

REQUEST FOR LEGISLATIVE ACTION

Version 6/10/19

Completed by County Counselor's Office:

Res/Ord No.: 20452

Sponsor(s): Crystal Williams

Date: June 29, 2020

<p>SUBJECT</p>	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: Transferring \$63,428 within the Assessment Fund and authorizing a cooperative agreement with the City of Kansas City for the purpose of completing a market value analysis (MVA) by the Reinvestment Fund for all residential neighborhoods in Jackson County.</p>												
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$63,428</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td></td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$63,428</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$63,428</td> </tr> <tr> <td>Source of funding (name of fund) and account code number: FROM: ASSESSMENT FUND 045-8005-56830 Non-Mandated Contingency - Contingency</td> <td>FROM ACCT: \$63,428</td> </tr> <tr> <td>TO: ASSESSMENT FUND 045-1902-56070 Assessor – Intergovernmental Agreement</td> <td>TO ACCT: \$63,428</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use:</p> <p>Prior Year Budget (if applicable): N/A Prior Year Actual Amount Spent (if applicable): N/A</p>	Amount authorized by this legislation this fiscal year:	\$63,428	Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:	\$63,428	Amount budgeted for this item * (including transfers):	\$63,428	Source of funding (name of fund) and account code number: FROM: ASSESSMENT FUND 045-8005-56830 Non-Mandated Contingency - Contingency	FROM ACCT: \$63,428	TO: ASSESSMENT FUND 045-1902-56070 Assessor – Intergovernmental Agreement	TO ACCT: \$63,428
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<p>PRIOR LEGISLATION</p>	<p>Prior ordinances and (date): Prior resolutions and (date):</p>												
<p>CONTACT INFORMATION</p>	<p>RLA drafted by Troy Schulte, County Administrator at 881-1079</p>												
<p>REQUEST SUMMARY</p>	<p>This resolution transfers \$63,428 in Assessment Fund contingency funding to the Assessment department and authorizes the County Executive to sign a cooperative agreement with the City of Kansas City, Missouri to conduct a market value analysis for all residential neighborhoods in Jackson County. Jackson County will contribute 60% of the costs for all of Jackson County and Kansas City will contribute 40% for neighborhoods in Platte and Clay Counties. This agreement builds on work done by the City of Kansas City in 2016. The contract with the Reinvestment Fund will be held by the City of Kansas City. The cooperative agreement will allow Jackson County and Kansas City to participate in a study to classify all residential property in Jackson County into one of nine different residential valuations. This information will allow the Assessment Department to better classify all residential property into smaller neighborhood groupings based on underlying market value of the property. This data will allow for more accurate property valuations and a more accurate analysis of comparable real estate markets within and between neighborhoods. Once completed, this information will be made available to all cities and to the public to assist in other housing condition needs in Jackson County.</p>												
<p>CLEARANCE</p>	<p><input type="checkbox"/> Tax Clearance Completed (Purchasing & Department)</p>												

	<input type="checkbox"/> Business License Verified (Purchasing & Department) N/A	
	<input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
COMPLIANCE	<input type="checkbox"/> MBE Goals <input type="checkbox"/> WBE Goals N/A <input type="checkbox"/> VBE Goals	
ATTACHMENTS		
REVIEW	Department Director: <i>Paul M. C. Beatty</i>	Date: 6/23/20
	Finance (Budget Approval) APPROVED If applicable: <i>Mark Lang</i> By Mark Lang at 11:32 am, Jun 23, 2020	Date:
	Division Manager: <i>Mark M. Schito</i>	Date:
	County Counselor's Office: <i>Bryan Comish</i>	Date: 6/25/20

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the _____ Fund in _____.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:
045-8005-56830	Non-Mandated Contingency	\$63,428

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.



REINVESTMENT FUND

City of Kansas City & Jackson County, MO

Scope of Work for Market Value Analysis

June 2020

Contact Information:

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Reinvestment Fund

Reinvestment Fund is a leading innovator in the financing, analysis, and design of neighborhood and economic revitalization efforts. Our mission is to build wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. Over its 30-year history, Reinvestment Fund has evolved into a results-oriented, socially responsible community investment group with expertise in public management, sophisticated spatial display, and rigorous data analysis conducted by the Policy Solutions division.

