

ORDINANCE NO. 180677

Establishing the Affordable Housing Fund to further the City's goal of promoting the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households within the City; and directing the City Manager to establish a low income housing pilot program.

WHEREAS, the Low-Income Housing Tax Credit (LIHTC) program has proven itself to be a valuable tool in promoting the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households within the City; and

WHEREAS, developers have pursued low-income housing tax credits as an incentive to build affordable housing projects as financing those type of projects without them can be difficult, if not impossible; and

WHEREAS, the State of Missouri recently impaired the City's ability to promote low-income housing by its decision to end matching funding for the LIHTC program, and Governor Parson has indicated that he will not pursue their reinstatement this year; and

WHEREAS, the City Council is unwilling to allow affordable housing to fall by the wayside while the merits of LIHTC continue to be debated in Jefferson City; and

WHEREAS, the City periodically receives distributions of surplussed EATS and a pro rata share of surplussed PILOTS when tax increment financing plans expire or are otherwise terminated ("TIF Surpluses"); and

WHEREAS, those sources can provide startup funding over the next five years for the Affordable Housing Fund; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Affordable Housing Fund is hereby established and shall be funded from future TIF Surpluses distributed to the City for the next five years.

Section 2. That the City Manager shall develop a pilot program for the purpose of providing low-income housing cash subsidies to be drawn down over time, subject to the limitations of funding available within the Affordable Housing Fund, and shall provide for compliance periods and recapture provisions similar in structure to those under the LIHTC program.

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Section 3. That the direction of any one-time revenues to the Affordable Housing Fund shall be deemed an appropriate use for non-recurring expenditures pursuant to Section 2-1970(g), Code of Ordinances.

Approved as to form and legality:

Saskia Jacobse
Assistant City Attorney