIVE GIVEN US. WE HAVE GONE BEFORE THE CITY PLAN COMMISSION WITH OUR 353 APPLICATION AND DEVELOPMENT PLAN AS ADVISED. WE HAVE SUBMITTED A WELL CONCEIVED OPERATIONAL PLAN AND BUDGET AS ADVISED. WE HAVE REVISED OUR SUBMITTALS WHENEVER ADVISED. WE HAVE PLAYED BY THE RULES AS WE HAVE BEEN ADVISED THEY ARE. WE HAVE SUFFERED SILENTLY IN THE FACE OF ARBITRARY AND INSULTING BEHAVIOUR AND HAVE SPOKEN UP ONLY WHEN OTHERS HAVE PUBLICLY QUESTIONED OUR INTEGRITY AS A CORPORATION OR AS INDIVIDUALS. WE HAVE DONE THESE THINGS TO WHAT AVAIL WE ARE STILL NOT SURE, BUT WE DO APPRECIATE YOUR UNDERSTANDING.

SINCERELY,


PERCY J. PENN
GENERAL MANAGER

ENCLS. 2

CC: ROBERT KIPP
THOMAS KILBRIDE
BETH SMITH

CHARLES WHEELER
E. CRICHTON SINGLETON



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone (816) 241-3717

JANUARY 25, 1977

MR. JAMES I. THREATT
ASSISTANT CITY MANAGER
CITY HALL--FOURTEENTH FLOOR
414 EAST 12TH STREET
KANSAS CITY, MISSOURI 64106

DEAR MR. THREATT:

LINCOLN REDEVELOPMENT CORPORATION HEREBY TRANSMITS AN OPERATIONAL PLAN AND BUDGET FOR 1976-1977 AS FORMAL APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AS AUTHORIZED BY THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. WE REQUEST THAT FUNDS IN THE AMOUNT OF \$298,817.00 BE ALLOCATED TO LRC FROM THIRD YEAR (C) FUNDS TO IMPLEMENT THE OPERATIONAL PLAN.

AS YOU ARE AWARE FROM OUR PREVIOUS MEETINGS WITH YOU, LRC HAS ALSO SUBMITTED (PER YOUR INSTRUCTIONS) THE OPERATIONAL PLAN TO THE HOUSING DEVELOPMENT CORPORATION AND INFORMATION CENTER AS APPLICATION FOR HOUSING DEVELOPMENT ASSISTANCE FUND LOAN MONIES. HOWEVER, THE REFUSAL BY HDCIC TO DATE TO NEGOTIATE THE PLAN, THE CONTENTION BY HDCIC THAT ADMINISTRATIVE COSTS ARE NOT ALLOWABLE EXPENSES, AND YOUR OWN STRINGENT OBJECTIONS IN A MEETING ON JANUARY 13, 1977, TO THE USE OF HDAF FUNDS TO PAY STAFF COSTS HAVE LEFT LRC EXTREMELY UNCERTAIN AS TO THE POSSIBLE OUTCOME OF THE REQUEST TO HDCIC. WHILE WE HAVE NOT WITHDRAWN THE APPLICATION TO HDCIC WE FEEL WE MUST ALSO PURSUE ALTERNATIVE FUNDING POSSIBILITIES.

WE HAVE DISCUSSED WITH YOU AT LENGTH THE PROBLEMS LRC HAS HAD IN THE PAST AND THE SPECIFIC STEPS WHICH WE HAVE TAKEN TO CORRECT THESE PROBLEMS. WE ALSO HAVE OUTLINED IN DETAIL FOR YOU THE ABSOLUTE NECESSITY FOR THE CITY TO CONTINUE TO BACK THE POLICY-LEVEL COMMITMENT MADE TO LRC WITH THE FORMAL ADOPTION OF THE 701 COMPREHENSIVE REDEVELOPMENT PLAN (ORDINANCE #42453; APRIL, 1973). IN ADDITION, YOU KNOW THE IMPORTANCE OF FUNDING FROM THE CITY AS A CONDITION TO MAINTAIN THE COMMITMENT FROM HALLMARK CARDS, INCORPORATED, IN THE AMOUNT OF \$500,000.00 FOR LAND ACQUISITION AND BLIGHT CLEARANCE, WHICH IS TO EXPIRE MARCH 31, 1977 UNLESS A FIRM COMMITMENT FROM THE CITY IS IN EVIDENCE BY THAT TIME.

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2°
Vernon J. Brooks, Vice President 3°
James W. Spencer, Vice President 4°
Philip M. Robinson, Secretary 2

Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Gowan 3
Isadore H. Gross, Sr. 1

Curtis R. McClint
A. Odell Thurman
Curtis Brice
Basil North

PERCY CARUTHERS

CHARLES HAZI

01/25/77


JAMES I. THREATT

BASED ON YOUR RECENT STATEMENT (JANUARY 13, 1977) THAT YOU THINK LRC "SHOULD HAVE A CHANCE TO SHOW WHAT IT CAN DO" WE ARE CONFIDENT THAT YOU WILL ASSIST US IN OBTAINING THE RESOURCES NEEDED TO DO THE WORK NECESSARY TO FACILITATE REDEVELOPMENT OF THE LINCOLN AREA.

PLEASE NOTE THAT THE OPERATIONAL YEAR OUTLINED IN THE PLAN, OCTOBER 1, 1976 TO SEPTEMBER 30, 1977, WILL REQUIRE REVISION. THE OPERATIONAL YEAR IS AS ADVISED BY MR. KARL ARTERBERRY. HOWEVER, SINCE NO MONIES HAVE BEEN RECEIVED TO IMPLEMENT THE PLAN IT HAS NOT BEEN POSSIBLE TO PROCEED AS WE SHOULD; CONSEQUENTLY, THE WORK REMAINS UNDONE.

WE APPRECIATE YOUR ATTENTION TO THIS MATTER AND ARE COUNTING ON WHATEVER HELP YOU CAN, AND WILL, PROVIDE.

SINCERELY,



PERCY J. PENN
GENERAL MANAGER

ENCLOSURE

CC: MAYOR CHARLES R. WHEELER, JR.
ROBERT KIPP, CITY MANAGER
COUNCILMAN CHARLES A. HAZLEY
COUNCILMAN BRUCE WATKINS
THOMAS KILBRIDE, AREA DIRECTOR H.D.
STARKS J. WILLIAMS, M.D.
EDWARD BIVINS, URBAN AFFAIRS DIRECTOR, HALLMARK CARDS



HOUSING DEVELOPMENT CORPORATION AND INFORMATION CENTER

EXHIBIT 3

CORPORATE OFFICE
Room 219, Argyle Building
306 E. 12th Street
Kansas City, Mo. 64108
(816) 842-7740

January 20, 1977

Mr. Percy Penn, General Manager
Lincoln Redevelopment Corporation
1700a East 22nd Street
Kansas City, Missouri 64108

Dear Mr. Penn:

This will acknowledge receipt of the following:

1. Letter dated November 19, 1976 transmitting Lincoln Redevelopment Corporation's "Operational Plan and Budget," and request for HDAF funds;
2. Letter dated December 15, 1976 regarding consideration for single family development; and
3. Memorandum dated January 13, 1977.

We are accepting these documents as submission of a "proposal" rather than a formal application. Therefore, we are reviewing your "proposal" and are advising LRC that we are in the "initial discussion" stage of processing with LRC, which can lead to HDCIC inviting LRC to file a "formal application" for HDAF funds. This procedure is consistent with HDAF administrative policies.

Based on our most recent conference, there appears to be some misunderstanding about the HDCIC's role and the policies and procedures governing HDAF funds. As to the HDCIC role, other than HDAF funds, we are available to you for technical assistance if you desire. We were contemplating being one of your development team members. We are still prepared to provide that function. It should be clear that we desire to assist with the redevelopment process. Our previous participation and financial assistance demonstrate our support for the LRC effort.

BOARD OF DIRECTORS

Mr. Edward A. Spence, President
Prof. Edwin T. Hood, Vice President
Mr. Carl Bus, Secretary
Ms. Margot McInerney, Treasurer

Mr. M. A. (Budd) Lunn
Rev. S. S. Myers
Mr. Basil L. North, Jr.
Mr. James B. Wilson

EXECUTIVE DIRECTOR

Karl J. Arterbery

On June 30, 1976, I transmitted to you the HDAF policies and procedures and some comments on a development strategy. I have counseled with you over the last several months and participated with you in certain events, including your presentation before the City Plan Commission on LRC's 353 Application. Your "Operational Plan and Budget" is a direct result of my counsel with you. LRC needed an operational plan and guide for internal purposes. I take no exception to your plan and budget, but it should be made clear that HDAF funds are limited as to eligible uses in reference to items in your budget. This does not negate the fact that LRC has adopted its own operational plan and budget which has excellent planning provisions and proper assessment of operational needs and funds.

Specifically, HDAF is not a planning fund as such. It does provide "seed money" capital prior to commitment of mortgage funds and other investments. The policies do outline what items of expenses are eligible and ineligible. Your proposed budget does contain expenses that are eligible; however, administrative expenses are not eligible.

What is more important is the HDCIC review and evaluation of a proposal and application. There are five basic review criteria outlined in the policy. We are not limited to these in our assessment. Specifically, in the case of the LRC project, criteria 3 and 4 of the policy are of concern with us in our evaluation. Heavy emphasis is placed on criteria 3, to wit, "Market for type and quantity of housing proposed in the location contemplated....."

As to location of the proposed housing project, LRC is caught in a dilemma between clearing of blight and a specific site or sites, and what the ultimate real estate venture should be after removal of blight. If the land was presently cleared of sufficient blight, LRC would be faced with the problem of what real estate venture would be feasible in the short run. You cannot forecast the future but only hope you make the right decision in the immediate time frame. Feasibility of any real estate venture is a combination of many positive current indicators and assumptions on the future.

I am suggesting LRC update the 701 plan as it relates to the project analysis, and as it relates to housing. I am not suggesting an elaborate analysis at a high cost. There is a need to reverify some of the assumptions within the 701 report derived from limited data available at that time. There has been an economic recession which has grossly affected the general housing market, and inner-city economics are further compounded by the downturn. If mid-income housing is a need or consideration, what is the current information that supports this premise?

The following are some considerations that make up a housing feasibility analysis, much of which is contained in the 701 Plan, but needs updating where necessary.

1. Identification of specific location or locations within the overall plan area. (Where do you start?)

2. Analysis of Locations

a. Generally, the analysis of location involves determination of the desirability and utility of the site by reason of its location. A forecast must be made of changes likely to be experienced at the site due to probable neighborhood trends in addition to an appraisal of the present situation.

b. External factors are considered in relation to the neighborhood and city-wide physical, social, economic influence and trends of development. In addition, availability and adequacy of utilities and service which affect the market and income potential when improvements to a site is contemplated.

c. Other considerations in the analysis of location.

(1) Civic, social and commercial centers:

- (a) Schools
- (b) Neighborhood shopping centers
- (c) Churches and recreation centers

(2) Transportation

(3) Environmental conditions

3. Market Demand

Data must be assembled to determine quantitative demand in the City of Kansas City, and qualitative demand for a "conceptional project" proposed in the area of areas selected. This information is of highest priority and can provide information on market trends and predict the prospective absorption capacity of the market. Proper analysis of the market requires interpretative and judgment of such aspects as market reactions to the site location, size and composition of units, the need and desirability of non-residential facilities.

In my opinion, an updated housing feasibility analysis including, but not limited to, the considerations outlined are one of the steps LRC should take at this time. HDAF funds can be considered for this activity. I believe that centering your attention on specific locations for housing and other development activities in support of housing based on the positive indicators of an updated analysis, plus LRC's own intuition of the possible, will give better facts for making decisions. Good feasibility analysis can step up implementation. Other resources including public funds, 353 approvals, additional HDAF funds, equity potentials, mortgage funds and special investors, tend to stay in the picture and come into the picture because of better information. Feasibility analysis will also give LRC some idea as to what level of housing can be built, the design for the market, level of mortgage funds and equity resources. The latter is also the basis of determining what additional seed money is necessary and the possibility of repayment of HDAF loans.

If LRC should desire to take this interim course of action for HDAF funds, LRC's future proposal and, thus, an application should quantify and qualify the need for a housing feasibility analysis. The application process can be expedited by HDCIC. The proposed analysis need not be limited to any one specific location within your project area. The analysis also could include other support factors that may need to be analyzed to make housing feasible. The total time to conduct the survey should not take over 60 days from date of loaning of funds to LRC.

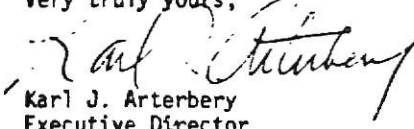
In my judgment, if the survey is at least remotely positive as to probability of mid-income housing, LRC's plan of action should include an immediate proposal and request for additional HDAF funds. In the meantime, I have some ideas about solving your administrative cost problems. My ideas include Hallmark's continuing its support of administrative cost, as well as the outstanding commitment for land acquisition. You are to be commended for a job well done in such a short time for Lincoln. Hallmark, hopefully, will consider in March the progress that LRC has made with the aid of a professional manager, and continue their administrative support.

Finally, my intuition, and it is just that, tells me there may be a potential housing market in connection with the development of the Hospital Hill complex. The LRC 701 Plan suggests that 370 units of housing could be possible in relation with current and future development within this area. A housing feasibility analysis in this area, in my opinion, is warranted. I am enclosing an article from the Real Estate Research Corporation's current newsletter. It appears that a survey was conducted among hospital workers which supported keeping and expanding a St. Louis hospital at its present location. Because the positive indicators imply, at least within a market segment (hospital employees), a desire to work and live in the area of the hospital development. According to the article, the type of housing support needed was in the mid-income range. A careful market survey in the case of St. Louis was apparently

useful. I believe if LRC should take this course of action, it just might prove its case of a viable housing market within the Kansas City inner-city.

I hope I have been helpful. Let us get together soon.

Very truly yours,


Karl J. Arterbery
Executive Director

KJA/sjj
Enc.

cc: HDCIC Board of Directors
Councilman Charles A. Hazley
Robert A. Kipp, City Manager
James I. Threatt, Assistant City Manager
Samella Gates, Urban Affairs Director
Starks J. Williams, LRC President
Edward B. Bivins, Hallmark Cards



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 4

January 25, 1977

Karl J. Arterbery
Executive Director
Housing Development Corporation and
Information Center
Room 219, Argyle Building
306 East 12th Street
Kansas City, Missouri 64106

Dear Mr. Arterbery,

In response to your letter of January 20, 1977, which communicates your belated decision to accept the Operational Plan and Budget and request for Housing Development Assistance Fund funds, and our December 15, 1976, letter to you pleading for a response to the plan, and our memorandum of understanding of a four-hour conversation with you as a "proposal" rather than as a formal application for funds, we are disheartened and saddened. We have always believed that our submittal of November 19, 1976, constituted a formal application for loan funds from the HDAF for the following reasons:

1. I had initiated contacts with you over a period of six months discussing the application for HDAF funds;
2. The technical assistance and advice which you freely and frequently have promised to provide to LRC in written form since 1971 were requested of you by me to help prepare the November 19, 1976, application for funds and a number of meetings were held with you for that singular purpose;
3. At these meetings a lot of advice was given by you, notes taken, and your advice subsequently followed;
4. We were advised after discussions of our completed plan with you, Councilman Hazley, and Assistant City Manager James Threatt to submit the Operational Plan to HDCIC after the City Plan Commission hearing of November 3, 1976--we complied with these instructions and with your invitation;
5. The format of our formal application to you and the budget period are as you advised us on October 4, 1976. This credit to you we freely acknowledge in the very first paragraph of our November 19, 1976, letter transmitting our application. In order to refresh your memory, I am attaching notes provided by you to us in your own handwriting;
6. There have been repeated contacts with you regarding our application of November 19, 1976. We have requested on several occasions a formal response to our submittal to you for funds. At least five full hours of discussions were held with you on our application within a three-day period (8, 9, 10 December). Our letter of December 15, 1976, was a direct result of these discussions;

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Charles Hazley

Karl J. Arterbery January 25, 1977 2

7. Our meetings with the Mayor on two separate occasions and subsequent conversations with him regarding LRC's progress and our several meetings with the City Manager, HUD officials, the Assistant City Manager, etcetera, since submitting our application for funds on November 19, 1976, indicate to us that none of these actors, nor yourself, felt that we had not formally applied to HDCIC for HDAF funds by the actions we had taken on November 19, 1976;
8. In a more than four-hour meeting on January 13, 1977, which was requested by the Assistant City Manager, for LRC, HDCIC, and the City Manager's office to "get together and work something out" never was it said by you or anyone else that our Operational Plan and Budget did not constitute a formal application for funds from the HDAF. Indeed, the stated purpose of the meeting was to negotiate the amount of those funds, and you were instructed at this meeting by the Assistant City Manager to "move on it," that he would "not question your judgment," and you were told to "feel free to give them as much money as you want to." Why did the Assistant City Manager in charge of Community Development direct you in this manner if no formal application had been made?

Based on that most recent conference, we don't feel that there was any "misunderstanding" on the part of LRC about HDCIC's role. To the contrary, we think now we understand all too well. We note your involvement with LRC since early 1971, including two different periods as interim manager of LRC. Your offers of technical assistance and goodwill have been consistent; however, the evidence seems to indicate that the promise far outweighs the performance.

Technical assistance promised since June, 1976, which has either not been received or is now, according to you, not technical assistance at all but, rather, seems to be advice you no longer remember (or do not now admit) giving, is discussed below:

1. Assisting LRC in its application for seed money from HDAF. (Either you gave technical assistance or you did not. It appears to us that you are attempting to have it both ways by seemingly taking credit for our accomplishments because of your "counseling" with us, while at the same time contradicting the advice you have previously given us.)
2. Preparing for LRC Section 8 Subsidy and FHA Mortgage Insurance Applications. (At a meeting in the LRC office on August 17, 1976, you stated this was a "two or three day job" and promised to start working on it the following week so it could be submitted in October. On September 22, 1976, in a meeting at the HDCIC office you suggested meeting with financial institutions and stated that for the HUD mortgage package LRC needed a "detailed discussion" with the architect; you said the package could be done in a day or two. At a luncheon meeting at Trader Vic's Restaurant on September 23, 1976, you stated that the HUD mortgage application procedures were an "eight or nine month process" and advised "don't go to HUD yet." On December 8, 1976, you called and asked me if LRC had made a decision whether to go to HUD for Section 8 funds on Phase II or not. When reminded that you had promised to prepare the package and had later advised against submitting a package you repeated your question about whether a decision had been made or not. I then informed you that a decision had been made based on your advice not to go to HUD "yet.")

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3. Assisting LRC with presentation preparation and providing materials for use in briefing the City Plan Commission on the Phase II project. (In a meeting in the HDCIC office on September 7, 1976, you offered such assistance. This was never mentioned again. We do note, however, your appearance in our behalf at the hearing itself.)
4. Preparing cost comparisons on condominium and cooperative market-rate low-rise units in the Phase II project. (At Trader Vic's Restaurant on September 23, 1976, you offered to prepare these cost comparisons. To date, this has not been received.)

This problem is further evidenced by the fact that you are now advising LRC that we are now in the "initial discussion" stage after over six years of your involvement and at least six months of what must be pre-initial discussions with me alone since I became general manager of LRC. I personally have no desire to continue the game as it has been played historically; however, I realize that I do not decide this matter alone. I act in the capacity of official representative of the Board of Directors of LRC, which has assured me that they are not interested in playing either.

You have been involved with me at every step and have had ample opportunity to clear any "misunderstanding" if any had existed. We have in our records that we have communicated with you no fewer than thirty times (thirty-two to be exact) over the past six months relative to LRC plans, goals, needs, and funding to meet these needs. These contacts with you are revealing and are documented.

Insofar as policies governing the use of HDAF funds, LRC does not feel that there is any "misunderstanding" on our part here, either. It is possible, however, that we may have been misled. The following is an accurate accounting of how this may have happened:

1. On June 17, 1976, two days after I became the general manager of LRC, Mr. James I. Threatt, the Assistant City Manager in charge of Community Development, volunteered to me, among other things, that as much as \$625,000. was potentially available to LRC through the HDAF. This has been reaffirmed on several subsequent occasions.
2. Mr. Threatt assigned Mr. John Brandenburg, Chief, Housing Section, of his office to work with me and, according to my notes, to tap the resources of the HDAF. Again, I allude to this in the cover letter of November 19, 1976. Mr. Brandenburg explained to me the difficulties I would most likely face as he knew them to be and stated, in essence, the following:

Funds for LRC were set up in the early days of Model Cities (HDAF);
Funds are channelled from the federal level, through the City, which, in turn, contracts with HDCIC;
Funds and contractual arrangements such as LRC would have with HDCIC would be "very flexible" as to their use;
That LRC would have to provide a realistic assessment of how funds would be used and specific descriptions of what the money was needed for; and
That there should be some reasonable chance of success.