Policy Solutions' data analyses guide both Reinvestment Fund's own investments, as well as those of external clients. We work with the public, private, and philanthropic sectors to design and measure the impact of strategies to preserve and rebuild equitable communities. We are recognized nationally for producing objective research on fair housing, mortgage foreclosures, residential and commercial market conditions, food access, arts and culture, and the impact of various housing and community development programs.

Market Value Analysis (MVA)

Reinvestment Fund's MVA offers a tool for community revitalization and investment; it guides interventions not only to where there is a need for them, but also in places where public investment can stimulate private market activity and capitalize on larger revitalization efforts. Since 2001, Reinvestment Fund has created over 40 MVAs for municipal, county and state geographies, including Kansas City, MO in 2016.¹ Kansas City also hosted a Community of Practice convening for MVA cities in summer 2019, where participants shared best practices in using data to inform their community development efforts.²

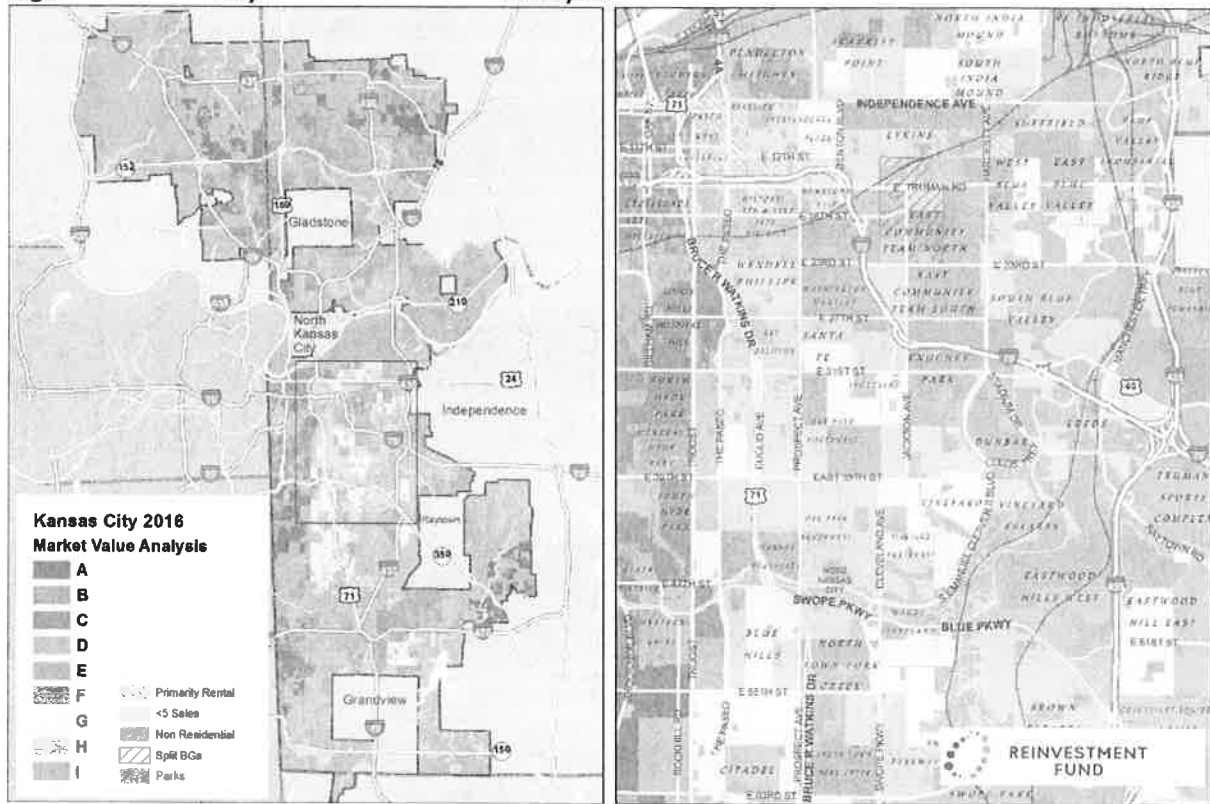
¹ <https://www.kcmo.gov/city-hall/departments/city-planning-development/market-value-analysis-kansas-city-missouri>

