

Longfellow/Beacon Hill Urban Renewal Area Plan Neighborhood FAQ's

1) **How long will our neighborhood Urban Renewal Area Plan be effective?**

The plan will be effective for 15 years from the date it is approved.

2) **With regard to VII Workable Plan, B and C: what constitutes “sufficient financial information to enable the authority to determine whether the project would not be economically viable without the granting of benefits...?”**

Owner-occupied residences are not subject to this provision; they may simply apply for tax abatement during their construction/rehabilitation work. Multi-family, commercial and mixed-use projects must submit a Redevelopment Project Application for approval by the LCRA before beginning any construction/rehabilitation work. The LCRA may approve a reduced property tax abatement if analysis shows a full abatement is not necessary.

And

D: what constitutes the “public benefit” that a project must demonstrate on an ongoing basis?

The property must be maintained in good condition throughout the term of the property tax abatement. Some businesses may be required to maintain a specific number of employees throughout the term of the property tax abatement. The LCRA can terminate a property tax abatement if a project fails to comply with these requirements.

3) **What other services/benefits does the approval of this plan offer the neighborhood?**

Creating an Urban Renewal Area does not necessarily entitle the area to any other benefits from other City or State programs. It may, however, help leverage other resources, such as Public Improvement Advisory Committee (PIAC) funding for projects within the neighborhood. Projects seeking other types of funding assistance, such as Federal and/or State tax credits, may also receive “bonus points” in the scoring of their applications for being located within a designated redevelopment area, such as an Urban Renewal Area.

Aside from the property tax abatement that each property would become eligible for, The biggest benefit is knowing that all commercial, multifamily and mixed-use projects seeking tax abatement would be subject to a review process that will require input from the neighborhood group. That means that there would be no surprises about projects that nobody in the neighborhood knows about being approved by the LCRA.

4) There is a plan being developed by the Power and Light District and we are in their boundary. How will their plan impact our plan?

The “Greater Downtown Area Plan” is currently beginning its preparation process. It will cover the entire downtown area, from the Harlem area north of the Missouri River south to 31st Street. When and if it is adopted by the City, it would replace all of the existing Area Plans within the Greater Down area, including the Beacon Hill – Longfellow Area Plan. It is expected to reflect much of the intent and content of the existing Area Plans it will replace. LCRA staff does not believe that it will have any significant impact on the proposed Longfellow – Dutch Hill Neighborhood Urban Renewal Plan.

5) How long will my tax abatement last if approved?

10 Year Tax Abatement from date approved.

6) Can I qualify for tax abatement twice during the 15 year period?

A property may qualify for property tax abatement again only if it has been five or more years since the first tax abatement ended and it has returned to a blighted condition.

7) How long is the qualifying period for my project? In other words, Do I have to complete the work and spend \$5,000 within 12 months of the application?

Generally, yes. If you are an owner-occupant homeowner, you can apply for tax abatement during your construction/rehabilitation project. Multi-family housing, commercial and mixed-use projects must obtain project approval before beginning any construction/rehabilitation work.

8) Can I complete an application if I am in the middle of my project?

Yes, owner-occupant homeowners may apply for tax abatement even if they have already started. Their tax abatement application must be submitted and approved prior to project completion. Multi-family housing, commercial and mixed-use projects must obtain project approval before beginning any construction/rehabilitation work.

9) What types of improvements will qualify for tax abatement?

The LCRA’s rehabilitation guidelines will require property owners to correct life safety problems and major code violations. Major repairs to foundations, walls, roofs, windows, doors, porches, floors, ceilings, driveways, retaining walls, and sidewalks or the replacement of deteriorated or out-dated mechanical, electrical, and plumbing systems will qualify. Minor improvements, such as repainting, caulking, or planting new flowers will not qualify.

10) Do improvements completed in 2006 or 2007 qualify?

Unfortunately, projects completed prior to the approval of this Plan are not eligible for property tax abatement

11) If I sell my house does the tax abatement transfer to the next owner?

Yes, property tax abatement is tied to the property, not the owner. An existing property tax abatement is considered an attractive selling feature.

12) How will applying for tax abatement affect current property values?

Property owners may notice that their property values increase during the term of their property tax abatement; however, receiving property tax abatement will “freeze” a property’s taxes at their existing level throughout the term of their property tax abatement.

13) Can "do-it-yourself" repairs and costs qualify for the tax abatement?

“Do-It-Yourself” projects are eligible, but property owners must provide documentation of their eligible expenses in order for them to be counted. “Do-It-Yourself” projects must meet the same requirements that life safety issues and major code violations be corrected. The LCRA cannot include value of the property owners time spent on “do-it-yourself” projects, so “do-it-yourself” property owners must be able to document at least \$5,000 has been spent on materials and supplies.

14) Can my property be taken by Eminent Domain?

The Plan allows for the potential use of eminent domain, but only under some specific conditions targeted toward “problem” properties. This plan specifies that no property can be taken via the use of Eminent Domain without the consent of both the LCRA and the Longfellow Neighborhood Association. The Plan also specifically states that no owner-occupied residential property can be acquired by eminent domain.

15) How/where do I apply for tax abatement?

Owner-occupants of single-family housing may obtain a tax abatement application directly from LCRA staff. This simple form will require that some basic documentation be attached for review. LCRA Contact: Bob Long. Email address: www.rlong@edckc.com or phone 816-691-2104.

Multi-family, commercial and mixed-use projects must submit a Redevelopment Project Application for approval by the LCRA before beginning any construction/rehabilitation work. Please contact EDC or LCRA staff to schedule an appointment to discuss your project and the application process and requirements.