I discussed this assessment provided by the office of Community Development with the Director of Urban Affairs and later with you. No contravening interpretation of the flexible use of the HDAF was furnished by either the Director of Urban Affairs or by you at these discussions. My distinct impression was that LRC's

Karl J. Arterbery January 25, 1977 4

case had to be made at the office of Community Development level, with directions to the department of Urban Affairs, and thence to contractual arrangements with HDCIC. Are you now saying that this is not so?

Insofar as the procedures of the HDAF are concerned, I did, indeed, receive a copy of the "Policies Governing the Administration of the Housing Development Assistance Fund" as an enclosure with your June 30, 1976 letter to me. I find nothing in those policies or in your letter which would preclude the approach and compel the non-acceptance of the application we have submitted to you.

Your letter of June 30, 1976, clearly states:

Modifications of this policy can only be made by the approval of the Board of Directors of HDCIC and the department of Urban Affairs in connection with the office of Housing and Community Development.

The "Policies" clearly state:

These funds will be in the form of loans and will cover, but are not limited to, fees for architects, engineers and attorneys, and options on property. When deemed appropriate by the City, the O/A can use part of this fund to finance projects of special value in housing development....

If the redevelopment of the Lincoln area is not of special value in housing development, then we cannot imagine what else could be.

In any event, these two statements in no way contradicted what we had previously been told regarding the flexibility of the fund's use. Given this, and your firm expressions of support and goodwill, we felt free to devise a plan for the work that had to be done. You actively participated in and encouraged this process. Your advice was closely followed.

Why, if administrative expenses are "not eligible," did you tell us to outline our needs and costs for such items as rent, telephone, supplies, etcetera?

Why did you tell us to ascertain our staff needs and costs?

Why did you concur that we needed to outline our intentions and costs regarding citizen participation, marketing, cooperation with other community agencies in and around the Lincoln area, etcetera?

Again, in addition to all of the foregoing one of the more interesting reasons that we proceeded as we did in developing our application was an examination of a previous attempt made by LRC to obtain funds from the HDAF and, thus, your previous involvement to which we have alluded earlier in this letter. The results of that effort were highly instructive to us and added greatly to the validity to our subsequent application.

The request of June 13, 1975, in the amount of \$230,595. resulted, finally, in a loan in the amount of \$38,000. Not one, but three projects with a combined syndication value of \$1,499,172. were clearly outlined as a part of this request, which was more than adequate to repay the original loan request had it been granted.

A constant theme in conversations I have had with you has been your reluctance to loan LRC any more money since you felt that it was not clear what LRC intended to do. I, therefore, felt required to explain in some detail what we were going to do, as well as how and when. This we think we have done as intelligently as

Karl J. Arterbery January 25, 1977 5

possible. We note that the \$38,000. was used to pay certain administrative costs. You now insist that administrative expenses are ineligible.

We note, too, that our approach is designed to repay the \$38,000. and any other funds which may be loaned.


Concerning the remainder of your letter, we fail to understand why you felt compelled to write to us about those things we have already adequately addressed in our Operational Plan. Your many opinions about location, blight, market feasibility, the need for updated information, adequacy of utilities and services, other external factors affecting development, etcetera, seem designed to obfuscate the issues. We have addressed all of these things, and much more, in our application and fail to see the value of having our approaches, ideas, and methods parroted and wrenched out of context.

As far as the necessity to update the 701 Plan is concerned, our approach, as outlined in the Operational Plan, is explicitly designed to incorporate continuous updating as needed and to perform current in-depth assessment of redevelopment processes and products on a scale that is useful for short- and medium-range decision-making about specific projects and the management of redevelopment processes. As we have repeatedly insisted, the 701 Plan constitutes a long-range policy framework in which we will operate. As we have pointed out to you in our letter of December 15, 1976, that to try to implement a particular project without also making the redevelopment process functional would be "unprofessional, unresponsive, and unwise." Please refer again to this letter for further elucidation.

We regret that writing a letter of this nature has become necessary. We have avoided it as long as possible. We wanted to give the machinery which has been ostensibly designed to help us a chance to work. We wanted to avoid what one HUD official warned us against: "accepting crumbs offered, not as real assistance, but as diversions to keep us from being a 'problem'." We are not certain we have avoided this fate. However, we find it inconceivable that the formal adoption by ordinance of long-held dreams for this community could have degenerated into the morass that we have encountered this past half-year. We hope our fears are wrong.

We have sincerely attempted to negotiate in good faith but frankly feel from the content and tone of your letter that you have insulted us and impugned our personal and professional integrity. It did not have to be so, and, perhaps, neither you nor I are solely to blame for the situation as it has evolved. We will continue to take those steps we think necessary to make our institutions respond with those imaginative and innovative actions that these times demand, our citizens deserve, and have every right to expect.

With Sincere Sorrow,


Percy J. Penn
General Manager

cc Mayor Charles B. Wheeler, Jr. Councilman Charles Hazley Edward A. Spence
Robert A. Kipp, City Manager Edward Bivins James I. Threatt

encl.



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 5

NOTE: READ EXHIBIT 10.
EXH. 5 IS REPLY.

MEMORANDUM OF TRANSMITTAL

TO: Whom It May Concern
SUBJECT: Use of Personal Pronoun "you"
DATE: October 20, 1977

It has been pointed out to us by an objective outside observer that the issues raised by Lincoln Redevelopment Corporation in this letter to Mr. Thomas Kilbride, in his capacity as the Area Director, Kansas City Area HUD Office, are too important to be clouded by the possible interpretation of any reader that it represents a personal attack on Mr. Kilbride.

The Lincoln Redevelopment Corporation desires no such an interpretation. The use of the pronoun "you" in no way applies personally to Mr. Kilbride, but to the office he represents.

THE LINCOLN REDEVELOPMENT CORPORATION


Percy J. Penn
General Manager

PJP:yva

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The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 5, CONT.

October 18, 1977

Mr. Thomas Kilbride
Kansas City Area HUD Office
Two Gateway Center
• Fourth and State
Kansas City, Kansas 66101

Dear Mr. Kilbride:

The Lincoln Redevelopment Corporation proposal to develop Lincoln Park which you deem not approvable in your letter of September 30, 1977, was selected from a Section 701 Comprehensive Redevelopment Plan for the Lincoln Redevelopment area. The study was completed in May 1974, and it is acknowledged therein that the study was materially aided by the City of Kansas City, Missouri, and the regional and national offices of the Department of Housing and Urban Development under the Urban Planning Assistance Program authorized by Section 701 and CRP Program Section 103 D of the Housing Act of 1954, as amended. You will, of course, remember that the completed report received HUD's approval.

The 701 Comprehensive Redevelopment Plan which names Lincoln Redevelopment Corporation as the "community based developer" outlines certain goals and objectives for the Corporation to pursue and implies certain responsibilities which cannot be avoided. The approved report states that: "The over all goal of the Lincoln Redevelopment Corporation is to improve the quality of life through a process in which equal emphasis is placed on social, cultural, economic and physical aspects of neighborhood upgrading and improvements".

The Lincoln Redevelopment Corporation, its officers and staff have and are fulfilling that goal admirably well. To wit:

In keeping with the spirit of community preservation which is basic to a "New Town in Town" redevelopment approach and in response to legally mandated citizen participation requirements, Lincoln Redevelopment

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Mr. Thomas Kilbride
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Page Two

Corporation has been and is in frequent contact with community persons. In fact, the Corporation has gone far beyond legal requirements to involve citizens by initiating opportunities for citizen involvement in specific project planning subsequent to the completion of the 701 Plan.

- a. Citizens and business proprietors of the redevelopment area were heavily involved in the development of the 701 Plan.
- b. Formal correspondence has been sent periodically to owners and residents of the proposed Lincoln Park project site regarding the nature of the proposed project, official action to be taken regarding the project, and general progress of the project through official channels.
- c. In the course of updating blight assessment reports on the proposed Lincoln Park site, personal visits to residents' homes were made by the General Manager.
- d. Newsletters are published periodically (monthly) and distributed to the residents, businesses and institutions in the redevelopment area. Newsletters are distributed by an area Boy Scout troop.
- e. Periodic formal meetings are held in area churches for residents and business proprietors by the staff for the purposes of interaction and feedback. To date, citizens have consistently expressed firm support of redevelopment efforts.
- f. A recent survey of business activity in the redevelopment area which included personal visits to all businesses, and interviews with proprietors and employees was conducted. In addition, several board members own businesses in the area. (Some are now engaged in expansion of their businesses.)
- g. A formal citizen involvement plan suggested by the Corporation was adopted by area residents in May 1977, at a meeting of which sixty-seven of them attended. This plan explicitly outlines how citizens will continue to be involved in all phases of redevelopment activity. (See attached.)

Lincoln Redevelopment Corporation has worked closely with major institutions and with other organizations whose activities affect and are affected by the Corporation's redevelopment activities. (LRD has repeatedly expressed a desire that this be done.)

- h. The Citizen Involvement Plan (referenced above) specifically requires the involvement of area institutions.

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- i. Personal visits have been made to area institutions by the Corporation staff. Area institutions report that housing alternatives are badly needed in the Lincoln area for their employees.
- j. Area churches have volunteered use of their facilities for citizen meetings.
- k. Several board members are members of boards or officers of other important groups either influencing the area or influenced by it, including the Community Development Corporation, the Overall Economic Development Planning Committee, the Black Economic Union, Urban League, Niles Home for Children, Martin Luther King, Jr. Memorial Hospital, Chamber of Commerce, Black Archives of Mid-America, Inc., Parent Teacher Associations, area churches, Museum Foundation, MARC Housing Review Committee, Governor's Committee on Energy Conservation (Missouri), Federal Executive Board Sub-Committee on Energy Conservation, etc.
- l. Close contact is maintained with the school board on area school programs and improvements. One corporation board member is high up in the school district administration. The General Manager has been elected president of the PTA at Attucks Elementary School (19th and Woodland) for the 1977-78 school year.
- m. Contact is maintained with the Police Department. Crime statistics and area security reports have been analyzed. The latest report shows that crime has all but disappeared from the Lincoln area. The Police Department has also offered assistance in the area of security planning for specific projects and for the redevelopment area in general.

The officers, board members, and staff of Lincoln Redevelopment Corporation have consistently evidenced an unquestionable commitment to the community which their corporation is working to redevelop.
- n. Many board members are longtime residents of the area.
- o. Several board members own businesses in the area which they refuse to relocate, although they are free to do so. (Some are even now expanding their businesses.)
- p. Most board members have served for many years (long before incorporation, some were actively working for redevelopment).
- q. The General Manager has purchased a home in the area since the beginning of his employment with Lincoln, and his wife,

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who has a M.S. in Human Resource Management and who lived and taught in the Lincoln community for several years, donated one year of full-time professional services to the corporation at no charge.

- r. The staff has shown unshakeable dedication despite discouragement from many quarters. In the face of a severe lack of needed supplies and equipment, they have even purchased needed items out of their own pockets.

Finally, Lincoln Redevelopment Corporation has one successful project that is now six (6) years old.

- s. Lincoln Gardens is the major physical manifestation of the Corporation's efforts. This project's occupancy rate has seldom been below 90% since dedication of these units in 1971. Dr. Darwin Daicoff, an eminent Professor of Economics at the University of Kansas, states in his 1975 economic analysis study of all of Kansas City's urban redevelopment projects that Lincoln Gardens can easily be called a success. "Lincoln Gardens is clean and well kept. There are no broken windows or major crime problems. The horrors of low-income housing simply do not exist at Lincoln." We submit that the credit for this accrues to the Corporation and its management effort and to nowhere else.
- t. The Corporation has encouraged the removal of blighting influences from the area and some success has been attained in that in the past year; at least a dozen delapidated structures have been removed. The Corporation is working with the City on accelerated code enforcement and the removal of dangerous and abandoned buildings from its immediate action plan area. The area covered by the action plan has self-cleared to the extent that it is now cleared more than 50%. However, there has been no self-renewal occurring because of the redevelopment plan jointly announced for this area.

We challenge any other redevelopment group in the area (including the suburbs) to match our efforts - no matter their resources - in pursuit of the goal to improve the quality of life socially, culturally, economically and physically and to involve area citizens in that effort.

The point we'd like to emphasize is that Lincoln Redevelopment Corporation takes its responsibilities and the 701 Comprehensive Redevelopment Plan seriously and has submitted its project within the context of that Plan which was adopted by HUD, LDC, and the City. And further, to do otherwise would mean that it is not in pursuit of its goals, nor living up to its responsibilities to area citizens (many who participated in plan formulation), HUD, the City, or to itself.

Mr. Thomas Kilbride
October 18, 1977
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In addition, the first development goal outlined in the 701 Comprehensive Redevelopment Plan is as follows:

To develop a physically harmonious and attractive neighborhood that meets the needs of the Lincoln Redevelopment area residents. This goal may be attained by: providing better housing alternatives for the present population in the form of housing units for families, married couples, single individuals, and elderly people, etc.

The Corporation's first effort was to avail itself of a FHA program to provide 152 units of housing for low and moderate income families. That it has succeeded can be attested to by a comparatively low vacancy rate and a lengthy waiting list of families desiring to live in Lincoln Gardens. The Corporation's second effort would seem to logically follow, in that a HUD program is now available - presumably to Lincoln as to anyone else - to provide housing for the elderly and for moderate-to-middle-income families. 1970 Census tract data shows that the area is heavily populated (23.5%) by the elderly. Lincoln is prepared to show that this percentage has increased substantially and that elderly residents have spoken to the need for adequate housing for themselves in this neighborhood. Lincoln's research and contacts with area institutions and businesses show more positive than negative, a market in the area for housing for moderate-to-middle-income persons.

Based on our investigation of area conditions, emerging national trends in energy and other resource shortages, economics of housing, new and existing lifestyles, and family composition and conditions, we conclude that there is a favorable market for the type of project we have proposed. Indisputably, we know that there is a need. In the project submitted, the Corporation sought to combine need and market and would pass on to prospective tenants any savings it could gain from its tax abatement status and land write-down potential.

In your careful examination of our proposal, we wonder whether you took the above or the following into account: that Lincoln is attempting to implement one of the projects generally outlined in a HUD sponsored and approved 701 Comprehensive Plan; that Lincoln is meeting its responsibilities by doing so; or, that Lincoln was and is engaged in meeting HUD's conditions to the extent which could reasonably be expected of a non-profit redevelopment Corporation with limited resources.

We think that it is reasonable now to ask HUD to rethink its longstanding position and adopt a more positive stance regarding development and redevelopment in this area. We do this for the following reasons:

1. We think that HUD's original assessment of the area as to it being blighted and in need of redevelopment and revitalization was the correct one and is worthy of continued support and implementation assistance. For

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HUD to now use blight as a reason for not approving projects seems peculiar indeed.

2. HUD has considerably more power to influence the course of redevelopment events than have the other necessary parties - both public and private - in the redevelopment process.
3. Unless HUD adopts a more positive stance as to its willingness and commitment to insure mortgages in this area, HUD will have (perhaps inadvertently) placed the Redeveloper in an impossible position relative to securing the help of other parties which HUD has made a condition of its own assistance; and that those other parties, both public and private, have made and will make their decisions based on what HUD is willing to do.

Lincoln Redevelopment Corporation can document the above. The \$500,000.00 commitment made to Lincoln Redevelopment by a local private corporation, while considered still available, is in a state of limbo because of HUD's very cautious stance regarding a commitment to this area. The City of Kansas City, Missouri has indicated on a number of occasions, that it will help Lincoln in no meaningful way unless HUD gives tentative approval to a project in this area. The City's final approval of our Chapter 353 Application and Development Plan, rightly or wrongly, has as the only condition, HUD's tentative approval of the project. Our attempt to get seed money for a project from the Housing Development Assistance Fund had as a condition, approval by HUD of the mortgage guarantee. The State of Missouri's Housing Development Commission agrees to provide interim and long-term financing for the project submitted to you, but only if HUD guarantees the mortgage.

More informal, but existent just the same, the Lincoln Redevelopment principals have the tacit understanding with a group of leading local business leaders that these business leaders will help to float bonds and provide other assistance to redevelop and revitalize the Lincoln area if the HUD commitment can be obtained. The Chamber of Commerce and Downtown, Incorporated, have voiced their support and willingness to help Lincoln with its effort. An internationally known entertainer has visited the Lincoln offices for the purpose of reviewing Lincoln's plan for investment assistance from a consortium of investors which include herself, Bill Cosby and Kareem Abdul-Jabbar. Her only known condition for participation was that the City and HUD be committed to the effort.

The evidence to us is overwhelming and we are sorry that you don't find it so. You have suggested that we are in a "chicken and egg" situation. We suggest that to perceive of the redevelopment process as being forever suspended midway in an insoluble dilemma is a mistake. HUD's sponsorship of the 701 Plan and its protection of the precious germ of life contained therein was both necessary and appreciated in the early

Mr. Thomas Kilbride
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stages. However, as with any development process, the time of incubation is temporary. We feel it is long since past due in our case. HUD must now relinquish its "parental" role and allow its young to grow into maturity, with guidance and reminders of what the rules are, perhaps, but without the smothering total protection offered since the beginning.

We now insist that you fulfill HUD's proper role in the process of a community redeveloping itself and assist the people to redevelop and revitalize this important area of Kansas City to the enduring credit of HUD and the effort that area citizens have been making in their own behalf for more than a decade. When you do that, we can assure you that these other parties will not only be prepared to put their money on the line but will be willing to do so.

Turning our attention to the reasoning you gave in your letter, although we are not entirely sure of your meaning, we could not agree with you more that the issue should be removed from the political, technical and professional treadmills. Lincoln has taken every step imaginable to do so. In the area of politics, the Corporation has striven mightily to satisfy the political process. However, it has found that the major problem may lay with HUD and the way it manages funds channeled into the political pot. After months of intense effort and compliance with every known regulation, Lincoln has yet to avail for itself any meaningful assistance from these funds. In January 1977, formal application for Community Development Block Grant Funds was made. Lincoln has yet to receive even a reply. We resent that HUD remains aloof while one city handles funds in this arbitrary manner.

Technically and professionally, it has not been Lincoln's deficiencies in these areas which has caused problems. Our architect is considered one of the leading members of the profession and almost annually wins an award from his fellows for excellence of design. He has contributed services to Lincoln for which he has not been paid based on his belief in the feasibility of the Lincoln Plan and his personal commitment to the needs of the citizens of this inner-city area. Further, FIA itself, has certified the housing which he developed and which we proposed in our project. Our management staff, though limited, has vast experience in housing development, maintenance and management of housing, urban renewal, energy conservation, transportation, economic development, and planning and architecture.

We will admit that we often at critical junctures come face-to-face with persons in public agencies who, for lack of a more appropriate label, we term "techno-bureaucrats", who seem convinced that they know better than we who are out here dealing with the issue daily, what is best for us (nothing) and that inner-city development will not work. The power they wield is incredible and they appear to be persons who cannot in any way be held accountable for their technical assessments - usually made from a white, middle-class suburban point of view - and from positions of sufficient power which allow them to fulfill their own prophecies. HUD,

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if it has a mind to, can help us overcome this infuriating and extremely frustrating obstacle and help us to get off what you have termed the "political, technical and professional treadmill".

There is in existence a single comprehensive program which addresses the negative elements of the "neighborhood's character and image". It is the aforementioned 701 Comprehensive Redevelopment Plan which HUD funded, assisted in, and adopted as to its sufficiency. However, Lincoln found it necessary - after finding that those "techno-bureaucrats" with which it has been compelled to deal did not understand redevelopment or redevelopment processes - to develop two (2) additional documents of a smaller scale in which redevelopment processes and redevelopment actions were outlined in detail, in the apparently futile hope that the relatively simple nature of it would be understood. These are: an Operational Plan and an Action Plan. The Action Plan shows the phasing of blight clearance in an area immediately adjacent to Lincoln Gardens, and was developed in conjunction with the Office of Housing and Community Development, Housing Development Corporation and Information Center, and LRC, at the request of a City official. As you may expect, after completion of the plan and its presentation, its implementation on any meaningful scale was made contingent on HUD approval of a project for this area.

Perhaps you no longer recall, but the single comprehensive program that you mention in your letter "which will really address the negative elements of the neighborhood's character and image" is the 701 Comprehensive Redevelopment Plan itself. This was why the study was done in the first place at a cost to the taxpayer of \$284,400.00 between 1972 and 1973. You were urged on by a group of local residents of whom Dr. Darwin Daicoff, in his 1975 study which the City hired him to do: "An Economic Analysis of the Tax Abatement Aspect of the Kansas City Urban Redevelopment Projects" (and probably paid for out of HUD funds), observed: "Determined to preserve the neighborhood and ethnic unity and to restore dignity to a once-proud area, a group of concerned citizens, most of whom lived in the area, formed the Lincoln Redevelopment Corporation in 1965. Profits were not important to this group - they were seeking rejuvenation". Thus, fully seven (7) years prior to receiving any official public help, these far-sighted people had begun to make the effort and took the concrete steps you now refer to.