² https://www.reinvestment.com/wp-content/uploads/2019/06/COP_Event_Summary.pdf

The MVA offers insight into the variation in market strength and weakness within and between traditional neighborhood boundaries because it uses Census block groups as the unit of analysis.³ Where market types meet on the map becomes instructive about the potential direction of market change, and ultimately, the appropriateness of types of investment or intervention strategies.

Several localities, including Houston, Pittsburgh, Philadelphia, St. Louis, New Orleans and Baltimore, now work with us to conduct the MVA analysis on a periodic basis to provide a report card of the housing market and how it has changed over time. To see examples of the MVA product, visit: <https://www.reinvestment.com/initiatives/market-value-analysis/>

Figure 1: Kansas City 2016 Market Value Analysis



MVA Steering Committee

Reinvestment Fund typically works directly with an MVA steering committee throughout the study process. Steering committee participants represent a diverse group of public agencies, lenders and real estate professionals and nonprofit institutions committed to ensuring the viability and growth of neighborhoods. Steering committee members for the 2016 KC MVA included representatives from the following organizations:

³A Census block group is a geographic designation representing an area that is typically about one-fifth the size of a Census tract.

AltCap, Bloch Family Foundation, City of KC, Code for KC Brigade, Community Capital Fund, Federal Reserve, LISC, H&R Block Foundation, Housing Authority of KC, KCMO Land Bank, KC Regional Association of Realtors, LP Cookingham Institute for Urban Affairs, Legal Aid of Western MO, Office of the Mayor, Urban Neighborhood Initiatives; and HUD.

Once Reinvestment Fund has internally reviewed the datasets, steering committee members, as people with local expertise, provide their insights into the validity of the data and the preliminary analysis results. This allows for stakeholders to be involved throughout the process as they think about the programs and services currently in place and assess their ongoing appropriateness to observed market conditions.

MVA Methodology and Assessment

To perform an MVA, Reinvestment Fund collects and analyzes data that uniquely define the local real estate market and sub-markets. Our clients obtain and provide most of that data to Reinvestment Fund, usually from local administrative sources, covering the most recent 2-year period available at the time the analysis begins. The data elements included in the 2016 KC MVA included:

- Residential property sales prices
- Residential mortgage foreclosure filings
- Tenure (i.e., owner occupancy)
- Vacant housing units
- Vacant land parcels
- Properties with code violations
- Property descriptions (e.g., housing type, zoning, parcel and lot size)
- Subsidized rental housing units and Housing Choice Vouchers
- Construction permits
- Publicly owned property
- REO (Bank owned) properties

To develop the MVA, Reinvestment Fund uses a statistical technique known as cluster analysis. A cluster analysis forms groups of areas (i.e., block groups) that are similar along the descriptors noted above. The goal is to form groups (typically from 6-10) within which there is a similarity of characteristics, but each group is itself distinct from the others. Using this technique, the MVA condenses vast amounts of data to a manageable, meaningful typology of market types that can inform decisions related to the distribution of investments and other resources. (See Table 1).

Table 1. Kansas City MVA Market Characteristics

	Median Sales Price	Variation Sales Price	Household Density	Percent Owner Occupied	Pct. Renters In Single Family Homes	Number Rental Households	Percent Subsidized Households	Percent Homes with Violations	Percent of Homes with Permits	Percent Vacant Homes	Percent Distressed Sales
A (35)	\$318,900	0.34	6.14	89%	97%	97	1%	3%	12%	2%	1%
B (28)	\$294,847	0.39	10.60	74%	14%	310	1%	4%	20%	1%	2%
C (64)	\$173,861	0.49	26.10	30%	30%	289	15%	13%	13%	3%	3%
D (68)	\$154,520	0.37	5.24	80%	91%	138	2%	7%	5%	1%	3%
E (51)	\$84,335	0.53	3.27	74%	96%	203	5%	14%	3%	4%	10%
F (46)	\$93,351	0.55	4.72	42%	44%	162	21%	14%	4%	5%	12%
G (53)	\$39,034	0.80	4.72	52%	89%	156	20%	23%	3%	12%	27%
H (37)	\$18,962	1.10	6.67	50%	87%	163	20%	23%	2%	23%	47%
I (27)	\$6,175	1.31	4.68	45%	82%	165	17%	19%	2%	24%	58%

