



Dear Mayor Lucas and City Council Members,

Thank you for this additional opportunity to comment on Ordinance 180721. I do so on behalf of the Promoting Equitable Neighborhoods Action Group of the Urban Neighborhood Initiative's Vacant to Vibrant Initiative.

Participants and Contributors to this group include a continually expanding group of non-profits as well as real estate agents, small developers, police officers, neighborhood leaders and businesses. It was this group that coordinated UNI's Affordable Housing Task Force which developed 24 recommendations, most of which were adopted as part of the City's Affordable Housing Task Force recommendations.

After a series of additional meetings to discuss the "Set Aside" ordinance we are pleased to make our final recommendations. They are much the same as our previous recommendations with a few refinements, additions and most notably how we believe "affordably" should be defined. We believe these recommendations, if adopted, would strengthen the effort to build healthy mixed income neighborhoods.

The KCMO Housing Policy Task Force set forth the following vision.

*"A bold and aggressive housing policy that reflects the spirit of Kansas City, with programs and initiatives which set us apart from other cities, has the broad support of stakeholders who actively assist in its implementation, and whose residents are proud of the accomplishments and who we are as a City."*

It is in this spirit that we make the following recommendations.

**1. Percent of Set Aside -Recommendations.**

A set aside of 20%. Given the critical shortage of affordable units we need to move aggressively to begin to close the gap. Further, this is the rate used by a number of other comparable cities and is the recommendation of our own Health Department.

**2. Affordability**

Affordability be defined using HUD guidelines. The city housing programs receive HUD funds and therefore follow the HUD guidelines. We think it best to be working from the same framework.

Affordability be defined as a range of between 30% to 70% of HUD's Area Median. It is important to include housing for those in the 30%-50% Income range for the following reasons.

- DataKC shows
  - The effective shortage of units at the 0-30% of AMI level is 18,260 units in the Metropolitan Statistical Area (MSA).
  - 80% of households between 30-50% AMI are cost burdened or extremely cost burdened (spending 50% or more of income on housing).
  - 30-50% of HUD AMI is equivalent to KC's median Income by household.
- Half of the set asides be at 30% of AMI (very low income) and the other half be at 50-70% AMI (low income). This is the recommendation of the KCMO Health Department as well.
- Household size be taken into consideration in determining affordability (as is the case with HUD guidelines)
  - Consider attaching the percentage of the set aside required to the level of AMI the developer will accept; the lower the AMI, the lower the percentage of set aside required. For example if all the set aside units are at 30% of AMI (rather than split between 30% and 70%), the number of affordable units could be lowered to 15%.

### 3. Comparability of restricted units

The cost of unit finishes and square footage should be comparable to the non-restricted units. This could be determined by the cost per square foot of each.

### 4. In Lieu Fee

Should a developer choose to pay an "In Lieu" fee rather than include affordable units, we recommend

- The fee go to the Housing Trust Fund rather than the Shared Success Fund
- A tiered fee based on market location. The tiered fee would be a percentage of the cost to construct the units and would increase up to 100% based on market strength. Ideally a Nexus Study would be used to determine market strength but the distress level (e.g. Non-Distressed, Distressed, or Severely Distressed) of the census tract a project is located in as defined by the American Community Survey (ACS) could be used in the interim.

- The fee be used for creation of affordable housing development in the same or an adjacent census tract. This is important so as not to concentrate and segregate low income communities.

**5. Number of Units that trigger the policy**

Building of 10 units or more would trigger the inclusionary provisions.

**6. Affordability period**

The affordability period for restricted units be for the entirety of the public incentive period.

**7. Income qualifying**

Residents in restricted units must demonstrate they meet income requirements.

Developments would require that the property management company use a procedure established by the City to determine income eligibility, and the city or its designated entity would reserve the right to audit income files.

Thank you for your consideration and for your efforts to make Kansas City a model city by increasing the availability of affordable housing. We will continue to support your efforts to do so.

Included below are some of the endorsers of these recommendations as well as those who provided information that assisted in their development.

Sincerely,



Dianne Cleaver

Promoting Equitable Neighborhoods Action Group

**The following individuals and organizations lend their full endorsement to the recommendations above.**

1. James Baker, Community Volunteer
2. Erica Dobreff, Somerset Consulting LLC
3. Mark Irvin-SITE Founder, KC MASS Services, Real Estate Broker and Investor
4. Dina Burks, Ruby Turner Realty, Broker/Owner.
5. Jerry McEvoy, Executive Director of NACCC
6. Pat Turner, Habitat for Humanity CEO

7. Bill Dana, Central Bank of Kansas City, President/CEO
8. Colleen Hernandez, Hernandez Consulting
9. Larry Myer ICR Real Estate Services Rehabber / Investor
10. Ron Farmer, CHES Inc. Vice-President and Co-Founder
11. Gloria Fisher, Housing Specialist
12. Blaine Proctor, Chief Executive Officer, SAVE, Inc.
13. Nailah M'Biti, Chief Real Estate Development Officer, Ivanhoe Neighborhood Council
14. Ina Anderson, Interim Executive Director, Greater Kansas City LISC
15. Travis Rash, Housing Coordinator, The Whole Person
16. Sarah Owsley Townsend, Empower Missouri
17. Vickie Riddle, Independent Social Work Policy Practitioner
18. Peter Hughes and the Board of the Center City Neighborhood Council
19. Bill Drummond, Neighbors for Social Justice

**Many thanks to those who contributed their time, ideas and expertise to the effort to develop recommendations**

Abby Judah, Legal Aid of Western Missouri

Dalena Taylor, NHS Division Manager, Neighborhood Preservation Division