In the very first page of the Scope of Services, "701" Planning Assistance Program, which HUD found acceptable and from which the study proceeded are these words: "Emphasis shall be placed upon the provision of housing for low and moderate income groups as well as the relocation of those impacted by redevelopment". Within the Introduction Section of the completed and approved study itself, the following is observed: "Within the past years, inner cities across America have emerged as focal points of national and local concern. Poor housing, crime and unemployment have adversely affected conditions within cities. Programs have been initiated to deal with the complexity of urban problems. Most of these programs, because of a lack of coordination and resulting discontinuity,

Mr. Thomas Kilbride
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have failed to comprehensively approach or begin to deal with the blight and deterioration of the inner city. The results have been fragmented solutions which have left the needs and aspirations of residents unfulfilled". (Emphasis added). We at Lincoln, find that this situation still prevails, since we have so far been unable to prod those public entities, except for the state, whose ostensible purpose it is to help us, into positive action. To their lasting credit, we have had a much more fruitful response from the private sector. However, we do not expect, therefore we will not ask, the private sector to attempt to do the job alone and in the absence of the other necessary parties to the process.

You state in your letter that: "We do not feel that the neighborhood will support market rate housing and we cannot assist further projects which impact the area with more low-income residents and characterize the neighborhood as a pocket of HUD subsidized units". We ask you that if you exclude both market rate and subsidized units, what else is left? What other type of housing is there for you to support? What will you support? We find that part of your reply specious and particularly offensive. The plan we are attempting to implement calls for the revitalization and redevelopment of an existing neighborhood. Many (although not all) of the residents there are low-income and their housing is dilapidated and their choices are limited. Are you saying that you feel no obligation to assist the poor? We noted that of the fifty-plus projects which you received for review during this latest competition for HUD's approval, the Lincoln proposal headed all the rest in percentage of population in the minority category (98.9%), in the elderly category (23.5%) and in percent of households whose incomes were less than 80% of the 1970 median income (80.4%), but not in the category you use in your argument as a cause for denial: impacting the area with HUD subsidized units (152 units of subsidized housing, 0 units of public housing). Your argument is specious and misleading because, (1) you did approve a project in a Tract where the number of subsidized units number 522, which increases to 632 as a result of your approval, and (2) Lincoln did not ask for any HUD subsidized units in its project request to you. The request was for your guarantee of mortgages for 86 market rate units and for 125 units of elderly housing where the rents of the elderly would be subsidized. We must make the point, however, that a "pocket of HUD subsidized units" to our way of thinking, is probably better than no units at all.

The fact that you don't feel that the neighborhood will support market rate housing" proves nothing except that you have the power to see that the effort made by those who "feel" otherwise will not come to fruition and stem the desire of those others who may be inclined to assist in the effort. In other words, any negativism which HUD exhibits probably has more capacity and power to influence the course of events than does its positivism. At least it would appear so from your track record and in Lincoln's experience. In any event, we have more evidence that the area will support market rate than you have to the contrary. We ask that you have more than a feeling. A feeling which we suspect emanates from staffers with a middle-class background and a suburban mindset and lifestyle.

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In your careful examination of the Lincoln proposal, was it ever asked by anyone, why do these people still hold on to their dream? Why, after twelve (12) long frustrating years, are they still pursuing such an "impractical" goal? The answers may be revealing and we would like to suggest some possible ones to you:

1. Perhaps it is because the area is of some considerable historic and symbolic importance to them and to those of their friends and relatives who have left the area but who they know would return if housing alternatives were provided.
2. Perhaps it is because they would like to maintain some faith in governmental entities and effectuate for themselves and their descendants some positive governmental action for a change that will not detract from and, indeed help, their surroundings. Many still remember the intrusion of a municipal sports stadium in their midst and the constant flow in large number of their urban, suburban and rural neighbors in thousands of automobiles, day and night, parking on their lawns and polluting their homes with dust, fumes, and loud noises, and their once dignified and stately neighborhood with debris. For over 20 years, they've had to live with and abide the actual and psychological damage imposed on them and their neighborhood by their state and federal government in the form of an eight-lane, high speed, limited access, freeway corridor (yet to be built), and watched helplessly as their homes were destroyed and their neighbors moved away. Just as helplessly in the very recent past, they have had to suffer humiliatingly before all the world to see the exclusion of their neighborhood schools from a desegregation plan where practically all others of any consequence are included. Is it possible that their motivation may be lent a certain impetus by a subconscious sense of regret, futility and lingering guilt that they could not have done better by themselves, their families, friends and neighbors? After all, many of these men have been prominent leaders of their people for a considerable period of time. We merely pose the question.
3. Along the same line, perhaps they still hold onto their dream for a revitalized community because of either an explicit or an implicit promise made to people like themselves by their government and which is embodied in the Act of Congress that created HUD's reason for being and implied, too, in the very name of the Agency you represent: United States Department of Housing and Urban Development.

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4. Then, too, their persistence could perhaps be lent an impetus by something even more recent; some sign that they have detected in the American wind which makes them determined to pursue the dream. Since they've all proven themselves persons of vision through their personal and professional accomplishments, could it be that they individually see and, collectively agree, that a somewhat drastic belt-tightening era looms on the American horizon and fear for the future condition of their people? After all, his government's own reports make the point that the American people, and in particular the urban black American, may soon have to come back home, back to the place from where some have not long ago escaped and "cast down his bucket" where the majority of his transplanted roots still remain, deal with the condition of his people and their surroundings, and help to make it as livable a place as his own limited resources and those implied by his government will allow. He makes the effort not so much for himself but for those who he expects to leave behind and those yet to come. If the effort he makes cannot be explained by common sense and humanness, perhaps it can be attributed, by those who would deny them their dream, to a basic primordial instinct on the part of man to leave a legacy. We wonder if it might not be something as simple as that.
5. Perhaps, too, it is simply that they believe that it should be done, can be done, must be done, and that they must help themselves and fight for a fair share.

There is evidence that all of the above is at least partly true. Lincoln still envisions making the start with your help and subscribes to your view that some of the blight in the area must be removed. Although a difference does exist over the amount of blight that must be cleared - from that you seem to be urging. Your approach smells suspiciously like the old discredited urban renewal approach and Lincoln finds that approach at odds and contradictory to the approved redevelopment plan which calls for preservation of those things worth saving in a neighborhood, including the sense that the neighborhood is a neighborhood. Lincoln does not want to become a party to any wide-spread clearance scheme and does not see any need to destroy what's left of the area in order to save it.

Lincoln's Action Plan calls for a selective and careful phasing of blight clearance from project sites and their contiguous areas. In our contacts and meetings with area residents, a frequent and specific request is that they not be required to move out of the area during any

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necessary relocation. We would insist that blight be cleared only when there is a proven need such as implementation of a project or when it clearly jeopardizes the success of a project. This approach will work in that the residents and potential residents will be kept informed as to what is coming next.

You state in your letter that "from a technical standpoint, the proposal is further deficient in its failure to provide adequate physical separation between the family and elderly portions of the development...". We strongly and emphatically dispute your assessment but clearly understand how you could make the error. Although we know that many of those with whom we deal in the public sector think of the Lincoln area only in terms of being an all-black enclave and cannot - even during their wildest imagining - envision any other ethnic group, particularly Caucasian, living there, we at Lincoln do not consider it so. Without belaboring the point, however, we realize that the Census tract in which the proposed project is located is 98.9% black and we have, of course, taken this into account in the project we proposed to HUD. What you consider a deficiency is actually an attempt on the part of Lincoln to accommodate the life-style of the black family: because of poverty and more acceptance among family members, the black elderly tend to live with children to a significant extent. Dr. Robert N. Butler, director of the National Institute on Aging, writes in his Pulitzer Prize-winning book, Why Survive? Being Old In America, that, "more elderly black people live with younger people than do white elderly. Twenty-eight percent of them live in families with a young head of household, compared to 8.0 percent of all elderly, regardless of race."

"There are many reasons why a larger percentage of black elderly live with their children: the importance of the role of grandmother, because mother works or is away; the need for sharing of income within a family, including the older person's social security and public assistance payments; and the respect and sensibility, said to exist more strongly in black households, in caring for and protecting one's parents, particularly the aged mother." While we are on the subject, we must state that Lincoln has absolutely no intention of isolating its black aged, but instead will provide them the option to do or not to do it for themselves as they desire. They will control their own egress from their facility and the access of those who desire to get in, with, of course, Lincoln's assistance. The criticism is nitpicky and uninformed since you are well aware that this feature is to be worked out in the design phase. We reiterate, the project's extended family concept accommodates the black family's lifestyle and desires so that the marketing impact is positive. As pointed out by Nancy Hicks in the May 1977 issue of Black Enterprise, it is observed that black groups must begin to build this type of environment for their old people. "The reason for this is simple: racism". Only three (3) percent of the subsidized housing projects are black, she observes, and only one (1) percent lives in integrated environments.

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Yes, we can understand why you wouldn't know this and have an odd sense of surprise at how much we assumed you do know. Perhaps it is the impression we receive from our dealings with you. On the other hand, Lincoln finds that it enjoys no such favorable an assumption from those "techno-bureaucrats" that the government has, in its infinite wisdom, assigned to man the barricades to progress and intelligent actions. Their immediate assumption about us upon seeing our faces is that we have not the slightest idea of what we're doing. Witness our impossible dream which we keep insisting is not impossible. We are here again to tell you that we do know what we're doing. We have had over twelve (12) long years to ponder the situation. We've learned from our mistakes and others. We know what should go where and when, though much of it is long overdue. If HUD will provide the needed continuity between plan and action and fulfill its proper role, we and the people will make it work, build intelligently on each effort and take intelligent and careful care of our productions.

We won't, although we could, address the comments on relocation in any detail except on a few points. It appears to us that you've gone out of your way to jeopardize the one significant area where the City has, without a formally stated precondition which involves you, stated that they will assist. We find that very peculiar and request some clarification from you as to your meaning. If you are having trouble coming to terms with the 1970 Uniform Relocation Act, why then do you insist on wide-area blight clearance which would cause many more people to be relocated and add to your problem? The project we have proposed to you has a relocation cost to project cost of approximately 0.4 percent ratio. Only two (2) or three (3) residents remain on the site and a few tenants in absentee-owned properties, and several very small business operations. The project site is well over 80% cleared and those who do remain, including those absentee landholders, have made it known to us that they will not stand in the way of the redevelopment effort. In fact, they are disappointed that it has not been started. HUD has long ago lost much of its credibility and the City and the Redeveloper are in the ever present danger of losing theirs among those who live in this area because of a lack of progress towards goals announced many years ago.

We admit to some relish in addressing the next rationale for your inaction when you state, "Further initiatives in this neighborhood must involve firm commitments from parties in addition to Lincoln Redevelopment Corporation and HUD. The problems in your neighborhood cannot be solved through provision of additional housing alone". First, the last part of your statement. No one at Lincoln has ever taken the approach that the provision of additional housing would solve the problems in our neighborhood. The 701 Comprehensive Redevelopment Plan which the City by ordinance adopted as a policy guide for this area and which was approved by HUD and which we are attempting to implement makes no such claim. To the extreme contrary, the outlined and clearly stated development goals are compatible with the "New Town-In-Town" development principle. We had assumed that you are familiar with these. We ask that you refer to the

Mr. Thomas Kilbride
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list of things we mentioned earlier in this letter and to the Operational Plan we forwarded to you in October of last year. Although we could not get it funded, we implemented as many portions of it as we could.

You will get no argument from us on the point you make on housing, however, we would like to make one of our own to you: the problems in our neighborhood cannot be solved through the provision of all other things alone in the absence of the provision of decent housing.

A careful reading of your letter implies several conditions we wish to rebut: (1) your position is set in concrete - in the face of evidence that it should not be; (2) other people must commit themselves on a massive scale before you will become even modestly involved - in the face of evidence that they will not; (3) that someone else must remove the issue from the political, technical and professional treadmills - it was HUD, not Lincoln, who made the decision, or acceded to it to pour its funds into a political hole. It is HUD, not Lincoln, who allows its technicians and professionals to post signs between the people and themselves which read: "STOP! Experts at Work. Do Not Proceed Further", and (4) it is HUD who closes the door on innovation and its own mandated initiatives and any further action in behalf of a people they are obligated to serve - by its "feelings" on market rate housing and adamacy and bias against its own housing programs which could characterize a neighborhood as a "pocket of HUD subsidized units" in spite of a people's need.

Which, apparently, brings us to an area in which our only hope remains - since all other hope appears to have been closed by the essential gist of your letter, and that is in the area of the initiatives and firm commitments which you say "must involve firm commitments from parties in addition to Lincoln Redevelopment Corporation and HUD".

The Lincoln Redevelopment boundaries extend from Gillham-Locust on the west, to Brooklyn Avenue on the east, Eighteenth Street on the north, to Twenty-seventh Street on the south. It is a sizeable area of the Central City of approximately 150 blocks and 850 acres of land. Except for the 152 units of housing in Lincoln Gardens which you helped to bring to fruition in 1971, we know of no other initiatives you have taken or are taking in this large area adjacent to downtown and other large investment sites. Please advise.

We do know of initiatives and commitments which have been taken and are being taken by others in this area, and contiguous to it, that it borders on dereliction of duty if enlightened citizens sit silently by and not do their part in the face of it. We will list some of them for you and hope on top of hope that we can convince you to take another look; this time from ground-level and not the birdseye view HUD apparently gets from its towers high up over the confluence of the Missouri and Kaw Rivers.

According to the attached Lincoln Report (September 30, 1977): Analysis-Feasibility for Project Development, prepared by the Project

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Development Division of the Office of Housing and City Development, which HUD funds to determine such things: "The Lincoln proposal for housing is a logical extension of the effort that is already underway or planned for the near future in the area. Large commercial and industrial development is taking place on the north and west of the Lincoln area and some development has taken place within its boundaries".

In addition to those things covered by the report generally, we feel that there are other events happening in and around the Lincoln boundaries which may help to convince you that development of housing in this area has an outstanding chance to be successful over and above the need for housing. Our hope is, again, since you won't respond to the needs of the people, perhaps you will respond to these other things:

1. Hospital Hill Development - located physically within the Lincoln Redevelopment boundaries, will eventually extend from Locust to Troost to within a few blocks of Lincoln Gardens and takes up most of the Western portion of the Lincoln area. This development is well underway and is projected to provide more jobs than any other employer in Kansas City. Truman Medical Center opened this year. Funds involved: City, County, State, Federal.
2. Clearance - During 1977; the blighted municipal stadium, located between Brooklyn and Woodland, behind Lincoln High School adjacent to Lincoln Gardens, was cleared and the land prepared for development by a grant from the Economic Development Administration. Funds involved: EDA (Federal), City.
3. Land Acquisition - During 1977; all of the land (which was all held in single private ownership) along the northern and eastern edges of the stadium site was purchased with Community Development Block Grant Funds by the City of Kansas City, Missouri, for the announced purpose of industrial development. Funds: Community Development Block Grant Funds (Federal).
4. Institutional Development - During 1977; Construction began on new dormitories and office facilities for the Niles Home for Children located generally at 23rd Street and Woodland adjacent to Lincoln Junior High School and the Lincoln Park project site submitted to you. Since construction began, land has been donated by an area landowner for expansion by the Niles Home for Community Day Care, Vocational training and gymnasium facilities. Funds: Private, City.
5. G.L. Blankinship Distributors - During 1977; on facilities at 19th Street and Vine, construction began and facilities expanded.

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6. Police Facility-City; announced plans for a police facility at 24th and Cherry. Funds: City, LEAA (Federal).
7. Bethel A.M.E. Church; announced during 1977, formation of a non-profit corporation to erect a multi-use Community facility and day care center for the aged and children within the block bounded by Vine, Flora, 23rd to 24th Street. Funds: Church and Private.
8. Black Archives of Mid-America - During 1977; the Black Archives of Mid-America announced receipt of a planning grant from the City and the National Endowment for the Arts for museum planning and development at Vine and 21st Street, adjacent to Lincoln Gardens. Funds: City, Federal.
9. Truman Road/Terminal Tracks - Industrial development with the Economic Development Administration's funding and guidance is proceeding on schedule. Funds: Federal.
10. Rabin Apartments - the apartment units owned by the Rabin interest located on both sides of 22nd Street and Flora underwent exterior maintenance during 1977. Funds: Private.
11. Apartment Units at 22nd Street and The Paseo were purchased during 1977 and are undergoing interior renovation. Funds: Private.
12. Black Economic Union - The Black Economic Union is making rapid progress with the 18th Street revitalization project which extends towards Lincoln Gardens. Funds: EDA (Federal).
13. A new 7-11 store was erected and opened during 1977 at 27th and Troost. Funds: Private.
14. A new restaurant is under construction at 18th and The Paseo. Funds: Private.
15. The A&P grocery outlet at 26th and Brooklyn reports that its operation is highly successful and booming.
16. The private business volume between 27th Street, 18th Street, Brooklyn to The Paseo (Lincoln's major area of emphasis at this time) exceeds \$11,000,000.00 annually - not including institutional.
17. The Community Development Corporation has forwarded a letter to Lincoln within the past 30 days addressing

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current Commercial amenities in the area around Lincoln Gardens and the Phase II project site, stating that present amenities appear adequate to handle Lincoln Park but that they would be interested in assisting in commercial amenity development should further projects be approved.

18. An adjoining neighborhood association had expressed as recent as one (1) week prior to your disapproval, sincere interest in the progress of the elderly residents in both areas.

We know of these things and others which give validity to our proposed project as well as to other of our efforts. HUD's own efforts are conspicuous by their total absence. Unlike your staff, we live with the nuances of redevelopment daily. We note, too, that unlike you and your deputy, during the tenure of the present general manager (18 months), that none of your staffers have been noted in the Lincoln area or have visited the Lincoln offices, although several invitations have been issued. That may not be a HUD requirement; however, given your life and death powers over a people's aspirations, efforts and dreams, their negative assessments and high-handed rulings are particularly resented. We resent HUD's application of suburban, white, middle-income standards to inner-city areas and the uncaring, uninformed and totally negative response to Lincoln Redevelopment initiatives.

We regret having to send this lengthy correspondence to you, but in attempting to meet with your staff to discuss portions of your letter which we didn't understand and which your letter invited us to do, we were told by your representative that he saw no useful purpose which could be served by further discussions beyond what the letter stated. In the face of this, it becomes obvious, at long last, that we cannot rely on the area office for the type of assistance we absolutely must have.

Although your letter does not mention the Darlib Corporation, from our past conversations with you we suspect that it may have influenced your decision to disapprove the Lincoln Redevelopment Corporation's proposal. We strongly object to the completely unobjective insistence of HUD that Lincoln Redevelopment Corporation be held accountable and judged according to the performance or problems of a completely separate Corporate entity, the Darlib Corporation. Although some of the principals are the same, not all of them are and the people we are trying to help belong to neither. The problems of the Darlib Corporation are as much HUD's fault as Darlib's and probably more so since the goal being pursued, while worthy, was HUD-imposed and not vice versa. The Lincoln Redevelopment Corporation no longer intends to be held hostage by you in this situation.

We strongly object to HUD's use of standards to judge this area which are capricious, unfair and contradictory to earlier HUD judgments and decisions regarding the area. We demand some continuity of action. You

Mr. Thomas Kilbride
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funded and approved a redevelopment plan for this area because of its blighted conditions, you now use blight as the reason you are convinced that new projects won't work. You make off-site blight clearance a precondition to project approval. Has it occurred to anyone at HUD that as new projects are developed, the site on which they stand will be cleared of blight? You approved a plan which contains varied housing types yet your bias seems to be for single-family housing only. You approved a plan which calls for redevelopment, yet the approach you seem to espouse is urban renewal.

You spent planning money partially because of the relatively high numbers of low-income households in the area, you now object to the provision of decent housing for low-and moderate-income persons. You funded and approved a 701 Comprehensive Redevelopment Plan in order to salvage a community, which although strong, has not been able to totally withstand the effects of aging, unfair political processes, racism and official neglect; you now refuse to help this same community because it won't renew itself prior to your involvement.

We have documented for you the commitment of the private sector from the individual citizen to the multi-million dollar corporation, of the public sector from local government policy to national priority. We regret and resent that HUD's commitment cannot be so documented. You are conspicuous by your absence.

Is HUD committed to inner-city development, or is it not?

Sincerely,

THE LINCOLN REDEVELOPMENT CORPORATION

Robert A. Ellis
Robert Ellis, D.D.S.
Chairman

Starks J. Williams, M.D.
Starks J. Williams, M.D.
President

G. Lawrence Blankinship
G. Lawrence Blankinship
Secretary

PJP:dln

Attachments: 2



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone (816) 241-3717

EXHIBIT 6

October 21, 1977


Mr. William O. Anderson
Regional Administrator
Region VII
U.S. Department of Housing and Urban Development
911 Walnut
Kansas City, Missouri 64106

Dear Mr. Anderson,

Enclosed is (1) a letter forwarded by the Kansas City Area Office of the United States Department of Housing and Urban Development declining to approve an extended family project which would locate housing for the elderly and for moderate-income families in an inner-city neighborhood of Kansas City, Missouri, and (2) the reply of the Lincoln Redevelopment Corporation outlining the background of its efforts and frustrations over HUD's response, to its initiative. The HUD letter appears to close the door on any further HUD effort.