Reinvestment Fund is committed to accuracy. In addition to testing data, we typically investigate the study area on multiple trips (frequently accompanied by our local clients and/or steering committee members) to verify, at the street-level, that the data reliably reflect observed conditions, and that the resulting MVA categories accurately reflect the market. Under the current conditions associated with the COVID-19 pandemic, the study team will have limited ability to conduct in-person field validation. Reinvestment Fund staff work directly with City and County officials to develop a remote validation procedure that will involve City and County staff conducting on the ground validation with guidance from Reinvestment Fund Staff. If the data do not comport with what staff view on the street, we will flag these areas for the steering committee and consider alternative datasets if necessary.

In this updated scope of work Reinvestment Fund will retain travel and staff resources to potentially conduct a final round of field validation and potentially for an in-person final round of presentations of results.

Additional Analyses

Tracking Change over Time

Many clients use the MVA to measure changes in their market over time. Completion of the 2020 MVA in Kansas City and Jackson County will support comparative analyses between current conditions and those observed in 2016. Reinvestment Fund will create a citywide overview of areas where significant change has occurred along key indicators: sales price, foreclosures, and other measures identified in consultation with the MVA steering committee. We will also evaluate the direction and magnitude of those changes.

The change over time analyses will be restricted to Kansas City, as 2020 will be the first time the non-Kansas City portions of Jackson County will be analyzed.

Data Overlays

Policy will work with City of Kansas City and Jackson County staff and steering committee members to identify up to six data additional layers that will be produced and laid over the MVA results (e.g., job centers, code enforcement, investor purchases, resident survey, market access by income level, mortgage lending activity). This will help stakeholders to both think more globally about the housing market and its relation to other important issues in Kansas City and Jackson County, and to use the MVA to implement programs and make budget decisions.

Deliverables

Reinvestment Fund will present findings from the MVA and additional analyses at steering committee meetings. We will also provide the City and the County with the underlying data and results so they can be installed and used in local data systems. Specifically, Reinvestment Fund will:

- Deliver a database that will include all information obtained from the client and all other sources used to create the MVA and its respective “context” layers. Any modifications made to the data will be documented and included in that database. It will be delivered to the client in .dbf and .shp file formats to allow for incorporation into other data systems with a metadata file.
- Provide Technical Assistance (TA) to the client or its designees to convey the methodology and structure of final database for integration into local data management systems.
- Deliver a PowerPoint presentation detailing the MVA process and findings related to: the characteristics of each market type; areas that have experienced significant market changes along key measures; and additional data overlays.

Work Plan: Kansas City 2020 MVA and Change Over Time Assessment

The timeline in the task list below has been removed and replaced with TBD due to the uncertainty surrounding the near and mid-term conditions on the ground in Kansas City associated with COVID-19 pandemic – the sequence of activities will remain consistent.

TASK*

Timeline - TBD

Launch Meeting and Data Acquisition/Processing

Launch meeting (via conference call) with Reinvestment Fund and City of Kansas City and Jackson County to review the MVA process, define geographies, and identify data needs.

Client supplies parcel and block group data required for the analysis.

Reinvestment Fund processes data and creates maps of each indicator to evaluate during kickoff trip.

Steering Committee Kickoff -

Virtual meeting with Reinvestment Fund, City and Jackson County staff and steering committee members to review draft variables, process, and datasets in the model.

Reinvestment Fund staff coordinate with City and Jackson County staff who will drive targeted parts of the City and County to validate key data points from the different data layers.

Review deliverables and discuss format of final products and content of additional analyses.

Data Analysis

Reinvestment Fund tests and continues to assess various data elements at the block group level.

