



KCStat Follow-Up Memo

Housing KCStat Meeting

July 24, 2017, 10 a.m.

Full presentation and link to video (when available) can be found here: <http://kcmo.gov/kcstat/meetings>

Live-tweet stream can be found by searching Twitter for #kcstat

The July 2017 KCStat meeting on Housing focused on reporting progress toward the objectives outlined in the Adopted 2017-2022 Citywide Business Plan (see Section 5 below). Major discussion points, follow-up items, and data questions that arose at the meeting are summarized below. For questions on these items, please contact Kate Bender (kate.bender@kcmo.org or 816-513-6567).

1. Major Discussion Points From Meeting

- a. The issue of preserving affordable housing is a major one facing the City - LIHTC properties are expiring after 15 years of affordability, and in many areas like downtown, there is not an anticipated pipeline of projects to replace them. There may be an option to renegotiate with developers to extend affordability if they continue to have debt with us.
- b. Specifically in downtown, we need to consider the number of people who depend on public transit to get to their jobs there – this is a strong reason to look at stabilizing our affordable housing options nearby.
- c. The city does not currently have any sort of inclusionary zoning policy that would encourage or require the development of affordable housing. This would impact the return to developers. It's important when thinking about this or other options to create affordable housing that we have a diverse set of tools available to finance and subsidize these units, including Low Income Housing Tax Credits and Historic Preservation Tax Credits, but also possibly including other economic development incentives such as more generous tax abatements, longer TIFs, or lower PILOTS.
- d. Another potential missing tool is a second mortgage program to create homeownership, which the City used to fund with HOME dollars before that funding stream was substantially reduced. To make a substantive impact in this area, a program would need to fund 200 property sales at approximately \$20,000 each for a total of \$4 million per year. The one-eighth cent sales tax was mentioned as one potential funding source for a program like this.
- e. The Governor's Committee on Simple, Fair, and Low Taxes has recommended substantial reductions/elimination to the Low Income Housing Tax Credit Program and the Historic Preservation Tax Credit Program. While these changes would need to be adopted by the legislature, it is safe to assume that some cuts will be made. The Low Income Housing Tax Credit program has been used to create over 1,800 units of affordable housing since 2011 utilizing over \$100 million in tax credits.
- f. Work is progressing on the rehab funding loan program. Meetings with banks will be held in August to further define the program and obtain commitments. The goal is to have a program operational by the end of 2017. The program would ideally be targeted using the MVA and other data, and involve other investments as well.
- g. Development of a healthy homes rental inspection program has proceeded – the need has been measured, best practices have been assessed, a policy concept developed, and feedback gathered from landlords and others. Based on this process, two proposals have been offered – a routine inspection program, and a complaint based program. The process will proceed with Mayor/City

Council engagement and ultimately an election to establish a program. Concerns were raised in the meeting about having a strong enough enforcement mechanism that will have teeth in it to force owners to comply.

2. Follow-Ups for Departments (to report back at 2018 KCStat Meeting):

- a. Track and document affordable housing expiration issue and report back on geographic extent of program as well as plan to address. (NHS-Housing)
- b. Report back on implementation of CHOICE grant and its impact on AFH goals. (NHS-Housing, CPD)
- c. Consider contacting the EDC Loan Corporation as a potential resource for funding home rehab loans. (NHS)
- d. Report back on progress in rental housing inspection program. (Health)
- e. Consider ways to connect applicants to Minor Home Repair program with weatherization program. (NHS-Housing, OEQ)
- f. Analyze needs of city with regard to housing and compare with existing policy/programs; come back to KCStat and report back with proposals of what we should be doing in terms of policy or resources. (NHS, CPD, CMO)

3. Data Questions (to report back at 2018 KCStat Meeting)

- a. Report back on progress toward federal receivership agreement in terms of liability remaining. (NHS-Housing)
- b. Provide information about benchmarks for lead poisoning rates in other cities if available. (Health)
- c. Obtain data from Community Services on weatherization outputs. (NHS-Housing)

4. Next Meeting for Housing KCStat: Not yet scheduled but anticipated for early 2018

5. Objectives from the Adopted 2017-2022 Citywide Business Plan

#	Objectives relating to Housing Accessibility/Availability	Target Timeframe
3	Develop a new City Housing Policy that addresses all housing types, including very low income, affordable, workforce, and market rate	April 2017
2	Implement a new five-year consolidated plan and Fair Housing Initiative	2017
6	Support establishment of a new local housing financing organization that offers single family rehabilitation and new infill construction to support home ownership opportunities	April 2018
7	Integrate the results of the Market Value Analysis into City housing and economic development strategies	2017
#	Objectives relating to Housing Quality	Target Timeframe
1	Perform targeted housing condition surveys	July 2017
4	Develop and implement strategies that increase the proportion of children living in lead-free homes	May 2018
5	Implement a Healthy Homes Inspections program through the Health Department to protect rental property occupants from environmental hazards and improve energy efficiency	May 2018
8	Neighborhoods and Housing Services, Environmental Quality, and the Health Department collaborate and identify funding sources to improve and maximize energy efficiency to reduce costs for the residents of Kansas City, with emphasis on low-income householders, and multi-family low-income housing.	May 2018