The issues raised are significant and topical not only to Kansas City residents but to inner-city residents all across America. The Corporation's efforts since 1965 to revitalize their neighborhood are highlighted and HUD's response, or lack thereof, to development and redevelopment in an inner-city neighborhood of Kansas City is addressed in some detail. We hope that you will agree that these are issues which bear looking into. The Corporation requests your assistance in removing the roadblocks to their efforts and a meeting to discuss the issues raised.

Sincerely yours,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

PJP:yva

DIRECTORS

Robert A. Ellis, Chairman of the Board
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Vernon J. Brooks, Vice President 3*
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Ward M. Hudson, Sr. 3
Percy Carothers 3

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brice
Basil North
Charles Hazley

* Chairmen - (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 7

November 16, 1977

The Honorable Patricia Harris
U.S. Department of Housing & Urban Development
451 7th Street S.W.
Washington, D.C. 20410

Dear Ms. Harris,

Enclosed is (1) a letter forwarded by the Kansas City Area Office of the United States Department of Housing and Urban Development declining to approve an extended family project which would locate housing for the elderly and for moderate-income families within an approved redevelopment area in an inner-city neighborhood of Kansas City, Missouri; and (2) the reply of the community-based redeveloper, Lincoln Redevelopment Corporation, outlining the background of its efforts and its frustrations over the area office's response to its initiatives.

The HUD letter appears to close the door on any HUD effort to assist in the implementation of a HUD and City approved 701 Comprehensive Redevelopment Plan for the area. The philosophy implied by the area office's reply and documented actions appear to be at odds with existing and emerging national policy and priorities.

Enclosed also is (1) a letter addressed to the Regional Director (Region VII), in which assistance was requested to get the issues examined and to assist in removing the roadblocks to the Corporation's efforts, (2) his reply, and (3) the Corporation's Memorandum of Understanding in which the issues were reiterated. It is obvious to us that the Area and Regional Offices are reluctant and unwilling to address our concerns.

The Lincoln Redevelopment Corporation feels, strongly, that the issues it has raised and elucidated are significant and topical, not only to Kansas City residents and their own efforts but, to inner-city residents and revitalization efforts all across America. The Corporation's efforts since 1965 to create the climate for redevelopment and revitalization of their neighborhood are highlighted, and HUD's response, or lack thereof, to development and redevelopment is addressed in some detail. The Corporation is hopeful that you will agree that these are issues deserving of your attention.

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2°
Vernon J. Brooks, Vice President 3°
James W. Spencer, Vice President 4°
C. Lawrence Blankinship, Secretary 2


Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brace
Ray North
Charles...

The Honorable Patricia Harris
November 16, 1977
Page Two

Taking note of your official and personal interest in revitalization, the provision of decent housing for inner-city residents, HUD field operations and responses which appear to contradict and contravene revitalization and revitalization efforts, and considering the untenable position the Corporation finds itself in as a result of the HUD action; the Board of Directors has authorized a direct appeal to your office for assistance. They urge your official attention and assistance to address problems experienced with the actions and evaluations of the Kansas City Area Office, and the apparent unwillingness of the Regional Office to see that their concerns are addressed. They urge you to help remove the roadblocks outlined in the enclosed correspondence and effectuate the necessary co-equal partnerships which must include HUD as well as the other parties to the redevelopment process.

Yours very truly,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

PJP:yva

KANSAS CITY MISSOURI

Media coverage of Kansas City, Missouri during the 1976 Republican National Convention made it clear to the nation that Kansas City is both urbane and interesting. It has a rich jazz tradition built by such greats as Charlie Parker, Walter Page, and Count Basie. Its thrust toward a modern dynamism in culture and commerce is enshrined in facilities pleasingly new—the airport, the convention center and the Crown Center complex featuring classy office buildings, a hotel, stores and condominiums.

Kansas City is touted as a city of the '80s—one that will attract persons from other parts of the country because of its congenial living space, its growth potential, and its people who still possess a sort of down-home hospitality and warmth.

But for blacks who constitute 22 percent of the city's over 500,000 population, Kansas City is dichotomous. Blacks have been able to erect a rather sophisticated political machine that has become a power broker in Kansas City politics. However, they have had relatively less success in developing economic power to match their political clout. And some observers say that unless Kansas City blacks can develop businesses and other economic enterprises commensurate with their political strength, that strength will be meaningless. Still, blacks in Kansas City have managed to agree on issues and have come to wield considerable political

power in a relatively short period of time.

Freedom Inc. is the symbol of that power. Formed as a political club in 1962, Freedom Inc. was the brainchild of Leon Jordan, a former policeman and tavern owner, and Bruce Watkins, a mortician. The goal Watkins and Jordan envisioned for Freedom Inc. was audacious but simple: to drive the white political bosses out of the black community and to give blacks in Kansas City greater political representation.

When the club was formed 15 years ago, there was only one black elected official in Kansas City—J. McKinley Neal, a state representative first elected in 1954. Neal was supported by Louis Wagner, a white political boss.

Freedom's first victory occurred the year it was formed when it helped elect Leon Jordan to a committeeman position. Soon afterwards, Bruce Watkins was elected to the city council, along with another black who was also endorsed by Freedom.

But the club's big boost came in 1964, the year black voters played a pivotal role in getting a referendum approved that barred discrimination in the public areas of restaurants, bars and hotels, a big issue in the early civil rights movement.

The year before, the city council of Kansas City had passed a public accommodations ordinance barring such discrimination. However, as soon as the ordinance was passed, whites on the city's north side organized an opposition campaign and collected enough petition signatures to have the issue brought before voters in a referendum. This group of whites expected the ordinance to be rejected.

Although other whites in the city were certain the referendum would be approved, the black community was not as confident. It organized quickly and in a few months registered more than 10,000 new black voters. In the referendum on April 23, 1964, the ordinance carried only nine wards out of 24 and was upheld by a scant 1,743 votes out of

by Jeanne Allyson Fox, a reporter for the Kansas City Star



ECONOMIC DEVELOPMENT PLAYS CATCH-UP TO POLITICAL CLOUT

Kansas City is touted as a city of the '80s drawing new residents with its congenial lifestyle.

nearly 90,000 cast.

If it had not been for the outstanding turnout in a black community eager for the equality being sought by blacks all over the country, the referendum would have lost. Although Freedom Inc. had not headed the campaign to pass the ordinance, it played a key role in the organizing efforts, and many of its candidates who would run in the primary elections a few months later had worked on the campaign.

Freedom sponsored a slate of eight candidates for nine positions during the 1964 Democratic primary. Freedom candidates won seven of the positions. Harold Holliday, Sr., and Leon Jordan were elected state representatives, and the five others were elected to committeemen positions (political party organizers). That victory, coming as it did right after the one on the public ordinance referendum, indicated that Freedom was an up-and-coming political organization. "We had kicked the door wide open," says Harold (Doc) Holliday Jr., president of Freedom. The group had moved swiftly to consolidate its gains.

Once Freedom demonstrated that it was a political force to be reckoned with, white political organizations began seeking alliances with the club. The first to align with Freedom was the Committee for County Progress whose support helped Freedom win its first county seat, circuit clerk, in 1966. That same year the Citizens Association, a reform-minded organization which

had helped to oust the corrupt regime of former mayor and political boss Thomas Pendergast, supported two Freedom candidates for city council. Both were easily elected.

Today, Freedom-backed officials include two members of the 12-member city council, three school board members, a host of committeemen and committeewomen, four state representatives, three county legislators, one municipal judge and several appointees to various municipal boards.

Freedom-endorsed officials also hold 11 seats out of 64 on the Jackson County Democratic Committee, and two out of seven allotted to Missouri on the Democratic National Committee. Although Freedom has supported some Republican candidates, it primarily backs Democratic candidates.

The only black elected official in Kansas City who is not a member of Freedom is Mrs. Joanne Collins, a Republican city councilwoman representing the third ward.

Freedom, now headed by Harold (Doc)



Harold "Doc" Holliday Jr. (standing above), president, and city councilman Charles A. Hazely, chairman, (see photo lower right) head Freedom Inc.

Holliday Jr., president, and Charles A. Hazely, chairman, has a structure and cohesiveness unmatched by most black political groups in other metropolitan areas.

"Two things are key to Freedom's success," says Doc Holliday. "First, the club is built around philosophy, not personalities," he explains, pointing out that Freedom has gone through three changes of leadership in its sixteen-year existence. Secondly, there is coordination of organizing efforts at the city, county and state levels.

Freedom has proved to be the only organization that can deliver the vote in six of the city's wards. Anyone who wants to run for office in Kansas City has to go to Freedom Inc. for political support.

The organization had been expanding its political seats and sphere of influence when, on July 10, 1970, Leon Jordan, then president of Freedom, was shot and killed as he closed his tavern for the evening. Jordan, 65, was in the midst of campaigning for a fifth term in the state legislature. Two men were charged with the murder but were later released. The persons who shot Jordan have never been found by the police. There are claims that some whites opposed to Freedom's steady growth were responsible for the murder.

Jordan's death was a blow to Freedom—one some thought the group would not survive. But Watkins succeeded Jordan as president and Jordan's widow, Orchid, won his seat in the state



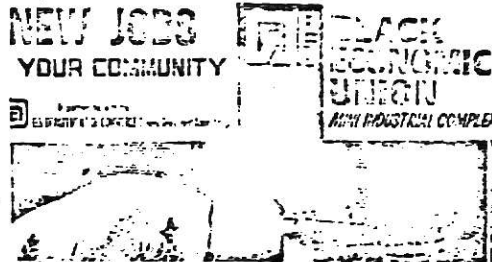
legislature. In 1972, when Jackson County changed its form of government to a 15-person board and elected a county executive, Freedom candidates won three of those seats, showing that the group's influence persisted despite the still-unresolved murder of one of its founders.

Since that time, Freedom has managed to hold onto its seats. The group did suffer some setbacks, however, when it tried to extend its influence to state politics.

For example, in 1976 Harold Holliday Sr. was defeated during the Democratic primary in his second bid for a state senate seat. He lost by 176 votes. In the gubernatorial race Freedom chose to support William Cason, a state senator, over Joseph Teasdale, a former Jackson County Prosecutor who had handed down extremely high bail to blacks for misdemeanors during the 1968 riots in Kansas City. Teasdale upset Cason and beat the Republican incumbent governor in a narrow election. He retaliated against Freedom's endorsement of Cason by not appointing Freedom nominees to metropolitan area or city boards. But after some peace-making efforts on the part of Freedom, Teasdale later appointed Freedom endorsees to the board of the Area

Transportation Authority and the State Housing Development Commission.

Despite whatever rifts Freedom may have had with Missouri governors ("We had no influence in state government until 1977," says Harold Holliday Jr.), the organization is still a political force in Kansas City, the second largest city in the state. However, this force has not yet extended into the city's economic arena where black



economic development has failed to keep pace with black political influence. Although black businesses are growing, the rate of growth has not been as fast as in other metropolitan areas.

In Kansas City there are still no black banks, insurance companies, or real estate companies handling commercial real estate. The only black savings-and-loan is now a branch of a larger (white) company. The downtown area, considered the black shopping district, has only two black businesses—a shoe store and a bar-and-grill.

There are some blacks in middle management positions in companies either based or with offices in Kansas City, but none in upper level positions. Although the number of blacks with memberships in the Chamber of Commerce has been increasing steadily, there are currently no black businessmen on the Chamber's executive board.

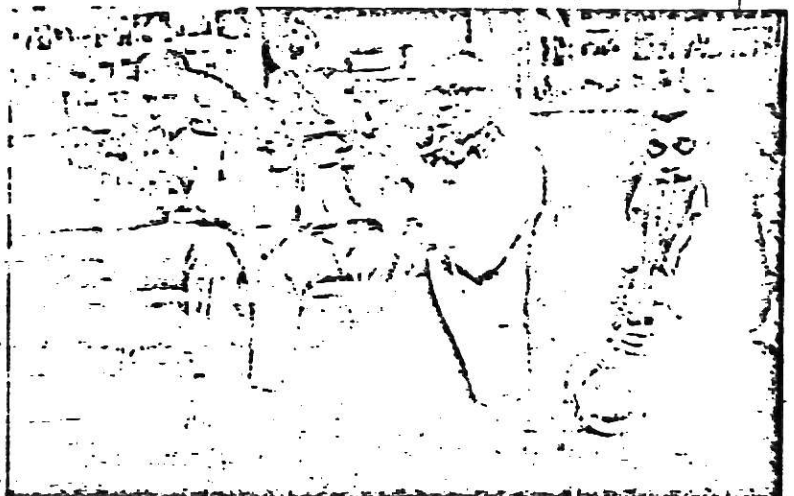
The school district, now almost 70 percent minority, has a substantial number of black employees, including Robert R. Wheeler, superintendent. But black city employees work primarily in offices administering federal grant programs rather than in nuts-and-bolts city departments such as public works. In addition, none of the downtown clubs, such as the Kansas City Club, or any area country clubs have black members.

By contrast there is Kansas City, Kansas, a few miles across the river from Kansas City, Missouri. It is a smaller city of 168,000 with 20 percent black population. Blacks there have only five black elected officials, but have a history of older and more established black business than that in Kansas City, Missouri. Douglass State Bank, started in 1947, is in Kansas. So is Crusader Life Insurance, started by James H. Browne in 1957. Crusader Life has since merged with another black insurance company in Denver, American Woodman Life Insurance Company, but Browne remains president.

Gerald Hall, president of Douglass State Bank, explains that leadership among blacks in Kansas City, Kansas has come more from black businessmen than from politicians, and that the city, because it is small and was slow to integrate, established many strong busi-

Some claim that whites opposed to Freedom were responsible for the 1970 shooting of Leon Jordan.

Old Guard jazzmen of The Musicians Foundation jam in after-hours club.



nesses and institutions surpassing those of Kansas City, Missouri, and other large cities.

The two largest black businesses in the two cities are Edmunds Buick in Kansas City, Missouri, started in 1974 and 35th last year among BLACK ENTERPRISE's TOP 100, and D & H Tire Company in Kansas City, Kansas which started in 1965 and is 54th on BLACK ENTERPRISE's list. Edmunds Buick, owned by McKinley Edmunds, has new and used cars as well as a service and parts department, and did over \$6.2 million in sales in 1976. D & H Tire Company is owned by Luther D. White and did over \$5.1 million in sales in 1976. White also owns D & H Realty and Development Company, which renovates property in Kansas City, Kansas.

The relatively low number of highly successful black businesses in Kansas City, Missouri seems to be due to several

factors. A couple of them are an apparent reluctance on the part of the white business community to lend money to or to do business with black businessmen, and some complacency in the black community itself which seemed uninterested in economic expansion until very recent years.

There are, nonetheless, several well-known businesses in the Kansas City, Missouri and Kansas City, Kansas areas in addition to Edmunds Buick and D & H Tire Company. One is Gates and Sons Barbeque, a three-restaurant chain in Kansas City, Missouri owned by Ollie Gates, who markets his own barbeque sauce in the area and does catering through his restaurants.

Another Kansas City, Missouri, business is O'Neal Tire Company, the only black tire franchise (Goodyear) in the two cities. Owner Everett P. O'Neal's tire business is now primarily a wholesale operation serving businesses. O'Neal also owns a large guard service company and an investment company which in turn owns service stations and real estate property.

Inez Y. Kaiser opened her own public relations, advertising and market research company in Kansas City, Missouri in 1961. Her clients include Seven-Up, Clairol, Lever Brothers, Kansas City Power & Light, McCormick Distillers and Pillsbury.

Tombs and Sons is a food service company based in Bonner Springs, a suburb of Kansas City, Kansas. Leroy Tombs, the owner, has secured several lucrative contracts with the federal government to service military bases, including a current contract with Ft. Leonard Wood, Missouri, one of the US Army's largest basic training facilities.

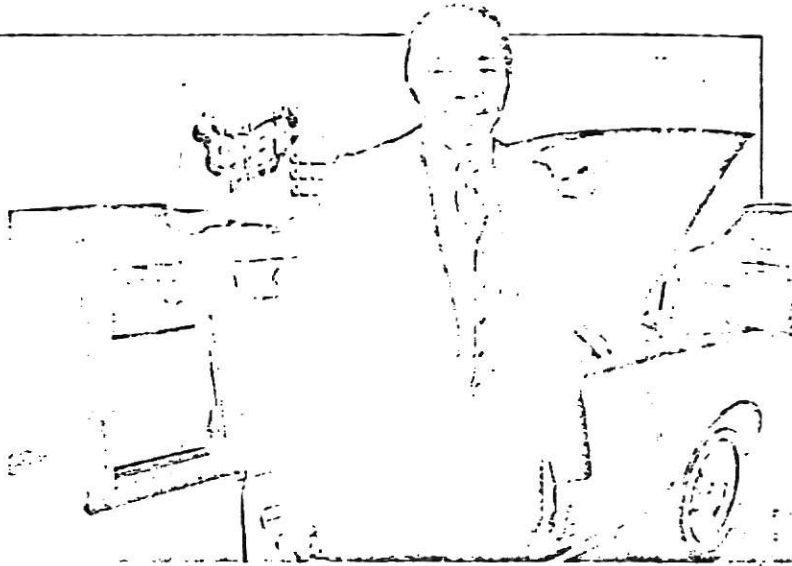
In Kansas City, Missouri, G. Lawrence Blankinship runs Blankinship Distributors which sells drugs and hair products wholesale.

Commenting on the state of black business in Kansas City, Missouri, City Councilman Charles Hazely says, "The black community here has been ultra-conservative and complacent in a lot of respects and hasn't been able to determine its destiny." Hazely adds that Kansas City also has not had much black wealth. As blacks migrated to Kansas City from Southern states they could only get jobs in the stockyards. But these jobs didn't pay the money black people could have made if the city's factories had not been slow to hire blacks.

Integration also hurt many black businesses. The black community grew on the east side of the city, just south of the Missouri River. The 18th and Vine Street area was the hub, as evidenced by thriving black clubs, offices, businesses, movies and the *Kansas City Call*, a black newspaper. In the late 1950s, housing in other areas began to open up to blacks. They started moving further south in the city. There were also drives to integrate downtown businesses. As a result, many black businesses in the 18th Street area no longer had the black patronage they had thrived on, so they suffered and many eventually closed.

Some ambitious business enterprises failed simply because they were undercapitalized. One was Swope Parkway National Bank. It opened in January 1968 but folded seven years later.

However, the formation of the Black Economic Union (BEU) in 1967 has helped to increase the number of black businesses in Kansas City. Part of the



McKinley Edmunds' Buick dealership had sales of \$6.2 million in 1976.

Integration eroded black businesses that depended on ethnic products and mostly black patronage.

(Continued on page 54)

Kansas City (continued from page 46)

Office of Minority Business Enterprise, BEU was started by Curtis McClinton Jr., formerly a football player for the Kansas City Chiefs, who is currently director of special projects for the Economic Development Administration, part of the US Department of Commerce.

BEU helped form the Community Development Corporation in 1972, a federally-funded, profit-making organization managing a \$1.6 million venture capital fund. It has also sponsored vocational, college level and management courses. The Union's assistance has helped many area businesses to secure loans and contracts.

Currently, BEU is responsible for two projects that will be a big boost to the inner city. This month they are scheduled to open a \$1.2 million mini-industrial complex close to the 18th and Vine area. It will have three buildings housing light industry (mostly minority-owned). BEU's training institute and new BEU offices.

The Union is also the catalyst behind the

We're not in the sixties when people were banging on black people's doors.

Downtown East Industrial Park being developed by federal, city and private money on 60 acres close to downtown. When it is finished in four years, the park will put industry closer to an available labor market. City officials say at least 1,000 jobs should be created. The school district will build a new \$4 million skills center.

Freedom Inc. has also begun to spearhead economic development. Projects are taking place for the first time that would not be happening without the organization's support and encouragement. One such project is the \$15 million development being built in the East 23rd Street urban renewal area. It will be a suburban-type

subdivision with single-family dwellings and a senior citizen highrise. The development is being built by Alex Harris, a black who heads the Minority Contractors of Missouri-Kansas, and Peter Spanos, a Greek who has built some housing in the inner city. The complex will have a swimming pool, tennis courts and a community center. The houses will sell for between \$45,000 to \$60,000 depending on the market. Harris adds that most of the architects, suppliers and contractors will be black.

Furthermore, thanks to city councilmen Bruce Watkins and Charles Hazely, both of whom are Freedom members, the city will first spend \$2 million on improving streets, curbs, sidewalks, sewers and streetlights in the project area. The city council also passed legislation which will exempt property owners there from paying taxes the first ten years, then charge them half during the next 15 years.

Projects such as the Downtown East Industrial Park and the East 23rd Street housing development may not seem like much compared to what is taking place in other cities. But, as Hazely points out, "These developments are significant because blacks have never been involved on this kind of level in their community. It is sad to say but true."

However, black businessmen, politicians and community leaders all seem to be very optimistic about future opportunities for blacks in Kansas City.

Ed Bivens, urban affairs director for Hallmark Cards, a major employer in Kansas City, says "with the type of activity going on in Kansas City, which gives every appearance of growing, there are a lot of opportunities for blacks." But those opportunities are going to have to be cultivated, he says. "We are not in the sixties when people were banging on blacks' doors. Now we have to bang on doors."