Reinvestment Fund hosts a go-to meeting with the City and Jackson County to show data mapped for each variable and validates that the data comports to what is known about the market conditions.

Reinvestment Fund defines cluster market types and tests results.

MVA Field Evaluation and Draft Review -

In consultation with City and County staff Reinvestment Fund staff will remotely coordinate a field inspection of draft MVA (cluster analysis) to ensure output conforms to the built environment and market realities. Hold second virtual meeting of the steering committee to review the draft MVA results and solicit feedback on its accuracy.

Virtual meeting with the City and Jackson County to discuss a framework for the MVA as it relates to public intervention and investment strategies. Agree on data overlays.

MVA Draft Results and Begin Additional Analyses

After the field verification is complete, Reinvestment Fund will make appropriate adjustments to cluster modeling and host an online meeting session to discuss the revisions with Fund staff.

Prepare maps, PowerPoint presentation and materials displaying MVA, review with the City and Jackson County.

Draft set of data overlays

Revise and Finalize MVA

Based upon field validation and steering committee feedback, revise, test and update model. Continue to revise until Reinvestment Fund and the City, Jackson County, and steering committee members agree it accurately depicts the market conditions.

Discuss markets with significant changes over time (positive/negative).

Evaluate change since 2016 MVA. Finalize data overlays.

MVA Results and Strategy Discussion

Present MVA methodology, results and considerations for public intervention strategy to steering committee. Deliver all data related to the 2020 MVA. Present and discuss changes (in person or virtually) in market since last MVA, present data on places with significant change. Deliver overlay products.

**Timeline assumes that Reinvestment Fund will receive all required data at project launch.*

Budget

Data Collection & Validation	\$31,848
Data Processing & Analysis	\$38,397
Product Development & Dissemination	\$22,656
Travel	\$5,310
Data Purchase	\$7,500
Total	\$105,712

This budget estimate reflects cost reductions related to staff time and travel to conduct field validation and in person meetings. The budget does retain travel and staff time for a final round of field validation and as well as travel and staff time for final presentations of results – should conditions on the ground permit.

COOPERATIVE AGREEMENT

BETWEEN THE CITY OF KANSAS CITY, MISSOURI
and
JACKSON COUNTY, MISSOURI

REGARDING REINVESTMENT FUND MARKET VALUE ANALYSIS

THIS AGREEMENT is entered into and executed by and between **THE CITY OF KANSAS CITY, MISSOURI**, a municipal corporation (the "City") and **JACKSON COUNTY, MISSOURI**, ("Jackson County," and together with City, the "Parties").

WHEREAS, Section 103 of the City's Charter grants the City the power to cooperate with other governmental bodies for the purpose of promoting any of the powers of the City; and,

WHEREAS, in 2016, the City contracted with Reinvestment Fund, a community development financial institution, to conduct a market value analysis of Kansas City, Missouri, that used local data sources and worked with a committee of local public, private, and philanthropic stakeholders to create a model assessing residential market value on a block by block basis (the "2016 Analysis"); and,

WHEREAS, the Parties desire to have Reinvestment Fund conduct another market value analysis of Kansas City, Missouri, and the areas of Jackson County, Missouri, not within City boundaries (the "MVA") as outlined in the scope of work attached hereto as Exhibit A ("Scope of Work"); and

WHEREAS, the Parties desire to select local public, private, and philanthropic stakeholders to serve on a steering committee throughout the MVA process (the "Steering Committee") and be tasked with assisting Reinvestment Fund in development of the MVA; and

WHEREAS, the Parties desire to share the costs and the underlying data and results of the MVA; and

WHEREAS, the City will enter into a contract with Reinvestment Fund to conduct the MVA (the "Contract"); and

WHEREAS, the Parties believe it is in the public interest and the common good of the general public that they enter into an inter-governmental cooperative agreement;

THEREFORE, IT IS MUTUALLY AGREED, as follows.

1. PURPOSE OF MVA. The Parties shall cooperate in the development of the MVA which will, among other things, assess market differences across

neighborhoods, factors impacting the residential housing market, and intersection points of different markets. The MVA will also support comparative analyses between current conditions and those observed in the 2016 Analysis across key indicators including sales price, foreclosures, and other measures identified in consultation the Steering Committee. The Parties and Steering Committee will also work with Reinvestment Fund to identify up to six additional layers to be produced and laid over the MVA results.

