



Legislation Text

File #: 210688, Version: 2

COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 210688

Directing the City Manager to issue a Request for Proposals for a nexus study to evaluate the implementation of linkage fees on development within the City for the purposes of funding workforce and affordable housing and to evaluate and develop a development linkage fee program within the City.

WHEREAS, the City Council established a Housing Trust Fund through passage of Committee Substitute for Ordinance No. 180719 on December 20, 2018, to help implement neighborhood revitalization, housing development, and preservation projects; and

WHEREAS, on June 20, 2019, by Committee Substitute for Resolution No. 190022, the City Council adopted the Five Year Housing Policy, which, among other things, set forth five Bold Ideas to include the creation/preservation of 5,000 additional single family and multifamily housing units by December 2023 and the creation of a \$75 million catalytic housing development (trust) fund to create and preserve units; and

WHEREAS, on January 28, 2021, the City Council adopted Committee Substitute for Ordinance No. 201038, As Amended, requiring that projects which are primarily residential in nature and are seeking economic incentives in the nature of the capture and redirection, abatement or exemption of taxes or other City financing contain a minimum number of affordable housing units; and

WHEREAS, the City Council has an interest in incentivizing development of affordable and workforce housing projects; and

WHEREAS, the City Council recognizes the importance of continued development within the City; and

WHEREAS, the City Council adopted the City's stimulus spending plan "RecoverKC" on May 27, 2021, pursuant to Committee Substitute for Ordinance No. 210392, in which the City Council allocated \$12,500,000.00 to the Housing Trust Fund; and

WHEREAS, persons of low and moderate income are experiencing continued difficulty in locating and maintaining adequate, safe and sanitary affordable housing within the City, which housing crisis has been exacerbated by the COVID-19 pandemic; and

WHEREAS, the purpose of a linkage fee is to mitigate the demand for and provide an additional funding source for workforce and affordable housing resulting from new development, including commercial development, industrial development, and residential development; and

WHEREAS, funds generated from a linkage fee could be allocated by the City Council to provide additional funding for the Housing Trust Fund, in addition to other funding options; and

WHEREAS, a nexus study is appropriate to determine a reasonable relationship between new development and linkage fees in the City; and

WHEREAS, the mitigation of affordable housing impacts linked to development helps implement the goals and objectives of the Five Year Housing Policy and mitigate the housing impacts caused by new and expanded commercial, industrial, and residential development in the City; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby directed to prepare and issue a Request for Proposals for a nexus study (“Nexus Study”) and any consultants or other experts to be retained to assist the City in establishing a development linkage fee program for all new development, including commercial development, industrial development, and residential development. The Nexus Study shall consider nationwide best practices, peer city policies, and any requirements of other jurisdictions within the Kansas City metropolitan area related to linkage fees and the funding of affordable housing, and shall include a review of the City’s development fees, an evaluation of the sufficiency of the current development fees, and the impact imposition of a linkage fee program may have on those development fees and development within the City.

Section 2. That prior to the implementation of a linkage fee program, the City Manager is hereby directed to report back to the City Council.

Section 3. That the City Manager, prior to issuing the Request for Proposals is further directed to identify a source of funds to fund the nexus study and any consultants or other experts to be retained to assist the City in establishing a development linkage fee program.