In the future, blacks are also going to have to continue to push for more than just a watchdog role in the city's policy-making and economic development. Curtis McClinton, founder of the BEU, says the black business community will have to make its products more competitive with those sold by others and also work on getting white business.

"The potential of black business in Kansas City is tied to its ability to integrate into the mainstream on a competitive basis with products and services," McClinton says. "If black businesses have that ability their potential is good. But if they and the black community in Kansas City should ever stop pushing, not a damn thing will happen."

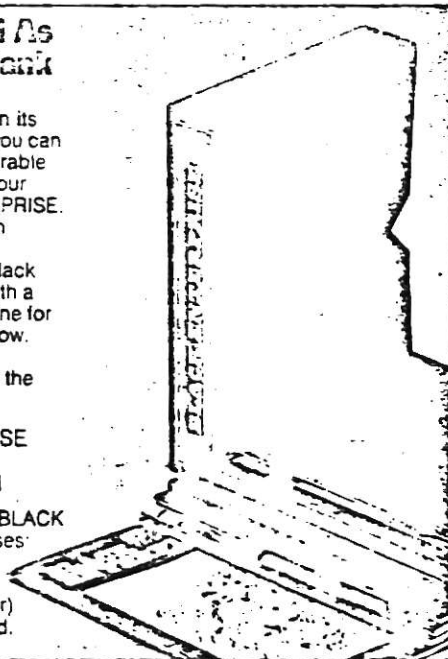
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REGION VII
300 Federal Office Building
911 Walnut Street
Kansas City, Missouri 64106

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AREA OFFICE

TWO GATEWAY CENTER, 4TH. AND STATE
KANSAS CITY, KANSAS 66101

EXHIBIT 9

March 21, 1977

IN REPLY REFER TO:

7.1FD:LSM

Mr. Donald Hall
Attention: Mr. Edward Bivins
Urban Affairs Director
Hallmark Cards Inc.
25th and McGee Trafficway
Kansas City, Missouri 64141

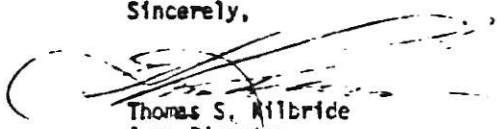
Dear Mr. Hall:

On Friday, March 18, 1977 we met with the representatives of Lincoln Redevelopment Corporation and the City to discuss Lincoln Redevelopment's proposal for construction of a highrise cooperative structure for families at 21st Street and Woodland.

We remain willing to work with the City and Lincoln Redevelopment Corporation regarding improvements in this neighborhood.

We anticipate that substantial participation from numerous parties including many from the private sector, will be necessary if we are to provide market rate housing in older neighborhoods. We look forward to working with you, and other representatives from both public bodies and private industry, who share our concern about the future of this area.

Sincerely,


Thomas S. Kilbride
Area Director

cc:
Honorable Charles Wheeler
Robert Kipp
James Threatt
Lincoln Redevelopment Corporation



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AREA OFFICE

TWO GATEWAY CENTER, 4TH. AND STATE
KANSAS CITY, KANSAS 64101

REGION VII
Room 300 Federal Office Building
911 Walnut Street
Kansas City, Missouri 64106

September 30, 1977

EXHIBIT 10

IN REPLY REFER TO:

7.1FD:LSM

Mr. Starks J. Williams
Lincoln Redevelopment Corporation
1700 A East 22nd Street
Kansas City, Missouri 64108

Dear Mr. Williams:

Your proposal to develop Lincoln Park, Project No. M016-0007-002 in Kansas City, Missouri, submitted on July 19, 1977, in response to our advertisement has been evaluated and it was found to be not approvable.

We have carefully evaluated your proposal, the supplementary memorandum provided by Mr. Penn and all comments provided by the City. Development and re-development in the Lincoln neighborhood has been a subject of continuing discussion and we feel that our position has been clearly stated in the past and that it remains the same. We are prepared to assist the Lincoln Redevelopment Corporation, but can do so only at that point in time when other parties, both public and private, are prepared to put their money on the line.

We frankly feel this issue should be removed from the political, technical, and professional treadmills which have characterized recent efforts and concrete steps must be taken to line up firm commitments of financial support behind a single comprehensive program which will really address the negative elements of the neighborhood's character and image.

We do not feel that the neighborhood will support market rate housing and we cannot assist further projects which impact the area with more low-income residents and characterize the neighborhood as a pocket of HUD subsidized units.

From a technical standpoint, the proposal is further deficient in its failure to provide adequate physical separation between the family and elderly portions of the development, a factor which would have negative impact on the marketability of both parts of the proposal. While we recognize that funds are apparently available, the necessity for any relocation will diminish the project's acceptability under the Department's present regulations.

Further initiatives in this neighborhood must involve firm commitments from parties in addition to Lincoln Redevelopment Corporation and HUD. The problems in your neighborhood cannot be solved through provision of additional housing alone.

2

We regret that we cannot participate in a Section 8/221(d)(4) mortgage insurance program with you in Kansas City; however, we anticipate future advertisements and hope that you will maintain your interest in the program.

If this office can be of additional assistance, please contact Mr. Edmund Hock, Multifamily Housing Representative, at 374-4348.

Sincerely,



Thomas S. Kilbride
Area Director

cc:
Honorable Charles B. Wheeler, Jr.



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 11

January 12, 1978

Councilman Charles Hazley
City Hall
414 East 12th Street
Kansas City, Missouri 64106

Dear Councilman Hazley,

Enclosed (1) is a Memorandum of Understanding to HUD, (2) HUD's reply, and (3) the replies which represent the position of LRC. Insofar as (2) above is concerned, Lincoln feels that it can meet all the conditions of HUD except the one which involves a commitment from the City toward redevelopment. In the past, HUD has been adamant on this point and apparently will continue to be.

Therefore, I have been directed by the Board to prepare a Lincoln Redevelopment Corporation Action Plan for Redevelopment. The plan will include a portion for which funding assistance from the City will be requested from the 78-79 City budget in the approximate amount of \$500,000.00 for relocation, minimal capital improvements, and a small amount for operating expenses. The Plan will show that acquisition, demolition, and actual development expenses will come from state, private, and non-profit institutional resources. We have been advised that an action plan of this sort will engender the support of HUD. The inescapable conclusion from reading Anderson's letter is that the City must commit itself to redevelopment in this area prior to HUD's involvement.

While we are in agreement with Mr. Anderson's conclusions that the City is an essential partner to redevelopment, we are in the process of disputing Anderson's conclusions concerning the application of HUD programs in inner-city areas. I am in receipt of a letter from Mrs. Harris' office, through Senator Eagleton, stating that the Office of Assisted Housing is in the process of reviewing the issues that Lincoln has raised. We have indications that the Justice Department and the Urban and Regional Policy Group will also look into the policy issues. The Governor, Senator Eagleton, and Representative Bolling have all responded very favorably and promise

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Vernon J. Brooks, Vice President 3°
James W. Spencer, Vice President 4°
G. Lawrence Blankinship, Secretary 2

Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3
Percy Garuthers

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brice
Basil North
Charles Hazley

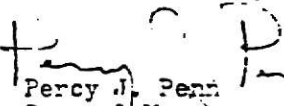
Chairmen: (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee

Councilman Charles Wasley
1/12/73
Page Two

to assist us in our efforts.

The proposal will be delivered to individual Councilmembers by January 23, 1973, our press release is planned for the same day. As the Councilman representing this district and as a member of the Board of Directors, we think it appropriate that you make the announcement to the press. Therefore, we are hereby requesting that you do so. If you agree, please advise by January 19, 1973, and we will provide a draft of the release for you.

Yours sincerely,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

Encls. 3

PJP:yva



The Lincoln Redevelopment Corporation

(NON-PROFIT)

EXHIBIT 12

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

January 25, 1978

Honorable ~~_____~~ *ALL COUNCIL MEMBERS + MAYOR & CITY MGR.*
Councilman
City Hall
414 East 12th Street
Kansas City, Missouri 64106

Dear Councilman Hazley:

Reference the City's first pre-budget hearing, January 5, 1978, at the Westport Community Center, at which time and place the Council was informed that Lincoln Redevelopment Corporation (LRC) would be submitting a proposal to the City requesting \$500,000 to begin the revitalization and redevelopment of areas within the Lincoln Redevelopment boundaries. Those Councilmembers attending indicated that they would be receptive to such a proposal.

Enclosed is a proposal in the format suggested by the Office of Housing and Community Development (OHCD) which the Board of Directors has directed to be submitted directly to each Councilmember in addition to submission to OHCD. The Board feels that this is necessary because on January 25, 1977 (last year) LRC submitted to OHCD a Memorandum and proposal for \$298,817 for Community Development Block Grant (CDBG) funds which was ignored. We have received no formal reply as to the disposition of that request to this date and so far as we know, our formal request was not forwarded to the Council for consideration. As stated clearly in our proposal, U.S. Department of Housing and Urban Development support would be jeopardized by a non-response from the City. Also stated clearly was the fact that over one-half million dollars in committed private sector funds would be lost if the City did not respond. Thus the City's actions or lack thereof has proven very costly and has greatly damaged the Corporation's credibility.

Similarly, this year we again have firm indications of support from private, institutional, and governmental sources (reference letters attached to proposal). In addition to the loss of direct funds, LRC has also been unable to obtain HUD program support because of the City's failure to commit resources to the Lincoln Redevelopment area. HUD has stated emphatically that it cannot assist Lincoln projects unless the City of Kansas City commits resources to the redevelopment of the Lincoln area (reference letter from Regional Director, December 9, 1977). The missing partner in the effort to redevelop the Lincoln area has so far been the City. We are not sure that you have been made aware of this fact.

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2*
Vernon J. Brooks, Vice President 3*
James W. Spencer, Vice President 4*
C. Lawrence Blankenship, Secretary 2

Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3
Percy Caruthers

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brice
Basil North
Charles Hazley

Chairmen* (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee

Hon. Charles A. Hazley
January 25, 1978
Page Two

The Board of Directors are appreciative of the goodwill remaining on the Council toward the redevelopment of this important area - which could support much of the other City and private effort in and around the area. They request now that the Council transmit this goodwill into concerted resource and policy assistance so that redevelopment can be sustained and other assistance obtained to buttress the City's effort. The Board of Directors requests the personal attentions of the Council as a whole to the request and to this renewed beginning of their effort.

We do not feel that this letter is a proper forum for a detailed discussion of the reasons your personal attention is requested; however, we would be most happy to brief each of you privately if you so desire. Please note, too, the petitions attached which support the proposal.

Sincerely yours,

Percy J. Penn
General Manager
For the Board of Directors

PJP:dln

Attachments

ASTORIAN RECEIPT, CORAL, SPAIN
 JOHN L. MC CLELLAN, ASST.
 ROBERT M. JACKSON, ASST.
 EDWARD S. BARNETT, ASST.
 LEO MCCALL, ASST.
 THOMAS F. EAGLETON, ASST.
 LANTIER, ORIGIN. PLA.
 40 ELMER, ST.
 40 ELMER, ST.
 40 ELMER, ST.

CHARLES H. PERRY, ASST.
 JAMES E. BARTLE, ASST.
 WILLIAM V. BOWEN, JR., ASST.
 TED STEVENS, ASST.
 CHARLES H. PERRY, ASST.
 JAMES E. BARTLE, ASST.
 WILLIAM V. BOWEN, JR., ASST.

United States Senate

COMMITTEE ON
 GOVERNMENTAL AFFAIRS
 WASHINGTON, D.C. 20510

EXHIBIT 13

October 27, 1977

Mr. Percy Penn
 General Manager
 Lincoln Redevelopment Corporation
 1700A East 22nd Street
 Kansas City, Missouri 64108

Dear Percy:

Thank you for your recent letter regarding the Department of Housing and Urban Development's rejection of the Lincoln Park development project.

This is to let you know that I have also contacted Mr. Kilbride regarding this matter, and brought to his attention the concerns you have outlined to me. Per your request, I have also contacted Secretary Harris on your behalf.

As soon as I have a reply from HUD, I will be back in touch. In the meanwhile, if I can be of assistance, I hope you will not hesitate to contact me directly, or through Chris Clouser in my Kansas City office.

Sincerely,

Tom Eagleton

THOMAS F. EAGLETON
 UNITED STATES SENATOR

TFE:cjm

RICHARD BOLLING
5TH DISTRICT, MISSOURI

COMMITTEES:
CHAIRMAN, JOINT ECONOMIC
RULES
SELECT COMMITTEE ON ETHICS
AD HOC COMMITTEE ON
ENERGY
HOUSE DEMOCRATIC STEERING
AND POLICY COMMITTEE

NANCY B. LOWE
ADMINISTRATIVE ASSISTANT

Congress of the United States
House of Representatives
Washington, D.C. 20515

LARRY BOONBSON
SECRETARY
KANSAS CITY SERVICE OFFICE
811 GRAND AVENUE
KANSAS CITY, MISSOURI 64108
841-078

EXHIBIT 14

October 28, 1977

Mr. Percy J. Penn
General Manager
The Lincoln Redevelopment Corporation
1700A East 22nd Street
Kansas City, MO 64108

Dear Mr. Penn:

Thank you for your letter and enclosures regarding the Department of Housing and Urban Development's denial of a proposal submitted by the Lincoln Redevelopment Corporation. I appreciate your interest in contacting me.

I am taking this matter up, and you may be sure I will let you know of any developments.

With best wishes,

Sincerely,

Rich Bolling



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 15

October 28, 1977

The Honorable Joseph P. Teasdale, Governor
Executive Office
State of Missouri
Jefferson City, Missouri 65101

Dear Governor Teasdale,

Enclosed is (1) a letter forwarded by the Kansas City Area Office of the U.S. Department of Housing and Urban Development declining to approve an extended family project which would locate housing for the elderly and for moderate income families within a City and HUD approved redevelopment area bounded by Eighteenth to Twenty-seventh Street, Brooklyn Avenue to Gillham-Locust Street, and (2) the reply of the Lincoln Redevelopment Corporation, (chartered by the State under Missouri Revised Statutes, Chapter 353) outlining the background of its efforts and frustrations to redevelop and revitalize this important area of Kansas City, and HUD's negative responses to its initiatives.

The HUD letter appears to close the door on any HUD effort to assist in the implementation of a HUD and City approved Redevelopment Plan for the area. It leaves the community-based redevelopment group in a critical position relative to redevelopment and even to its continued existence as a Missouri Corporation. Promises made have not been kept and the philosophy implied in the Area Office's reply seems to run counter to existing and emerging national policy and priorities relative to urban revitalization. The philosophy expressed also seems to negate State of Missouri enabling legislation, tools, and incentives as it relates to redevelopment in urban areas. HUD's action jeopardizes the very fine assistance offered to the redeveloper, in the form of interim and long-term financing by the Missouri Housing Development Commission for which the Corporation and area residents are very thankful.

The Lincoln Redevelopment Corporation feels strongly that the issues it has raised and elucidated are significant and topical, not only to Kansas City residents, but to revitalization efforts in blighted Missouri neighborhoods. And, further, whether those tools and incentives which the State has made available to people like themselves can be effectively applied in the absence of some minimal federal participation. The essential questions appear to become: that if the citizens themselves, working in partnership with the City, State, and HUD are not the coalition to redevelop and revitalize their neighborhoods, then, what is? and, who will? Of course, energy problems, now and in the foreseeable future, have added a new dimension and urgency to the questions.

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The Honorable Joseph P. Teasdale, Governor


10/28/77

Page 2

The Corporation is hopeful that you will agree that these are issues deserving of your attention and seek to have you allied with the efforts they have made and are making.

Taking note of your official and personal interest in revitalization, the provisions of decent housing for inner-city residents in addition to all Missourians, energy implications resulting from public and private actions, federal field operations which appear to contradict and contravene State efforts, and considering the untenable position the redevelopment Corporation finds itself in as a result of the HUD action (or inaction); the Board of Directors has authorized a direct appeal to your office for assistance. They urge your official attention and assistance to address problems experienced with the Kansas City Area HUD Office. They urge you to help remove the roadblocks outlined in the enclosed correspondence- perhaps by bringing the matter to appropriate State and federal officials- and effectuate the necessary co-equal partnerships between HUD and the other parties essential to the redevelopment process.

Very truly yours,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation
(Governor's Committee on Energy Conservation)

cc: Missouri Housing Development Commission
James Sullivan, Director, Department of
Consumer Affairs, Regulation and Licensing

Encls. 2

PJP:yva



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 16

November 3, 1977

Mayor Charles Wheeler, M.D.
City Hall -- Twenty-ninth Floor
414 East 12th Street
Kansas City, Missouri 64106

Dear Mayor Wheeler,

As you probably have surmised by now, the Lincoln Redevelopment Corporation is engaged in an effort to have the issues of inner-city redevelopment and revitalization, which has been brought to light by the HUD turn down of its project reviewed at the highest possible policy-levels. While the Corporation is not engaged in an appeal of the HUD decision, it is seeking to insure a more positive climate and favorable response to efforts it subsequently will make toward revitalization and redevelopment.

The Board has directed that the attempt be made to keep you informed and requests that you become allied with the effort whenever and however feasible. They note your steadfast concern and expressions of support over the years. It would be my pleasure to discuss these issues with you in more detail should you desire.

Enclosed for your information is a largely self-explanatory letter to the Governor. In addition, we have asked Senator Eagleton and Representative Bolling to also become involved. Each has indicated that they will. Locally, we are, of course, keeping Councilman Hazley, and Brownfield and Councilwoman Collins informed of our efforts.

Yours truly,

Percy J. Penn
General Manager

cc: Charles Hazley
Leon Brownfield
Joanne Collins

Encl. Governors' Letter

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Curtis Brice
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REGION VII

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL BUILDING, 911 WALNUT STREET
KANSAS CITY, MISSOURI 64106

November 3, 1977

EXHIBIT 17

IN REPLY REFER TO:

7F

Mr. Percy J. Penn
General Manager
Lincoln Redevelopment Corporation
1700A East 22nd Street
Kansas City, Missouri 64108

Dear Mr. Penn:

This is in response to your letter of October 21, 1977, and your visit to the Regional Office last Friday expressing concern over the rejection of Lincoln Redevelopment Corporation's housing application by the Kansas City Area Office.

As noted in the meeting, regional staff carefully reviewed the field office's rejection and your extensive written and verbal comments. As a result, I have concluded that the area office was correct in its findings, as expressed in Mr. Kilbride's letter to Mr. Williams of September 30, 1977.

The data you submitted included "The Lincoln Report - Analysis - Feasibility." It summarizes the proposed project area as "heavily blighted; the majority of the land vacant, the majority of the ownership absentee, and a substantial amount in land trust because of default on back taxes" - etc., etc. It describes an area that will require extensive redevelopment. New housing is certainly an appropriate part of such redevelopment, but a specific action plan as defined in the previously prepared 701 Plan must include time tables and committed resources "to improve the quality of life through a process in which equal emphasis is placed on social, cultural, economic and physical aspects of neighborhood upgrading and improvements." It is appropriate to add that it must not result in continuation of an area of low income or minority concentration, as such would constitute a statutory violation.

Your goals and objectives are ones which I share, and your zeal in their pursuit is most laudable. The Department must, however, continue to insist on a realistic viable approach to the overall problems of the project neighborhood before a commitment can be issued for housing assistance.

2

At present, there are no housing unit allocations available in the Kansas City Area Office as all resources were committed prior to close of the fiscal year, September 30. I anticipate additional allocations during the current year. Hopefully, you and your directors can successfully develop a public/private alignment that will enable the Kansas City Area Office to qualify you as an eligible applicant when it again solicits proposals.

Sincerely,



William O. Anderson
Regional Administrator

LRC

The Lincoln Redevelopment Corporation

(NON-PROFIT)

Nov. 8, 1977

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 18

MEMORANDUM OF UNDERSTANDING

TO: William O. Anderson, Director, HUD Regional Office
FROM: Percy J. Penn, General Manager, Lincoln Redevelopment Corporation
DATE: November 8, 1977

Dear Mr. Anderson,

Apparently there has been some misunderstanding on the part of the employees of your office (Mr. Slattery, of your housing production section) you apparently assigned to meet with me as a result of my letter of October 21, 1977, in which the Corporation requested a meeting with you as the HUD Regional Director to discuss the issues they raised in their letter to the Area Director.

For the official record: although your Mr. Slattery (housing production) considered "this sort of thing" (the Corporation's letter) an appeal of a HUD decision, I carefully informed him that the Corporation, at this time, was not filing an appeal. I told him that I had not been authorized to file an appeal to the Regional Office seeking to overturn the decision made by the Area Office. I also told him that I personally considered the meeting as a preliminary one between him and myself prior to their requested meeting with you. From the telephone conversation establishing the meeting, I had assumed that I would be meeting with Mr. Slattery and you.

The Corporation had no desire to have you decide an issue within the first few weeks of your tenure here that they have lived with for over twelve years prior to your arrival. Your representative was told that the Lincoln Redevelopment Corporation felt strongly that the issues they had identified transcended the individual project they had submitted, themselves, and perhaps even the Area and Regional Offices, but they felt that the proper place to start toward a resolution was at the Regional Office level. His (Mr. Slattery's) finding that the Area Office was technically correct was predictable, expected, and beside the point in this context. The request to find the Area Office correct or incorrect certainly did not come from Lincoln.

