Outlook

Health Forward Opposition to Ordinance 260286 — Reduction of the Affordable Housing Set-Aside Payment In Lieu Fee

From Emma Shankland <eshankland@healthforward.org>

Date Tue 3/31/2026 9:44 AM

To Public Testimony <Public.Testimony@kcmo.org>

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1 attachment (478 KB)

Health Forward Opposition of KCMO Ordinance 260286 (affordable housing PIL).pdf;

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Chair Bough and Members of the Finance, Governance and Public Safety Committee:

On behalf of Health Forward Foundation (Health Forward), I submit this letter in opposition to Ordinance 260286, which would reduce the payment in lieu (PIL) fee under Kansas City's Affordable Housing Set-Aside from $100,000 per unit to $5,000 per unit. Health Forward is a public health foundation committed to strengthening communities by advancing equitable access to health care and improving health outcomes. Access to safe, stable, and affordable housing has a positive impact on health outcomes.[i] We oppose the change to the affordable housing set-aside because it would dismantle a mechanism that drives the development of affordable housing.

When Kansas City passed its Affordable Housing Set-Aside Ordinance in 2021, it was a landmark commitment: if a developer receives a public tax incentive, the public deserves a community benefit in return. The set-aside requires that 20 percent of units in qualifying residential developments be affordable, or that a developer pay $100,000 per unit into the city's Affordable Housing Trust Fund.

The Kansas City region faces a shortage of approximately 64,000 affordable housing units.[ii] Over 53% of Black renters in Missouri are cost burdened, spending more than 30% of their household income on housing, compared to 38% of white renters.[iii] These disparities are not accidental; they are the result of decades of disinvestment, discriminatory lending, and displacement. The set-aside was designed, in part, to begin reversing those harms by ensuring that publicly subsidized development serves all residents.[iv]

In practice, a $5,000 fee is so low that it would function not as a meaningful alternative to building affordable units, but as a near-costless opt-out, thereby giving developers virtually no incentive to include affordable housing in their projects. If the Council determines that the existing $100,000 fee or the 20 percent set-aside requirement needs recalibration to better reflect local market conditions or feasibility constraints, we ask that the Council consider adjusting the set-aside percentage rather than reducing the PIL. Any revised requirement should be informed by an independent economic analysis, developed with public input, and held to a standard that produces real community benefit.

Where people live directly impacts their health outcomes and families' ability to thrive.[v] Mixed-income developments increase access to the resources and amenities that support health across income levels, like access to health care, quality grocery stores, and economic opportunities.[vi] The Affordable Housing Set-Aside represents an important commitment to the health and well-being of Kansas Citians. For these reasons, we urge the Committee to reject Ordinance 260286 as currently written and consider changes to the housing set aside requirements that create meaningful affordable (attainable) housing units in every development through a 15% to 20% requirement.

We welcome the opportunity to discuss our concerns further and to be a partner in developing solutions that invest in the health and well-being of Kansas Citians. For more information about the impact access to housing has on health, please see Health Forward's *Housing is Health* policy brief. Contact me at eshankland@healthforward.org if you have any questions or would like additional resources.

Sincerely,

Emma Shankland
Policy Impact Strategist
Health Forward Foundation

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[i] Suzanne Rolfe, Lisa Garnham, Jennifer Godwin, et al., "Housing as a Social Determinant of Health and Wellbeing: Developing an Empirically-Informed Realist Theoretical Framework," *BMC Public Health* 20 (2020): 1138.
[ii] Mid-America Regional Council, "Assessing the Affordable Housing Gap," April 4, 2023, https://www.marc.org/news/economy/assessing-affordable-housing-gap.
[iii] Missouri Foundation for Health. *Housing*. St. Louis: Missouri Foundation for Health, 2020. https://mffh.org/wp-content/uploads/2020/09/Housing.pdf.
[iv] The Beacon, "Mayor Quinton Lucas proposes major rollback of Kansas City's landmark affordable housing policy," March 25, 2026, https://thebeaconnews.org/stories/2026/03/25/kansas-city-affordable-housing-set-aside/.
[v] Local Housing Solutions. "Housing and Health." Accessed March 30, 2026. https://www.localhousingsolutions.org/bridge/housing-and-health/.
[vi] Build Healthy Places Network, *Mixed-Income Communities as a Strategic Lever to Impact Health Equity: Lessons from the Field and Implications for Strategy and Investment* (Washington, DC: Build Healthy Places Network, 2018).

All the best,

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