



FOR IMMEDIATE RELEASE:

Legal Aid and AltCap Launch Loan Fund to Address Abandoned Home Issue

Collaborative Venture Provides Rehabbers Loans for Restoring Homes in KC's Urban Core

KANSAS CITY, Mo.—AUGUST 15, 2018— Seeking to make more housing available and to tackle the blight of abandoned homes in the urban core of Kansas City, [Legal Aid of Western Missouri](#) announces the launch of the **Kansas City Social Investment Pool**, a first-of-its-kind collaboration to provide loans to rehabbers restoring abandoned housing in the inner city.

“Safe and affordable housing is a key to breaking the cycle of poverty in the urban core,” said Joe Dandurand, executive director of Legal Aid of Western Missouri. “Legal Aid has a long history of supporting inner-city neighborhood associations and their rehabbers who want to remedy blighted property. Now, with the KC Social Investment Pool, we’re able to help neighborhood associations and rehabbers get the work going.”

The KC Social Investment Pool was established by Legal Aid of Western Missouri in partnership with [AltCap](#), a Community Development Financial Institution, with *pro bono* legal support from [Stinson Leonard Street](#). Civic-minded local investors contributed \$200,000 to capitalize the loan fund. First Federal Bank made a \$105,000 donation to support the loan fund as well.

AltCap will manage the funds and underwrite and service the loans to rehabbers who are working in partnership with neighborhood associations represented by Legal Aid of Western Missouri.

Legal Aid of Western Missouri assists the inner-city neighborhood associations in gaining clear ownership of the abandoned homes, and then turning them over to rehabbers who restore them, and sell or lease them. The loan fund helps fill the challenging financing gap for this restoration work.

There are currently more than 5,000 vacant or abandoned homes in Kansas City. Often becoming magnets for crime, drugs and other illegal activity, the presence of abandoned or vacant homes can diminish property values, spurring a downward spiral of neglect, blight and disinvestment. Additionally, vacant homes represent a great loss of potential affordable housing.

AltCap President Ruben Alonso III said the program brings many benefits.

“The short-term loans can be used to purchase materials and equipment as well as hire laborers, contractors, plumbers, electricians and other construction trades, creating local jobs and supporting economic activity, while revitalizing homes in the urban core,” he said.

The Urban Neighborhood Initiative, a nonprofit established to revitalize an area of Kansas City's urban core, applauds the initiative. A majority of the city's abandoned and vacant properties are in the urban core and the area of UNI's focus.

"We welcome and support these efforts to clear titles to urban properties and fund rehabbers to move these homes back into productive use," said Dianne Cleaver, UNI executive director.

The Greater Kansas City Community Foundation also applauded the social investment. David Anderson, director of investments for the Community Foundation, said donors with charitable giving accounts at the Foundation can choose to invest their charitable assets in the sustainable reinvestment vehicle.

"We support donors in giving to the causes they care about," he said. "We are pleased that donors with an interest in supporting urban housing now have a new way to give."

Independent neighborhood rehabbers were on hand for the announcement, which was held at an abandoned property in the Washington Wheatley Neighborhood Improvement Association. Charles McLaughlin, an independent contractor, said he hopes to be one of the first to secure a loan under the new program. McLaughlin has worked with Legal Aid to obtain title to abandoned homes, but said he has struggled at times to manage cash flow in his rehab construction projects.

"It's going to be very helpful to have access to funds when we need them," he said. "This can help us keep our laborers on the job."

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About [Legal Aid of Western Missouri](#)

Legal Aid is the only organization in western Missouri that provides free, comprehensive civil legal services to low-income people. Our work is highly cost-effective and addresses root causes of community problems. Legal Aid collaborates with other community organizations working on housing, health care, public assistance, domestic violence and other issues to solve community problems.

About [AltCap](#)

AltCap is a Community Development Financial Institution (CDFI) committed to building stronger communities and a thriving economy in the Kansas City metro. From New Markets Tax Credits to small business and microloans, AltCap has generated significant economic and community impact through key community investments, creative financing options for job creating small businesses, and by connecting entrepreneurs to the necessary expertise and resources they need to prosper.

About [Stinson Leonard Street](#)

Stinson Leonard Street provides transactional, counseling and litigation services to clients ranging from individuals and privately held businesses to national companies and international public corporations. The firm blends a collaborative environment, cost-effective project management and deep legal knowledge to deliver value on each matter and a rewarding experience to each client. Stinson has offices in 13 U. S. locations. In 2016, attorneys and staff in every practice group participated in the firm's pro bono program, donating more than 23,000 hours in free legal services.

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