Instead, the Corporation was, and is still, seeking clarification and discussion of the issues it raised in its letter October 18, 1977, to the Area HUD Office. Mr. Slattery, in his discussion with me, sorely tried to justify, (from an admitted technician's standpoint) the decision that had been made by the Area Office.

When reminded by me that the Board of Directors of Lincoln Redevelopment Corporation felt that they had raised certain issues of HUD policy and their application and effect which they felt required top-level attention, Mr. Slattery

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MEMORANDUM OF UNDERSTANDING

November 8, 1977

Page 2

defended these policies from his point of view as being adequate and have "nothing wrong with them."

The Board of Directors, of course, does not agree and is awaiting an answer to their letter to the Area Office of October 16, 1977, in that these issues outlined therein were not addressed in your reply of November 3, 1977. For your own clarification the major ones of these are summarized below:

1. If the HUD Area Office is insistent on public/private investment in the area over and above any HUD involvement, why does its position (?) remain the same in the face of the evidence submitted which shows that both public/private investment of a sizable scale have and is taking place, and that more is more than probable should HUD itself decide to participate?
2. Will HUD explain what it means by the political, technical, and professional treadmills; what factors are involved, how they can be removed, who must participate in their removal, and, how?
3. Will HUD identify the negative elements which must be removed and which it associates with this neighborhood's character and image? Are all applicants required to move these prior to HUD's involvement?
4. Will HUD provide the evidence it has which shows that this neighborhood will not, now or in the near future as redevelopment proceeds, support market-rate housing, or, otherwise clarify the issue?
5. If the HUD Area Office has determined that the Lincoln Redevelopment area "will not support market-rate housing" and that HUD "cannot assist further projects which impact the area with more low-income residents," exactly what type of housing would this office suggest Lincoln attempt to build, and what type of assistance can HUD provide exclusive of market-rate or subsidized programs?
6. Are there any statutory requirements, judgements, nuances, or threats, requiring HUD to write off neighborhoods such as the one characterized by the Lincoln area? If so, does this mean that it is official HUD policy to write off inner-city neighborhoods?
7. In view of the 701 Plan's comprehensive and phased redevelopment approach to which the redeveloper is required to adhere, free market forces, etc., how does HUD substantiate its fear that the neighborhood will become a pocket of HUD subsidized units?
8. Why is the only major fulfilled requirement, a comprehensive redevelopment plan for the area ignored when HUD examines or assesses the individual project? (For example, a circular argument (a treadmill?) is used on the one hand against the individual redevelopment effort and for the plan's entire implementation on the other).

MEMORANDUM OF UNDERSTANDING

November 8, 1977

Page 3

9. What specific policies govern HUD actions concerning projects when said projects are located in a previously designated 701 comprehensive redevelopment area?
10. Under what policies can HUD justify (legally) decisions subsequent to a 701 Plan which directly contradict the redevelopment approach outlined therein and which require fundamental and philosophical changes in goals and objectives contained therein without formal rescission of the 701 Plan by all official participants (residents, city jurisdiction, and council of governments)?
11. Can HUD unilaterally negate the powers of a "community based developer" so designated by a state redevelopment statute, and a city redevelopment ordinance, and which is officially recognized in the final 701 Plan?
12. Can HUD legally ignore citizen desires ascertained through HUD mandated citizen involvement as incorporated in the 701 Plan in the first place?
13. On what authority can HUD leave a successful, completed project (Lincoln Gardens) which was constructed as the first step to comprehensive redevelopment of the entire neighborhood isolated by seemingly refusing to assist in any way in continuing redevelopment efforts?
14. Under policies (e.g., CDBG Funds) which encourage and, in some cases, require local jurisdiction discretion on the use of some HUD program monies, how can HUD itself justify ignoring a 701 Plan which it funded and approved and which has been adopted a City policy?
15. Under what policies can HUD refuse to approve housing for the elderly in an area which is excess of 23% elderly when the provision of such housing was an explicitly stated development goal in the HUD funded and approved 701 Plan?
16. What policies allow HUD to use a "blighted" neighborhood as a reason to reject a project when the presence of considerable blight was a prerequisite to the neighborhood's designation as a 701 comprehensive planning area in the first place?
17. Is HUD prevented by formal policies from influencing redevelopment efforts in a positive manner? Is HUD required by formal policies to negatively influence the redevelopment of central cities? If neither be the case, why is the HUD area office allowed to negatively influence redevelopment efforts in the Lincoln area?
18. If HUD policies require that all elements for redevelopment be in place (i.e. project financing, non-blighted project surroundings, numerous amenities, assured markets, etcetera), as would seem to be the case if one takes the word of the Area Office, what useful function does HUD serve?

MEMORANDUM OF UNDERSTANDING

November 8, 1977

Page 4

19. If HUD policies realistically acknowledge factors such as redlining, blight, minority impacted neighborhoods, etcetera, why is HUD so reluctant to show initiatives which might positively influence other parties to participate in redevelopment efforts whose participation can only be obtained once HUD is involved in a particular project?
20. What authority does HUD have to insure that local jurisdictions do not handle Community Development Block Grants Funds in an arbitrary manner such as completely ignoring a formal written application for CD funds (as Kansas City, Missouri did concerning the January 25, 1977 application from the Lincoln Redevelopment Corporation)? If HUD has such authority, why is it not exercised?
21. What internal checks does HUD apply to prohibit its employees from passing judgement on submitted projects based on arbitrary application of standards arising from their individual soci-economic, cultural and racial biases?

In addition to not addressing the above questions, your letter raises several others which the Corporation's Executive Committee is seeking written clarification from the Regional Office. For instance, the Corporation is vitally concerned over: (1) whether it is receiving from HUD equal protection under the law; (2) whether its projects will be judged on their own merits in accordance with the project submittal guidelines or whether the judgement will be based on the merits of the neighborhood and on other criteria which go beyond those required of other applicants; and (3) over whether the implications of your letter means that the entire redevelopment must take place at once and the statutory questions may be involved-since their first effort-concerning the Corporation's eligibility for HUD programs.

To raise these issues is not to say whether they are correct or incorrect, they simply need to know. They realize that these issues are probably not all area or regional in nature, but may emanate from the national level. The Lincoln Redevelopment Corporation thinks that these issues are real insofar as their own efforts are concerned and is requesting some written clarification lest their efforts come to naught.

The Corporation does not want to engender any hostility towards itself by raising questions but recognizes that as a risk it can no longer avoid. They in particular would not like to establish an adversary relationship with your office but do need some clarification. They respectfully request that you understand and see that this need is honored.

Yours sincerely,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

cc: Thomas Kilbride

PJP:ya



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64106
Telephone: (816) 241-3717

EXHIBIT 19

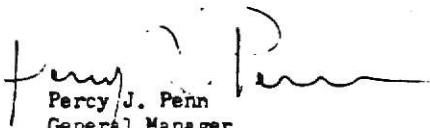
November 9, 1977

John G. Perez
Regional Director, Region VII
U.S. Department of Justice
Room 121
911 Walnut
Kansas City, Missouri 64106

Dear Sir,

The Board of Directors of the Lincoln Redevelopment Corporation authorizes the forwarding of the enclosed letters to the Justice Department and requests an examination of the issues raised. Their suspicion is that they are not being given the equal protection of the law insofar as local HUD practices and policies are concerned.

Yours truly,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

- Encls. 1. Area Office letter to Lincoln Redevelopment Corporation
 2. Lincoln Redevelopment Corporation's reply

PJP:yva

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The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 20

November 15, 1977

The Honorable Thomas Eagleton
Senator Of Missouri
Senate Office Building
Washington, D.C. 20510

Dear Senator Eagleton,

The Lincoln Redevelopment Corporation thanks you for your response (November 8, 1977) and offer to help. The Board of Directors feels, however, that Mr. Anderson's reply was, perhaps unintentionally, misleading. They do not, nor I as their Chief Administrative Officer, feel that the questions they've raised have been responded to by anyone in the HUD hierarchy. Therefore, as the General Manager, I have been instructed to reiterate the questions raised by the Corporation and continue to seek some clarification of the policy issues we have addressed. Enclosed is a copy of our reply to Mr. Anderson's letter of November 3, 1977, for your information.

The Corporation hopes that your office will monitor their efforts to see that the Corporation's questions and correspondence is adequately replied to at whatever level of the HUD hierarchy it takes. They feel that there are some unfair roadblocks in the way of their longtime efforts to create the climate for the redevelopment of their community, and they need help to see that these roadblocks are removed. We will keep you informed.

Yours sincerely,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

Encl. 1

PJP:yva

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EXHIBIT 21

ABRAHAM RIBICOFF, CONN., CHAIRMAN
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WILLIAM V. ROY, DEL.
TODD STEVENS, ALASKA
CHARLES MCC. MATHIAS, JR., MD.
JOHN C. DANFORTH, MO.
R. JOHN NEASE III, PA.

United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, D.C. 20510

RICHARD A. WISMAN
CHIEF COUNSEL AND STAFF DIRECTOR

December 2, 1977

Mr. Percy Penn
General Manager
Lincoln Redevelopment Corporation
1700A East 22nd Street
Kansas City, Missouri 64108

Dear Percy:

Thank you for your further correspondence expressing Lincoln Redevelopment Corporation's concerns over HUD's disapproval of the Lincoln Park development project. I appreciate your keeping me informed, and I will certainly continue to monitor this situation on your behalf.

I have also contacted Mrs. Harris regarding this matter, and will be pleased to forward you her reply as soon as I receive it.

Sincerely,


THOMAS F. EAGLETON
UNITED STATES SENATOR

TFE:cjm



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REGIONAL OFFICE
ROOM 300, FEDERAL OFFICE BUILDING, 911 WALNUT STREET
KANSAS CITY, MISSOURI 64106

December 9, 1977

EXHIBIT 22

REGION VII

IN REPLY REFER TO
7F

Mr. Percy J. Penn
General Manager
Lincoln Redevelopment Corporation
1700A East 22nd Street
Kansas City, Missouri 64108

Dear Mr. Penn:

This is in response to your "Memorandum of Understanding" dated November 8, 1977. As you noted, I am relatively new to the region; however, I am not new to HUD and its role in neighborhood revitalization. I am vitally interested in the region's problems and HUD's role in providing every assistance that it is within my authority to authorize in correcting the many urban problems that I find. It is to illustrate this concern that I have attempted to address in some detail the extensive listing of questions you have presented. HUD files confirm that the Kansas City Area Office has, on numerous occasions, explored with you the issues you raise and endeavored to explain their inability to approve the Lincoln Redevelopment proposal as presented.

HUD has indicated a desire to be a "contributor" to an overall redevelopment effort in the neighborhood you describe. A "contributor" does not mean solely assuming the risk to place new housing in a severely blighted and deteriorated neighborhood for which there are at present no other assured substantial entities prepared to take the actions necessary to return the site to minimum acceptable standards. All proposed sites must meet site and neighborhood standards. Although there are minor variances, depending on the particular program, the following quote for Handbook Section 880.112 is typical:

"...(c) The site shall not be located in:

- (1) An area of minority concentration unless (i) sufficient, comparable opportunities exist for housing for minority families, in the income range to be served by the proposed project, outside areas of minority concentration, or (ii) the project is necessary to meet overriding housing needs which cannot otherwise feasibly be met in that housing market area. (An "overriding need" may not serve as the basis for determining that a site is acceptable if the only reason that the need cannot otherwise feasibly be met is that discrimination on the basis of race, color, religion, creed, sex, or national origin renders sites outside areas of minority concentration unavailable.)

AREA OFFICES
KANSAS CITY, KANSAS - OMAHA, NEBRASKA - ST. LOUIS, MISSOURI
Insuring Offices

- *(2) A racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

(d) The site shall promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

(e) The site shall be free from adverse environmental conditions, natural or manmade, such as instability, flooding, septic tank back-ups, sewage hazards, or mudslides; harmful air pollution, smoke or dust; excessive noise, vibration, or vehicular traffic; rodent or vermin infestation; or fire hazards. The neighborhood must not be one which is seriously detrimental to family life or in which substandard dwelling or other undesirable elements predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

(f) The site shall comply with any applicable conditions in the Local Housing Assistance Plan, approved by HUD.

(g) The housing shall be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unsubsidized, standard housing of similar market rents.

(h) Travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, shall not be excessive. (While it is important that elderly housing not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.)"

It should be noted our offices are expected to select the best proposals which are submitted in response to notifications of fund availability.

There is a prevailing theme throughout your writings that HUD is under a mandate to fund needs identified in the Comprehensive Planning Process (701) as appropriate and desirable improvements in a community. There is not now, nor has there ever been any such mandate. HUD's primary function in such cases is as a source of funds for the planning process.

Some of those plans become action programs and are implemented through various funding devices - sometimes private, sometimes public. It is possible to implement only a small percentage of needs identified through the 701 planning process. That is the nature of the planning process. A multitude of needs and desires are identified. Typically, they are then cataloged locally into a general priority sequence. Over a span of time many of the priorities are fulfilled; far more are not. That does not represent a failure of the planning process. The identifying and cataloging is in itself an accomplishment. There are never adequate funds from any source to rectify more than a small number of the deficiencies identified by the 701 plans.

In a similar vein, your often expressed statement that the 701 plans are "HUD approved" erroneously concludes that HUD by nature of its financial participation in the 701 planning agrees, concurs, or otherwise endorses the content of the 701 plan. Such is not the case. HUD's approval of the completed 701 plan is limited to a determination that the issues which the plan was intended to address were in fact analyzed, and conclusions articulated and/or illustrated. The acceptability, logic, justification, priority and implementation is a local determination and responsibility. HUD may, or may not, be able to participate in the funding of portions of the implementation, depending on our priorities, statutory and handbook limitations and similar factors that must be applied to all applications.

To assure that you receive the fullest possible reply to the issues raised in your communications to both the Area and Regional Offices, I have received comments from both sources. In the interest of brevity, I am responding to the issues in the same order as they are enumerated in your communication of November 8, 1977:

1. Prior to submission of the Lincoln Redevelopment application on July 19, 1977, I am informed that the Kansas City Area Office, through its field representative, advised that evidence of public and private investment in the community must be presented with the application. Unfortunately, this was not done; therefore, the Area Office funding decisions had been completed and all available funds allocated when your Summary of Actions letter of October 8, 1977, was received. While this information has now been reviewed, the Area Office has not yet concluded that the investments indicated are of sufficient magnitude to alleviate concerns regarding the Lincoln Area. A response by Lincoln to a subsequent invitation for proposal including that area will receive the benefit of this data as a part of the review criteria. It will be a factor to be considered in conjunction with numerous other factors in reaching a decision on whether to fund the application.

4

2. The "treadmill" comment simply reflects the fact that, in spite of numerous discussions, over an extended period, involving many parties, public and private, no concrete program, including firm financial commitments, has been developed upon which redevelopment of the area can proceed.

The Kansas City Area Office indicates that they have previously shared with you their perception of some of the negative factors which appear to cloud the future of the Lincoln area. These may include, but are not necessarily limited to, the following:

- a. The very limited private investment in the area, when viewed in its relationship to overall need.
- b. The need for assurance that the quality of education available must be sufficient to attract families capable of paying market rate rentals.
- c. The apprehension of many persons that "inner city" areas frequently experience a higher incidence of crime and that particular efforts may be required to assure adequate security for owners and tenants.
- d. A question of whether transportation services are adequate to meet the demands and expectations of middle or higher income families, including elderly.
- e. Some question of whether adequate parking can be provided to accommodate the needs not only of residents, but also for their visitors.
- f. Whether there are adequate opportunities for recreation, entertainment and social life consistent with the expectations of families with higher incomes.
- g. Whether there are adequate shopping opportunities for both necessities and luxuries consistent with the purchasing power of occupants of varying incomes.
- h. Given the present racial composition of the area, there are some concerns whether new market rate housing would attract prospective white occupants. There are also questions of whether there is a market for unassisted units, as minorities with sufficient income to afford such housing increasingly choose housing in a wider range of neighborhoods.
- i. Reservations that general conditions in the area will not support market rate housing. The present extent of substandard housing is so

high that it could have a negative impact on the marketability of unassisted housing.

- j. Reservations regarding the level of general city services within the area. It must be determined that the city provides the same level of service relative to garbage collection, street sweeping and similar supporting activities that exist in other neighborhoods with which any new housing would have to compete.
- k. The extent to which there are incompatible land uses (i.e., industrial or commercial) which would detract from the marketability of new market rate housing in the Lincoln area.
- l. The extent to which the area can provide employment opportunities for members of middle income families.
- m. Whether the area provides day-care and pre-school facilities consistent with the expectations and demands of middle income parents.

This illustrative list is not to infer that all of these problems necessarily impact the Lincoln area. It is equally possible that there are other adverse issues beyond those which have been raised. The Lincoln area has been the subject of countless past studies. We feel it is now appropriate for the Lincoln Redevelopment Corporation to join with the city in concluding jointly which elements must be addressed in order to assure redevelopment, not just housing. Only when this is done can there be an answer to your question regarding who must participate in their "removal, and how?"

- 3. The Department's perception of the elements which have to be addressed is indicated above. We must require that applicants address these issues (or others) in situations where problems appear to be of a magnitude that they will affect a proposal's feasibility. The exhaustive planning and analysis which has already occurred with respect to the Lincoln neighborhood reflects our mutual conclusion that the area is not "typical" in terms of its present condition.
- 4. HUD's judgment with respect to the marketability of various types of housing in any particular neighborhood represents a conclusion based upon many factors. Among the most salient considerations are those regarding the present character of the area and the extent to which private parties are investing in housing within the neighborhood. Where there is a minimum of private participation HUD must insist upon further analysis and commitments for appropriate corrective action. We are not aware of any new market rate housing which has been constructed in this area for many years. We assume that market rate housing might become marketable

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as redevelopment proceeds; however, the financial structure of FHA-insured projects requires that they be marketable immediately upon their completion. No reasonable benefit could be served for either the Lincoln Redevelopment Corporation, the residents, or HUD if an initial project were constructed and it promptly went into default.

5. HUD's position is simply that we cannot provide any form of housing in the area unless or until the negative factors impacting the area are agreed upon and an action program is instituted providing assurance that they will be alleviated before, and not after, any initial housing projects are ready for occupancy. In the interim, Lincoln Redevelopment, like HUD, remains dependent upon the city's priorities for use of available Community Development Block Grant (CDBG) funds as one possible catalyst in this direction.
6. HUD has not "written off" the Lincoln neighborhood. To the contrary, this Department has continued to provide assistance to the area long after it was apparently abandoned or neglected by others. Project selection criteria, developed in response to numerous court decisions, severely limit our capacity to fund additional assisted housing within the area. Requirements for economic soundness in market rate programs preclude availability of mortgage insurance within the neighborhood at this time. We reiterate, however, that the Department is committed to provide its share in the revitalization of inner-city neighborhoods.
7. As stated in my opening remarks, the existence of plans developed through the "701" and "Community Renewal Programs" (CRP) does not assure their implementation. We recognize fully that the future of the area will be determined by a combination of many influences. Absent more concrete commitments of action from other parties, public and private, we must conclude that the only new housing which might be economically feasible would be that which is prohibited under the Site and Neighborhood Standards applicable to the Section 8 Program.
8. The existence of completed plans has not been ignored. What HUD must now require is the provision of resources necessary to their implementation. Housing is only one among many ingredients in these plans and we must insist that other parties show tangible commitments before we can proceed further.
9. Again, there are no policies which direct that special consideration be given to neighborhoods which have been the subject of "701" planning.
10. The mere existence of "701" plans does not obligate the Department to unilaterally assure their implementation. This Department was fully aware

of the possible conflicts which could be created upon completion of the "701" and "CRP" plans; but made a decision to provide the planning funds necessary in spite of any reservations. Provision of further HUD assistance in implementation of these plans was and is dependent upon each subsequent proposal's consistency with the rules and regulations applicable to the particular section of the law under which assistance is requested.

11. HUD has not negated any of the developer's "powers". The Department is fully prepared to provide appropriate assistance at such point in time as other parties, whose involvement is equally critical, are prepared to assume their share of the risks and responsibilities involved.
12. HUD has every desire that the citizen's expressed desires be realized. The realization of these desires simply requires cooperative action by and through other parties over whom the Department does not exercise direct control. Citizen desires cannot in and of itself justify the insuring of a proposed housing project.
13. Construction of Lincoln Gardens preceded rather than followed the extensive planning which occurred under the "701" and "CRP" process. While we can hope for the ultimate implementation of all or parts of these plans, we must reject implications that the future of the area is an exclusive HUD responsibility.
14. We feel that the comments above are largely responsive to this point. The very policies which give local authorities control over certain program funds make it mandatory that parties other than HUD become fully involved in the redevelopment of your neighborhood.
15. Many neighborhoods, in addition to the Lincoln area, have substantial needs for elderly housing. The rating system which was applied in our selection process included many factors. Until other resources are committed to the Lincoln area, it is not feasible for your proposal to "rate" high enough in a competitive situation to authorize funding.
16. The fact that the neighborhood received special planning assistance because of its condition does not authorize the Department to alter its analysis of a subsequent housing proposal within the study area. Because of our long-standing involvement in the neighborhood, we too wish that your plans could be implemented. We cannot, however, disregard other regulatory requirements regarding impactation and economic feasibility which must be applied to specific housing project proposals.