2. STEERING COMMITTEE. The Parties shall cooperate in selecting members of the Steering Committee who will, among other things, provide insights into validity of data, processes, and analyses, accompany Reinvestment Fund on physical investigations of study areas to confirm data reflects observed conditions, identify key market indicators, identify up to six additional data layers to be produced and laid over MVA results, provide input as to whether the final MVA accurately depicts market conditions, and consider final MVA methodology, analysis, and potential public intervention strategies.
3. DUTIES.
 - a. The Parties shall cooperate and endeavor to effectuate the work plan contained in the Scope of Work (“Work Plan”) and attend all meetings, conference calls, and field investigations, and provide information and input necessary to effectuate the Work Plan.
 - b. The Parties shall cooperate to effectuate the Work Plan and MVA by, among other things, providing Reinvestment Fund all required data including parcel and block group data, reviewing the MVA process and defining geographies, reviewing draft variables, processes, and datasets in the model, accompanying Reinvestment Fund on physical investigations to determine MVA conformity with environmental and market realities, discussing the framework for the MVA as it relates to public intervention and investment strategies, reaching consensus on data overlays, reviewing and discussing any revisions based on field verifications, reviewing maps, PowerPoint presentation and other materials displaying the MVA, reviewing MVA results to confirm accurate depiction of market conditions, discussing markets with significant changes over time and evaluating changes since 2016 Analysis, and reviewing and discussing MVA methodology, analysis, and considerations for public intervention strategy.
4. DELIVERABLES. The Parties shall share any deliverables pursuant to the Contract including all findings from the MVA, additional analyses from Steering Committee meetings, and underlying data and results so such can be installed and used in local data systems (the “Deliverables”). More specifically and as outlined in the Scope of Work, the Deliverables shall also include a database in .dbf and .shp file formats that includes all information obtained from the Parties and all other sources used to create the MVA and its context layers, and any

modifications to the same, technical assistance to convey the methodology and structure of the final database for integration into local data managements, and a PowerPoint presentation detailing MVA processes and findings related to characteristics of each market type, areas that have experienced significant market changes along key measures, and additional data overlays.

5. COSTS.
 - a. Pursuant to the Contract, the total amount to be paid to Reinvestment Fund for the MVA is \$105,712.00 (“Total Costs”).
 - b. Jackson County shall be responsible for sixty percent (60%) of Total Costs, or \$63,427.20. The City shall be responsible for forty percent (40%) of Total Costs, or \$42,284.80. The Parties shall pay each of their respective shares of the Total Costs to Reinvestment Fund on or around the same mutually agreed upon date.
6. IMMUNITY & PUBLIC DUTY DOCTRINE. No provision of this Agreement is intended to, or does, negate or waive official immunity, sovereign immunity or application of the public duty doctrine if the agents, officials, officers, employees, elected or appointed officials, or other representatives of either party are subject to civil litigation arising out of their actions as set forth in this Agreement. This Agreement is entered into for the public interest and the common good of the general public and is for a strictly governmental purpose.
7. THIRD PARTIES. This Agreement creates no third-party beneficiary rights in any other person or entity.
8. MODIFICATION. Any amendment or modification of this Agreement shall require the written approval of both Parties.
9. TERM. This Agreement shall begin when executed by the Parties and shall terminate when the Contract has terminated.
10. GOVERNING LAW. This Agreement shall be construed and governed in accordance with the laws of the State of Missouri.
11. REPRESENTATIONS AND WARRANTIES. The City and Jackson County each has the power and authority to execute and deliver this Agreement, to use the funds as contemplated hereby and to perform this Agreement in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement.

For the CITY OF KANSAS CITY, MISSOURI:

Signature Date signed

Name and Title

Approved as to form:

Assistant City Attorney Date

For JACKSON COUNTY, MISSOURI:

Signature Date signed

Name and Title

Approved as to form:

[TITLE] Date