

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180370

Providing a definition of “affordable housing” for purposes of implementing the scoring system for certain projects seeking certain economic incentives, and directing the City Manager to develop and propose an updated scoring system with respect to the affordable housing component.

WHEREAS, the Economic Development & Incentives Policy, as enacted by Committee Substitute for Ordinance No. 140031, As Amended, establishes the development of housing opportunities, consistent with market needs of existing and prospective residents, as one of the City Council’s priorities; and

WHEREAS, the City Council periodically receives requests for economic incentives in the nature of the capture and redirection, or abatement or exemption of taxes; and

WHEREAS, these requests for economic incentives are subjected to a scoring system for the purpose of ranking economic development projects and determining the level of incentives to be offered; and

WHEREAS, the current scoring system, as adopted by Committee Substitute for Ordinance No. 160683, allocates points for projects which are primarily residential in nature and, among other things, improve or increase the supply of affordable housing within the City; and

WHEREAS, “affordable housing” is a term typically used to describe housing units that are affordable by members of society whose income is below the median household income; and

WHEREAS, a conventional indicator of what is affordable is the percentage of income a household generally spends on housing; and

WHEREAS, the U.S. Department of Housing and Urban Development has determined that housing costs that are at or below 30 percent of a household income are considered “affordable” and any higher percentage that is devoted to housing costs is burdensome or no longer affordable; and

WHEREAS, an affordable home in Kansas City, Missouri is one in which the household is not expending more than 30% of the total income for the mortgage or rent, including other housing expenses such as property taxes, insurance, and utilities; and

WHEREAS, it is the sense of the City Council that projects which are primarily residential in nature and request economic incentives should be scored by the extent to which they provide affordable housing for various categories of households; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 180370

Section 1. That affordable housing shall, for purposes of implementing the scoring system for those projects which are primarily residential in nature and are seeking economic incentives in the nature of the capture and redirection, or abatement or exemption of taxes, be defined as that which a household having income equal to the median income for all households within Kansas City, Missouri, as estimated and reported by the American Community Survey 5-Year Estimates, as updated from time-to-time, would be able to afford if it were to expend not more than thirty percent (30%) of such income for the mortgage or rent, including other housing expenses such as property taxes, insurance, and utilities. No project shall receive an allocation of points for improving and/or increasing the supply of affordable housing pursuant to Part V (b) of the Site Based Project Evaluation scoring system, as adopted by Committee Substitute for Ordinance No. 160683, unless at least ten percent (10%) of each residential unit type being constructed is affordable housing as defined herein.

Section 2. That the City Manager is directed to develop and propose revisions to Part V(b), of the Site Based Project Evaluation scoring system, as adopted by Committee Substitute for Ordinance No. 160683, for the purpose of revising the manner in which points for affordable housing are to allocated. Such revision shall scale the points to be awarded such that a greater number of points is awarded to those projects that include affordable housing for the lowest income groups.

Approve as to form and legality:

Brian T. Rabineau
Assistant City Attorney