17. HUD is prohibited, by requirements for sound underwriting, from participating in projects which appear infeasible. We do not regard our present position as negatively influencing the redevelopment of the Lincoln neighborhood. To the contrary, we sincerely hope that our position will encourage other parties, whose participation is critical, to come forward with firm commitments and resources, instead of token endorsements.
18. HUD does not insist that all elements for redevelopment be in place throughout the entire area as a precondition to our participation. We must ask for assurance that initial improvements necessary to effect marketability will be in place not later than the date that HUD-assisted or insured housing will be ready for occupancy. Treatment throughout the balance of the area would obviously have to be phased in close coordination with scheduled housing development. HUD programs provide for our assumption of substantial, but not unreasonable, risks.
19. We believe that the Department has made a sincere effort to influence the participation of other necessary entities. HUD remains ready to proceed with the assured participation of other parties, but cannot in good conscience, proceed with further housing development alone.
20. Use of CDBG funds involves basically a local determination of priorities with justifiable needs invariably exceeding fund availability. As long as CDBG funds are being used for eligible items, HUD does not have the authority, nor a desire, to interfere in the self-determination procedure.
21. Lincoln Redevelopment's Section 8 application was reviewed in strict accordance with the Department's regulations and policies. All funding recommendations are developed through staff analysis, which includes full participation of HUD's Equal Opportunity staff. The final recommendations are thoroughly reviewed by the Area Director, who was fully cognizant of the contents of your proposals, the reasons for its rejection, and applicable regulations prohibiting its approval.

In conclusion, I assure you that your proposal has received fair and equal consideration and the the Area Office's judgments were based on factors which were both reasonable and appropriate. As indicated in the body of my comments, I do not anticipate that all redevelopment which may ultimately be necessary or appropriate need be accomplished at one time. The costs associated with any such requirement would totally preclude implementation of the plans which have been created. I fully recognize the frustrations which both you and your board have experienced. I have read your letter of October 18 addressed to Mr. Kilbride and can assure you that HUD has no desire to impose "suburban, white, middle-income standards to inner-city areas." Area Office staff remain available for further discussions regarding the redevelopment of your neighborhood

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upon the first firm indication that other units of government and the private sector are prepared to contribute firm financial support to a feasible redevelopment program.

I am satisfied that the status, conditions, needs, eligibility, and related factors pertaining to the Lincoln Redevelopment proposal have been reviewed and discussed to such a degree that every benefit and consideration which can be extended has taken place.

The Area Office Valuation, Management, Architectural and Equal Opportunity staffs carefully reviewed the Lincoln Redevelopment proposal prior to a determination that it had to be rejected. The Chief Underwriter, Housing Representative, Deputy Office Director and Director met with various Lincoln representatives to fully explain the Department's position. The Region has now reviewed the Area Office procedures and finds no evidence of a hasty, predetermined, or erroneous decision.

The Department, therefore, must reaffirm that under current regulations, the Lincoln Neighborhood proposal does not rank sufficiently high to authorize funding.

I regret that I cannot be more positive in my reply.


Regional Administrator

JOSEPH P. TEASDALE
GOVERNOR

EXECUTIVE OFFICE
STATE OF MISSOURI
JEFFERSON CITY

EXHIBIT 23

December 16, 1977

Mr. Percy J. Penn, General Manager
Lincoln Redevelopment Corporation
1700A East 22nd Street
Kansas City, Missouri 64108

Dear Mr. Penn:

Thank you for communicating your concerns over the Lincoln Redevelopment Corporation's frustrations in dealing with the Department of Housing and Urban Development. From personal knowledge, I realize the need for creative redevelopment projects in the Lincoln area given its high percentage of low-income residents, severely deteriorated housing stock, and lack of modern, public facilities. I am also aware of your past achievements and of LRC's exemplary and energetic Board of Directors.

I am directing staff from the Divisions of Community Development and Commerce and Industrial Development to contact you to coordinate the delivery of state resources and expertise to meet your pressing problems. In particular, I would call your attention to the recently passed Neighborhood Assistance Act which could provide a means of increasing the flow of private dollars into your area. I have enclosed a brief description of this new and exciting program.

Please let me know if the services of these Divisions are timely and productive.

With best wishes, I remain

Sincerely yours,

Joseph P. Teasdale

GOVERNOR

JPT:cw

Enclosure

cc: James L. Sullivan, Consumer Affairs, Regulation and Licensing
Tony Barnicle, Division of Community Development
Steve Hurst, Division of Commerce and Industrial Development

Neighborhood Assistance Program

Division of Community Development

For the past several years, there has been a heightening of interest in the rejuvenation of urban neighborhoods. The 1960's urban renewal concept of tearing down, relocating and building anew has been gradually supplanted by a determination to preserve and improve existing neighborhoods. The effort is to save not only the physical structures, but the neighborhood as an entity — the concept, the flavor, the unique combination of homogeneity and diversity.

Governments on several levels have instituted a number of programs, ranging from homesteading to day care centers, designed to encourage this regeneration. This year the Missouri Legislature established what is one of the most innovative of these programs. The Neighborhood Assistance Program (NAP) may turn out to be one of the most successful as well.

Patterned after a similar program in Pennsylvania, the Neighborhood Assistance Act grew out of a chance conversation between State Treasurer James Spainhower and State Senator Franklin Payne (D-St. Louis). Payne introduced a bill to establish the program in Missouri. With a late start, SB375 was one of the last Senate bills to pass the Senate, still needing approval from the two House Committees before it could take its place behind an already long list of Senate bills on the House calendar. In previous years, the Bill would have been dead. However, a new procedure established by the House this session saved the Bill.

After rapid and favorable action by the necessary House Committees, Senator Payne and Representative Stan Piekarski (D-St. Louis), who handled the Bill in the House, prevailed upon Majority Floor Leader and Rules Committee Chairman, Representative Joe Holt (D-Fulton), to bring the Bill before the Rules Committee for special consideration. That Committee voted to place the Bill, with minor amendments, on the new Rules Committee calendar. This insured that the Bill would reach the House floor this session. When it did, the House passed the Bill with three amendments, which were accepted by the Senate. Governor Joseph P. Teasdale signed the Bill into law on July 18, 1977.

The Neighborhood Assistance Program proposes to solve local problems with local control of local money. The state's role is to advise and to provide incentive for business participation. The incentive is in the form of a tax credit. The program will be administered by the Community Development Division of the Department of Consumer Affairs, Regulation and Licensing.

Businesses qualify for the tax credits by supporting various programs in impoverished areas. The Division

of Community Development is responsible for designating the impoverished areas. While the criteria for determining these areas are not yet developed, it is expected that several things will be considered. Of course, census data and current indices of social and economic conditions (e.g. unemployment rate) will be used, but they need not be the only determinant. As enacted, the Act allows considerable flexibility — enough that an area hit by a flood or a tornado could be declared impoverished for a period. Most impoverished areas are likely to be in urban neighborhoods, but rural areas can qualify as well.

Individual programs can be as varied as the circumstances of different neighborhoods. One of the advantages of the Neighborhood Assistance Program is that it can be used to encourage innovation. In general, the programs will fall into these five broad categories specified by the Act:

1. *Community Services* — any type of counseling and advice, emergency assistance or medical care furnished to individuals or groups.
2. *Crime Prevention* — any activity which aids in the reduction of crime. This might include drug and/or alcohol abuse programs.
3. *Education* — any type of scholastic instruction or scholarship assistance for individuals or groups.
4. *Job Training* — any type of instruction that enables an individual to acquire vocational skills to become employable or be able to seek a higher grade of employment.
5. *Neighborhood Assistance* — furnishing financial assistance, labor, material and technical advice to aid in the physical improvement of any part or all of an impoverished area.

The Community Development Division, with the assistance and approval of the Revenue Department, will be promulgating rules and regulations governing the approval or disapproval of proposed programs. In any community which has adopted an overall community or neighborhood development plan, before state approval can be given to any proposal, it must be endorsed by the local government as being consistent with that plan. According to Fred Abrams, Director of Pennsylvania's Neighborhood Assistance Program, the key to designating an impoverished area or approving a proposed program in this state has become basically an affirmative answer to this question: "Will this program serve the target population and meet the needs of the people?"

There are two ways a business can qualify for a tax credit under the provisions of the Neighborhood Assistance Act. One is to develop, propose and run an entire program. The other is to contribute to a neigh-

neighborhood organization which is administering an approved program. A "neighborhood organization" for the purposes of this Act is defined as a non-profit organization performing community services in an impoverished area, or a community development corporation under the provisions of Title VII of the Economic Opportunity Act of 1964.

In either case, the procedure will be basically the same. A proposal will be submitted by an applicant — either a neighborhood organization or a business firm — describing the community improvement project it wants to implement. The Division of Community Development will evaluate the proposal on the basis of the guidelines they will draw up. The Division may approve or disapprove the proposal or may suggest ways to change the proposal to make it eligible.

If a proposal is approved, the Division will certify it as eligible for a certain amount of dollars in tax credits. This figure generally will be 50 percent of the total invested by business firms. There is a provision permitting the Division to approve credit for 70 percent of an investment in activities designated as special program priorities each year. Approval is granted for only one fiscal year, and approval must be sought for each succeeding year a program is continued.

Any business is limited to a credit of \$250,000 in any one year, however, any tax credit not used in the period the investment was made may be carried over and used any time in the succeeding five fiscal or calendar years. The total amount of tax credits to be approved is limited to \$1,750,000 in the first fiscal year (1978) and increases by that amount each year until it reaches a total of \$8,750,000, which is the maximum credit for any fiscal year.

There are several advantages in this approach to aiding neighborhoods. One is that any project from the beginning is a neighborhood project. There is no provision for any state or federal bureaucrat to develop a program or to run a program, or force anyone into a program. Nor is there any provision for the government to tax one part of the state, use half the money for "administrative costs," and spend the other half in another part of the state. Instead, it provides for the various elements in a neighborhood working together to solve a problem, finding the money to execute the solution, and evaluating the success or failure. If something does not work, no bureaucracy is going to push for continuing it just to save that bureaucracy.

The state is involved primarily in publicizing the program and in approving or disapproving proposals. The state's main purpose is to make sure that the target areas and population are being served. This means that 95 to 99 percent of the cost to the state will be the tax credits — not administrative costs.

The Neighborhood Assistance Program has the potential to pay for itself. By providing job training, child care and similar programs, it will enable people to get jobs — not only taking them off welfare rolls, but giving them incomes which will put them on tax rolls. By improving and preserving homes and buildings, it will expand the property tax base. By providing youth services and crime prevention programs, it will keep people out of our courts and jails thereby reducing those costs.

State Treasurer Spainhower, in a letter to members of the House Revenue and Economic Committee, said it this way: "Although there would be an initial cost to the state in lowered corporate income taxes for corporations electing to participate, the long-run cost to the state could possibly be non-existent because of the increased economic activity generated by stable neighborhoods."

Finally, because a business gets a tax credit for only half of what it invests, the state — and the people — get twice the benefits they would get if the state collected the money in taxes and spent it on the same program.

It will take a great deal of planning and publicizing to encourage participation. It will take much hard work and innovative thinking from local leaders. But the potential rewards for the success of the Neighborhood Assistance Program are great. It can bring together the disparate elements of a neighborhood; it can create good will among the people for the businesses; it can provide a feeling of accomplishment for everyone. In short, the Neighborhood Assistance Program can regenerate a "sense of community" in our neighborhoods.

For further information about the Missouri Neighborhood Assistance Program, contact the Division of Community Development, P.O. Box 118, Jefferson City, Missouri 65101. Telephone 314/751-4858.

This article was written by E. C. Walker, Senate Research Staff member, and Mary Stangl, Division of Community Development. It appears in the August, 1977 Missouri Municipal Review.



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

December 19, 1977

EXHIBIT 24

Mr. William O. Anderson
Regional Administrator
Region VII
U. S. Department of Housing and Urban Development
911 Walnut
Kansas City, Missouri 64106

Dear Mr. Anderson,

The Board of Directors and the Executive Committee of Lincoln Redevelopment Corporation will be apprised of your response to my Memorandum of Understanding at their next convening. I will forward to you shortly after that time their collective response which I anticipate will be brief and appreciative.

As their General Manager, I ask your indulgence and permit me a preliminary response. I am personally grateful to you for taking the concerns and frustrations seriously and for taking the time to set in one place the basic conditions of HUD. One of the major underlying problems of the past has been that the information has been received by various persons, in fragmented conversations, incompletely, and in a piecemeal fashion. These various persons include third parties who have used bits and pieces of information received from HUD to stifle the effort and hurt the cause. What has been said over a period of time in its totality has never been put in one place before. This, of course, has served to confuse, and I will take this matter up with Mr. Kilbride).

Please forgive any implication that you are unfamiliar with HUD's role in neighborhood revitalization-none was intended. We do think, however, that we can finally show through our experiences that HUD's role in neighborhood revitalization is largely ineffective for reasons perhaps beyond its control. We think that the Urban Policy Group, still trying to draft the President's Urban Policy statement, could conceivably use the type of information developed in the Lincoln experience.

If our situation is at all typical-then it is as we suspected a national policy issue which should be addressed at the national level. We did not mean to imply that this is your or Mr. Kilbride's fault, or, even the fault of the larger organization you represent. We know that each of you are representing our country well, however, the Lincoln Redevelopment Corporation as the "Community based developer" feels that it, too, has a responsibility to elucidate those issues and problems within its own experiences which serve to negate the efforts of the citizenry and hinder the implementation of national policy efforts to "provide a decent home and a suitable living environment for all Americans." We shall continue in our efforts to do so for as long as it is feasible.

DIRECTORS

Robert A. Ellis, Chairman of the Board
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James W. Spencer, Vice President 4°
G. Lawrence Blankinship, Secretary 2

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E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3
Percy Caruthers

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brice
Basil North
Charles Hazley

Chairmen: (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee

Mr. William O. Anderson
12/19/77
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We regret having to push so hard, but we have been unable over the past eighteen months to convince City and other functionaries of the role the City must play in the redevelopment process. It has not been for a lack of effort, nor has there been a request for an inordinant amount of funds. The enclosed Operational Plan is typical of our request and it also outlines our approach. You will find that the Plan addresses every issue you raise in your reply. Although presumptuous, I would be pleased if you would read the one page Section on "Institutional Requirements and Relationships" as an example of our agreement with how you view HUD's role and those of the other parties to the process. We understand the fact that HUD cannot tell a City what to do but we are most appreciative that HUD has the nerve, finally, to tell not only the citizens what it expects, but also what it expects of other parties.

Please allow us to keep the door to your office slightly ajar as we continue our efforts to meet the conditions you have outlined and, of course, those which are not yet obvious. I am personally very grateful to you for responding in some detail and I suspect my Board will be also.

Yours very truly,


Percy J. Peyin
General Manager
Lincoln Redevelopment Corporation

Encl. Operational Plan and Budget

cc: Mayor Charles B. Wheeler

PJP:yva



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 25

January 4, 1978

Mr. William O. Anderson
Regional Administrator
Region VII
U.S. Department of Housing and Urban Development
911 Walnut
Kansas City, Missouri 64106

Dear Mr. Anderson,

We are grateful to you for your response to the Memorandum of Understanding. Your reply makes us aware that no matter the lip service paid to the issue of urban redevelopment, that HUD programs and, in particular their application by law or whatever, cannot be applied in inner-city areas where minorities predominate. The promise that they could be has been misleading and has done incalculable harm. We hasten to add that we do not blame you for this.

It seems a particularly cruel irony that after hundreds of years of Jim Crow laws requiring minorities and blacks, specifically, to stay in racially proscribed and segregated areas of American cities, that government programs now place the onus on blacks to integrate the areas where they live and solve the rest of society's problems—real and imagined—before any assistance to help them help themselves will be forthcoming from government.

All of the available evidence points to the fact that minorities are once again to be denied freedom of choice insofar as HUD programs are concerned, equal opportunity, and the equal protection of the laws. We cannot help but observe that the redevelopment approach outlined in our formally adopted Operational Plan and provided to the HUD Area Office in November 1976, would allow us to provide housing alternatives for all races and effectively deal with these real and perceived problems. Not overnight, perhaps, but surely an effective start would have been made. Many things are in our favor and seems to have been overlooked by those who have focused on the negatives.

Minorities complain about many things and the list is long. Yet, minorities are not likely to solve a single problem which they have inherited or to which they contribute unless and until they can be involved in creating, building, and caring for their own environment in the manner LRC has envisioned. In the meantime, the neighborhoods in which most of us still live and where many of us desire to live must continue to suffer the stigma and from the perception of those

DIRECTORS

Robert A. Ellis, Chairman of the Board
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Vernon J. Brooks, Vice President 3*
James W. Spencer, Vice President 4*
G. Lawrence Blankinship, Secretary 2

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Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3
Percy Caruthers

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Bruce
Basil North
Charles Hazley

Chairmen* (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee

Mr. William O. Anderson
1/4/78
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who no longer live among us-but who have the power to decide-that our neighborhoods are too dilapidated and are undesirable as places to live.

It was not too far in the recent past when many of these who are now technically assessing the conditions and deciding on resource allocations to inner-city areas made important personal and economic decisions to leave these same areas. Considering this, it is perhaps unrealistic to ask them now to refute their own logic and believe as we do that with a minimal investment and a policy commitment that certain of these areas could be brought back to life.

For whatever reason, or reasons, we have been unable to secure a meaningful commitment of assistance from HUD or even borrow from the HUD funds allocated to local government for assistance to groups such as ourselves. We feel that this is a double jeopardy situation which has so far frustrated our efforts to develop the necessary coalition of citizens, their governments, and private enterprise to redevelop a neighborhood. The conditions of our neighborhood has nothing to do with it. We know and are prepared to show that this coalition is jeopardized solely by a lack of governmental response.

We accept your assessment as to the validity of the application of these programs under the law by the Area Office and others. We understand that HUD apparently cannot direct its metropolitan programs in such a way that they can be used to help in the redevelopment of an inner-city area such as the one represented by Lincoln. Those who write our urban laws may not be aware that it is not always the existing conditions of an urban neighborhood that makes it next to impossible to redevelop and revitalize, but the prohibitive application and focus of oftentimes adequate governmental tools which can be the reason that national policy is so often frustrated.

Perhaps there are no better tools than the ones already existing-as was suggested by Mr. Slattery of your office to our general manager. He may well be right and, perhaps, this is one of the reasons that Mrs. Harris and the rest of the Urban and Regional Policy Group are having difficulty, at last report, framing an acceptable urban policy statement for the president to deliver to the country. It behooves us to try to help for we are the ones who will suffer the effect of whatever that policy may eventually be. We desperately hope that HUD will not impose any more Pruitt Igoes or Wayne Minors on us or make it possible for anyone else to do so. We would also like to be able to afford to stay where we are. Our perceptions as to what is possible are based on experience and first-hand knowledge of our own conditions and not from any image conjured up in the mind's eye of those who merely pass by.

It is in that spirit that we attempt to have these issues examined at the highest level that we can find a response and hereby elicit your support in this part of our effort also. We agree that no useful purpose can be served by further

Mr. William O. Anderson

1/4/78

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defending our position and disputing any portion of your reply at the regional or area office-level. We thank you again for responding and we shall continue in our efforts to make it possible for you to help us.

Yours sincerely,

Robert A. Ellis
Chairman of the Board

Starks J. Williams
President

G.L. Blankinship
Secretary

LINCOLN REDEVELOPMENT CORPORATION

PJP:mn



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 26

January 20, 1978

The Honorable Patricia Harris
U.S. Department of Housing and
Urban Development
451 7th Street S.W.
Washington, D.C. 20410

Dear Secretary Harris,

As the enclosed correspondence will further explain, we are a non-profit corporation attempting to continue the process of redevelopment in a Kansas City, Missouri, neighborhood which has historic and symbolic importance. The correspondence documents our experiences and frustrations over the past eighteen months, particularly those involving the U.S. Department of Housing and Urban Development.

We have reached a critical juncture, and Senator Thomas Eagleton has advised us that your office would be responding to the policy issues we have raised. We hope so because we are somewhat desperate and have found much to our surprise--that HUD programs apparently cannot be used to help us in our efforts without our having to meet impossible conditions.

HUD seems to require that the community-based redeveloper provide an antiseptic, laboratory environment for redevelopment projects, which is free from any contamination by racial concentration, poverty, blight, crime, poor quality education, lack of amenities, or any other trace of reality in an area which qualified for HUD designation as a comprehensive redevelopment area in the first.

According to the information we have received, this situation prevails primarily because of restrictive policy, rules, regulations, and operating procedures emanating from those who make our nation's policy--the effect of which they may not be aware. As such, the issues we have raised are policy ones. We hope, then, that these issues will be addressed prior to the finalization of any more urban policies (for the future) in our urban areas. We respectfully request that you review the enclosed material and attempt to get the issues contained therein before the proper forum.

In addition, we have attempted, particularly after reading Mr. Anderson (the Regional Director) letter of December 9, 1977, to pose the following statements, questions and observations from our experiences and his reply:

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2°
Vernon J. Brooks, Vice President 3°
James W. Spencer, Vice President 4°
G. Lawrence Blankinship, Secretary 2

Earl D. Thomas, Treasurer 1
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Percy Caruthers

Curtis T. ... mton 2
A. Odel ... nan 4
Curtis I.
Basil N.
Charles ... zley

Chairmen* (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee

The Honorable Patricia Harris
January 20, 1978
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1. HUD can apparently only provide lip service to the issue of urban redevelopment in inner city neighborhoods where minorities predominate because of the site and neighborhood standards which apply.

2. HUD programs, as they have apparently been framed by the policy makers, more effectively and devastatingly "redline" inner city neighborhoods than does the conscious combined effort of private lending institutions. HUD apparently has adopted for its Handbook the same standards which these institutions use to redline urban areas.

3. There are no HUD programs which will allow the black (or white, for that matter) middle class, living in neighborhoods declared blighted, to join in a coalition with those less fortunate than themselves in a concerted and comprehensive effort to improve neighborhood conditions. The Lincoln neighborhood has a relatively high percentage of middle income blacks residing there. HUD ignores this fact.

4. HUD apparently cannot assist in meeting a need in inner city areas even when the need can be clearly demonstrated. The area has a high percentage of elderly in need of adequate housing, for example.

5. HUD has no responsibilities, no mandates in several areas mentioned by Mr. Anderson. Should not there be?

6. Should not HUD give some special consideration for Section 701 and CRP areas to force local governments into a posture of continuity between plan and action? HUD should maintain its own credibility and not leave it to local governments. Similarly, HUD funds administered locally can be shown to have not been responsive to citizen needs. Must this situation prevail from now on?

7. What compels HUD to put the "cart before the horse"? Why can't HUD formalize and make known to all the necessary partners to the redevelopment process the conditions necessary for HUD's participation? In the redevelopment process, this burden has been placed on the redeveloper who, in many cases, has less credibility than any of the parties: HUD, private business, local or state governments.

8. As we have shown, what mandate requires HUD to ignore evidence that other essential parties are participating and that others are ready to participate? We prove this participation in our letter of November 18, 1977, to this date it has been ignored.

The Honorable Patricia Harris
January 20, 1978
Page Three

9. HUD policies do not address the realities of the situation faced by inner city areas. An examination of the Regional and Area Director's replies to us reveals this better than anything we could add. We strongly suspect that when HUD speaks of addressing "the negative conditions of your neighborhood," they see only one thing: the color of the people living there. If the color of the people living...If the "ethnic purity" happens to be black, then that is the negative condition. We know that HUD has unfairly assessed the social, cultural and economic conditions of our neighborhood. There is some blight and inadequate housing but that is what our request to HUD was all about.

10. Why cannot there be freedom of choice provided for Americans to live in "areas of minority concentration" if that be their desire without any outside imposition on them to do so, and HUD assistance given so that they can work to improve the conditions of their surroundings? Why must HUD require-through its program applications-that blacks must leave their areas of "ethnic purity" in order to receive HUD assistance? As we informed Mr. Anderson in our letter of January 4, 1978, this is a particularly cruel irony.

Many of these questions, in particular the last above, could be elaborated upon. However, in the interest of brevity, we would observe only, that HUD programs apparently cannot be coordinated with other federal Department programs such as those of Commerce and Labor. Nor are state redevelopment tools compatible with HUD approaches. We ask that some thought be given to this by our policy makers. We strongly feel that HUD's assessment of our neighborhood condition have been unfairly stated.

We thank you in advance for any assistance you can provide which would make our efforts more productive in improving the conditions of our physical surroundings. We have naively believed that we were also in pursuit of a national goal.

Very truly yours,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

Enclosures

PJP:yva



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 27

January 20, 1978

Mr. Dale Bertsch
172 Cherry Drive
Centerville, Ohio 45459

Dear Mr. Bertsch,

As the enclosed correspondence will further explain, we are a non-profit corporation attempting to continue the process of redevelopment in a Kansas City, Missouri, neighborhood which has historic and symbolic importance. The correspondence documents our experiences and frustrations over the past eighteen months, particularly those involving the U.S. Department of Housing and Urban Development.

We have reached a critical juncture, and a mutual friend has advised us that you, as a consultant to the Urban and Regional Policy Group, would be interested in the policy issues we have raised. We hope so because we are somewhat desperate and have found--much to our surprise--that HUD programs apparently cannot be used to help us in our efforts without our having to meet impossible conditions.

HUD seems to require that the community-based redeveloper provide an antiseptic, laboratory environment for redevelopment projects, which is free from any contamination by racial concentration poverty, blight, crime, poor quality education, lack of amenities, or any other trace of reality in an area which qualified for HUD designation as a comprehensive redevelopment area in the first place.

According to the information we have received, this situation prevails primarily because of restrictive policy, rules, regulations, and operating procedures emanating from those who make our nation's policy--the effect of which they may not be aware. As such, the issues we have raised are policy ones. We hope, then, that these issues will be addressed prior to the finalization of any more urban policies (for the future) in our urban areas. We respectfully request that you review the enclosed material and attempt to get the issues contained therein before the proper forum.

In addition, we have attempted, particularly after reading Mr. Anderson's (the Regional Director) letter of December 9, 1977, to pose the following statements, questions and observations from our experiences and from his reply:

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2*
Vernon J. Brooks, Vice President 3*
James W. Spencer, Vice President 4*
G. Lawrence Blankinship, Secretary 2

Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd M. Harlow, Sr. 3
Percy Garuthers

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Brice
Basil North
Charles Hazley

Chairman (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee

Mr. Dale Bertsch
January 20, 1978
Page Two

1. HUD can apparently only provide lip service to the issue of urban redevelopment in inner city neighborhoods where minorities predominate. Because of the site and neighborhood standards which apply.

2. HUD programs, as they have apparently been framed by the policy makers, more effectively and devastatingly "redline" inner city neighborhoods than does the conscious combined effort of private lending institutions. HUD apparently has adopted for its Handbook the same standards which these institutions use to redline urban areas.

3. There are no HUD programs which will allow the black (or white, for that matter) middle class, living in neighborhoods declared blighted, to join in a coalition with those less fortunate than themselves in a concerted and comprehensive effort to improve neighborhood conditions. The Lincoln neighborhood has a relatively high percentage of middle income blacks residing there. HUD ignores this fact.

4. HUD apparently cannot assist in meeting a need in inner city areas even when the need can be clearly demonstrated. The area has a high percentage of elderly in need of adequate housing, for example.

5. HUD has no responsibilities, no mandates in several areas mentioned by Mr. Anderson. Should not there be?

6. Should not HUD give some special consideration for Section 701 and CRP areas to force local governments into a posture of continuity between plan and action? HUD should maintain its own credibility and not leave it to local governments. Similarly, HUD funds administered locally can be shown to have not been responsive to citizen needs. Must this situation prevail from now on?

7. What compels HUD to put the "cart before the horse"? Why can't HUD formalize and make known to all the necessary partners to the redevelopment process the conditions necessary for HUD's participation? In the redevelopment process, this burden has been placed on the redeveloper who, in many cases, has less credibility than any of the parties: HUD, private business, local or state governments.

8. As we have shown, what mandate requires HUD to ignore evidence that other essential parties are participating and that others are ready to participate? We prove this participation in our letter of November 18, 1977, to this date it has been ignored.

Mr. Dale Bertsch
January 20, 1978
Page Three


9. HUD policies do not address the realities of the situation faced by inner city areas. An examination of the Regional and Area Director's replies to us reveals this better than anything we could add. We strongly suspect that when HUD speaks of addressing "the negative conditions of your neighborhood," they see only one thing: the color of the people living there. If the color of the people living there. If the "ethnic purity" happens to be black, then that is the negative condition. We know that HUD has unfairly assessed the social, cultural and economic conditions of our neighborhood. There is some blight and inadequate housing but that is what our request to HUD was all about.

10. Why cannot there be freedom of choice provided for Americans to live in "areas of minority concentration" if that be their desire without any outside imposition on them to do so, and HUD assistance given so that they can work to improve the conditions of their surroundings? Why must HUD require-through its program applications-that blacks must leave their areas of "ethnic purity" in order to receive HUD assistance? As we informed Mr. Anderson in our letter of January 14, 1978, this is a particularly cruel irony.

Many of these questions, in particular the last above, could be elaborated upon. However, in the interest of brevity, we would observe only that HUD programs apparently cannot be coordinated with other federal Department programs such as those of Commerce and Labor. Nor are state redevelopment tools compatible with HUD approaches. We ask that some thought be given to this by our policy-makers.

We thank you in advance for any assistance you can provide which would make our efforts more feasible for the future. We will also attempt to get the Secretary's office to deal with these same observations.

Yours sincerely,


Percy J. Penn
General Manager
Lincoln Redevelopment Corporation

Enclosures

PJP:yva



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 28

January 27, 1978

The Honorable Richard Bolling
Congressman of Missouri
Room 935, U.S. Courthouse
811 Grand Avenue
Kansas City, Missouri 64106

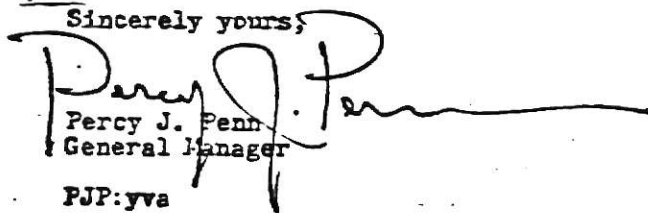
Dear Congressman Bolling,

The Board of Directors of Lincoln Redevelopment Corporation is appreciative of your response of January 19, 1978. However, the reply from Carol E. Thompson, HUD's Assistant for Legislative Affairs, to your letter, completely misses the point as to the policy issues raised by the Corporation. These have been summarized in the attached letter to Secretary Harris.

The Corporation, through its experiences with HUD locally, has identified certain HUD operations and policy guidelines which seem to have serious import and negatively impact their efforts, minorities, and inner-city revitalization efforts generally. In view of the Urban and Regional Policy Group's current efforts to frame an Urban Policy Statement for President Carter, they feel a responsibility to get these issues examined prior to any concluding statement as to what the nation's urban policy should be. Of course, this transcends any rejection by HUD of the Corporation's proposal for Section 8 or any other assistance.

If you can be of any further assistance in this matter, we would be most appreciative.

Sincerely yours,


Percy J. Penn
General Manager

PJP:yva

Encl.

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2°
Vernon J. Brooks, Vice President 3°
James W. Spencer, Vice President 4°
G. Lawrence Blankenship, Secretary 2

Earl D. Thomas, Treasurer 1
E. Frank Ellis
Ben Govan 3
Isadore H. Gross, Sr. 1
Lloyd Harlow

Curtis R. McClinton 2
A. Odell Thurman 4
Curtis Bruce
Basil North
Percy Caruthers
Charles Hazley

Chairmen: (1) Finance Committee (2) Planning & Development Committee (3) Building & Grounds Committee (4) Legal & Public Relations Committee



The Lincoln Redevelopment Corporation

(NON-PROFIT)

1700A East 22nd Street
Kansas City, Missouri 64108
Telephone: (816) 241-3717

EXHIBIT 79

January 31, 1978

The Honorable Thomas F. Eagleton
Room 911, U.S. Courthouse
211 Grand Avenue
Kansas City, Missouri 64106

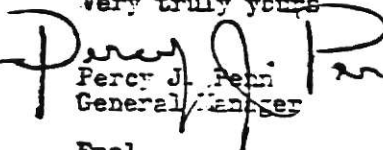
Dear Senator Eagleton,

The Board of Directors and many of the institutions, businesses, and citizens of this area are very appreciative of your efforts in our behalf to urge the U.S. Department of Housing and Urban Development to face and respond to the policy issues of redevelopment and revitalization of urban neighborhoods. We think that these have been brought to light through the Corporation's initiatives, experiences with HUD programs, their application in the Kansas City area, and HUD's response to these initiatives.

In our enclosed letter to Secretary Harris, we have tried to be highly specific as to what the issues are. We feel a responsibility to have these issues examined prior to the finalization of any new urban programs by the Urban and Regional Policy Group. We have reasons to believe that present HUD programs may be more adequate than not--if HUD policies and operating procedures would allow them to be applied intelligently, innovatively, and imaginatively. In any event, we think that we can document the fact that HUD's current application of its programs is inimical and detrimental to the redevelopment and revitalization of urban neighborhoods, and to the efforts of community-based redevelopers to improve the lives and conditions of area residents.

For these reasons, we ask your continued interest and assistance. Again, our sincere appreciation.

Very truly yours,


Percy J. Penn
General Manager

Encl.

PJP:yva

cc: Miles Home for Children
Bethel A.M.E. Church
BLK, JR. Hospital
Black Economic Union

DIRECTORS

Robert A. Ellis, Chairman of the Board
Starks J. Williams, President 2°
Vernon J. Brooks, Vice President 3°
James W. Spencer, Vice President 4°
G. Lawrence Blankinship, Secretary 2

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Lloyd M. Harlow, Sr. 2

Curtis R. McClinton 2
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Curtis Brice
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 JOHN C. DANFORTH, MO.
 R. JOHN HENNE, III, PA.
 RICHARD A. BICGAN
 CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON
 GOVERNMENTAL AFFAIRS
 WASHINGTON, D.C. 20510

EXHIBIT 30

February 3, 1978

Mr. Percy Penn
 General Manager
 Lincoln Redevelopment Corporation
 1700 A East 22nd Street
 Kansas City, Missouri 64108

Dear Percy:

I am in receipt of your most recent correspondence and enclosed letter to Secretary Harris. I expect very shortly to receive a further report from HUD in response to my earlier inquiries on your behalf to Mrs. Harris. As soon as I have this reply, I will forward it to you.

I am pleased to be of whatever assistance I can in this matter, and hope you will feel free to contact me any time.

Sincerely,

Tom Eagleton
 Thomas F. Eagleton
 United States Senator

TFE:cjm



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

FEB 14 1978

OFFICE OF THE ASSISTANT SECRETARY FOR
HOUSING-FEDERAL HOUSING COMMISSIONER

IN REPLY REFER TO:

EXHIBIT 31

Mr. Percy J. Penn
General Manager
Lincoln Redevelopment
Corporation
1700A East 22nd Street
Kansas City, Missouri 64108

Dear Mr. Penn:

Your letter to Secretary Harris of January 20, 1978 has been referred to this office for response.

Since you raise numerous issues concerning HUD program operations in Kansas City, Missouri, I am referring your critical comments to other concerned Departmental staff. As soon as this review is completed, we will reply to you shortly.

Sincerely,

E. Quinton Gordon

E. Quinton Gordon
Director
Office of Policy Development
and Evaluation

EXHIBIT 32

BLACK ECONOMIC UNION KANSAS CITY, MISSOURI

The Black Economic Union, a non-profit organization, was formed in 1970 for economic revitalization.

The Neighborhood. The Special Impact Area, a 600 acre planning site which encompasses the Downtown East Planning Area is the section of Kansas City in which the Black Economic Union will concentrate its efforts. 93% of the area's population is Black, and 12% are 65 years or older. Incomes range from \$2,333 to \$7,115.

The Organization. The Black Economic Union's Board of Trustees determines overall policies and goals for the organization. The Board is comprised of many segments of the community and includes business persons, communications experts, lawyers, realtors and community leaders. BEU's five offices provide an array of services including business plans, loan packaging, management and financial assistance and clerical training.

Background. Prior to the formation of the Black Economic Union, this organization was part of the Negro Economic Industrial Union, a national organization with a regional office in Kansas City. BEU was instrumental in obtaining a special impact area designation for their neighborhood.

Key projects include:

- Completion of preliminary planning report, "From Yesterday Comes Tomorrow".
- Developed a mini-industrial complex with 11,200 square feet of commercial space, (houses BEU's administrative offices and training programs).
- Established a Business Institute Training Center (BITC) offering basic small business management training, seminars and workshops.
- Developed plan for the redevelopment of the 18th and Vine Street commercial area.
- Developed the Downtown East Federal Credit Union.

Proposal Content. As part of the Black Economic Union's contract with the Office of Neighborhood Development BEU will:

- develop 3 alternate area-wide economic development strategy plans for the Downtown East Planning Area.
- develop and complete a management policy plan.
- form a not-for-profit SBA (502) local development corporation.
- develop a plan through the HUD Section 701 Planning Program for the residential portion of the Downtown East Plan area (Lincoln Redevelopment).

In addition BEU will also provide technical assistance to evolving neighborhood development organizations through on-site and off-site seminars and workshops.

Amount of Contract Award: \$126,000

Principal Contact Person: Chang D. Hwang
Chief Executive Officer
Black Economic Union
P.O. Box 4443
Kansas City, Missouri 64127
Tele: (816) 474-1080

Block Grant Misses Mark

If more community participation had gone into the public hearings on the proposed community development budget, the fund allocations surely would reflect more commitment to actual neighborhood improvement. As it stands now the approximate \$13.5 million total will yield just over half a million dollars in public improvements for non-urban renewal areas.

The funding is from the Community Development Block Grant program and the budget goes before the City Council for approval today.

It is not the slightest of our intentions to rap those areas which continue to receive funding. Quite the contrary. It is regrettable that an expanded financial source cannot be attained for improvement of Kansas City neighborhoods. The simple fact is that residents of neighborhoods that have not deteriorated, but which could use repairs such as sidewalks and curbing, have in effect slept through the winter.

There are needs to be met in Kansas City that could mean a lot to residents in terms of housing and the economic spinoffs — jobs and other finance-generating activity. Conversely,

there are neighborhoods which seem to be making no progress toward recovery. Utter frustration by residents and the logjam of communication between the city and the neighborhoods have fostered some of that futility.

Something as simple as \$75,000 for each of 10 areas to use on paint-up neighborhood projects is absent from the budget this year. One, because it was presumed to be expendable and two, because the residents let it slip away.

Perhaps only an accountant and a handful of angry property owners could solve the mystery of funding lost to other areas of the proposed community development budget. The bitter truth is that somewhere between the decreasing federal share of the community development fund over the last four years and the increase in administrative costs, some neighborhoods have been squeezed out of the picture. Political circumstance cannot be held fully accountable for the neighborhoods that lost public improvement funding.

today's
bible
verse

No man hath seen God at any time. If we love one another, God dwelleth in us, and His love is perfected in us—1 John 4:12

AN ABSTRACT

OF A MASTER'S REPORT:

ANATOMY OF A PROPOSAL
"DOWNTOWN EAST NEIGHBORHOOD DEVELOPMENT PROJECT"

BY

PERCY J. PENN

B.S. TUSKEGEE INSTITUTE, 1952

SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE:

MASTER OF REGIONAL AND COMMUNITY PLANNING
DEPARTMENT OF REGIONAL AND COMMUNITY PLANNING

KANSAS STATE UNIVERSITY
MANHATTAN, KANSAS

1979

Committee: C. A. Keithley
O. J. Selfridge
Gene Ernst

ABSTRACT

A Request for Proposal was received from the United States Department of Housing and Urban Development in early May, 1978. The Request for Proposal required that respondents follow a stringent format and:

- a. articulate a neighborhood investment strategy through defining and updating neighborhood strategies, planning and development of projects and submitting a final report of all activities; and,
- b. provide technical assistance to less well-developed (compared to themselves) neighborhood development organizations, through developing a technical assistance plan, a technical assistance program, delivery of technical assistance and a final report outlining progress which could be replicated nationwide.

The Black Economic Union of Greater Kansas City, Missouri, responded to the Request for Proposal (Appendix 1) which would allow BEU to:

- a. make its planning and development effort in the Downtown East Planning Area (neighborhood) truly comprehensive;
- b. address the issues of housing planning and implementation; and,
- c. increase its staff to include a housing specialist and an urban specialist and the retention of a consulting firm in areas of program and organizational development.

The expected results at the end of the one-year contract period of HUD funding would be as follows*:

- a. Develop three (3) alternate area-wide economic development strategy plans for the Downtown East Planning Area.
- b. Develop and complete a Management Policies Plan which describes, in detail, the specific actions necessary by the local legislative body, planning commission, urban renewal agency and other local, regional and state agencies or entities that are necessary for plan/project implementation in the Downtown East Planning Area.
- c. Formulation of a not-for-profit Small Business Administration (502) Local Development Corporation.

*BEU was a successful bidder on the HUD Contract for \$126,000. The activities are as stated in the approved Statement of Work of that contract.

- d. Residential development in HUD Section 701 in the overlap portion of the Downtown East Planning Area (Lincoln Redevelopment.)

In addition, BEU is expected to develop the capability to provide technical assistance to evolving neighborhood development organizations through on-site and off-site seminars and workshops.

In order for the significance of the response to be understood as to its potential to start redevelopment processes in the face of unyielding political forces in neighborhood areas; Section I represents an overview of the situation faced by the parties involved in the redevelopment effort, and of the background which lead to the response. Appendix II contains the Exhibits for Section I.