

RURAL HOUSING INCENTIVE DISTRICT



City of Dodge City

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WHY HOUSING?

- Businesses were not able to expand due to lack of housing
- Very low unemployment rate
- Very little available housing stock
- High cost of infrastructure
- We couldn't expand economic development without additional housing.

DODGE CITY SUCCESS

- Over 300 units developed
 - Single-family units
 - Duplex
 - Senior Living
 - Market Rate
 - Low-Income
 - Owner Occupied
 - Rental



CHAT STUDY

- 2008 Housing Study – Community Housing Assessment Team (CHAT)
- Updated CHAT Reports in 2012 and 2018
- All reports have shown significant need for housing in all income areas
- RDG Planning & Design – Omaha
- (402) 392-0133
- Omaha@rdgusa.com
- Amy Haase, ahaase@rdgusa.com
- Marty Shukert, mshukert@rdgusa.com

2008 CHAT

Housing Development Program, Dodge City

	2008-2013	2014-2020	Total
Total Need	946	1,226	2172
Total Owner Occupied	568	736	1303
Affordable Low: 60-100,000	115	149	263
Affordable Moderate: 100-130,000	142	184	326
Moderate Market: 130-200,000	162	210	372
High Market: Over \$200,000	149	193	342
Total Renter Occupied	378	490	869
Low: Less than 450	123	159	282
Affordable: 450-700	122	158	280
Market: Over \$700	134	173	307

- This analysis assumes a split of 60% owner-occupied and 40% rental, comparable to existing proportions.
- About 589 owner-occupied units, or about 49 units annually, should ideally be priced below \$130,000. Many of these units may come from the city's existing housing stock.
- There will be a demand for an additional 562 rental units priced below \$700.

HOUSING POLICY

- Due to the severe need of quality housing demonstrated by the CHAT Study we developed a Housing Policy in 2009
 - Incentives pulled at anytime that we meet a category
 - Requires an annual review with all taxing entities

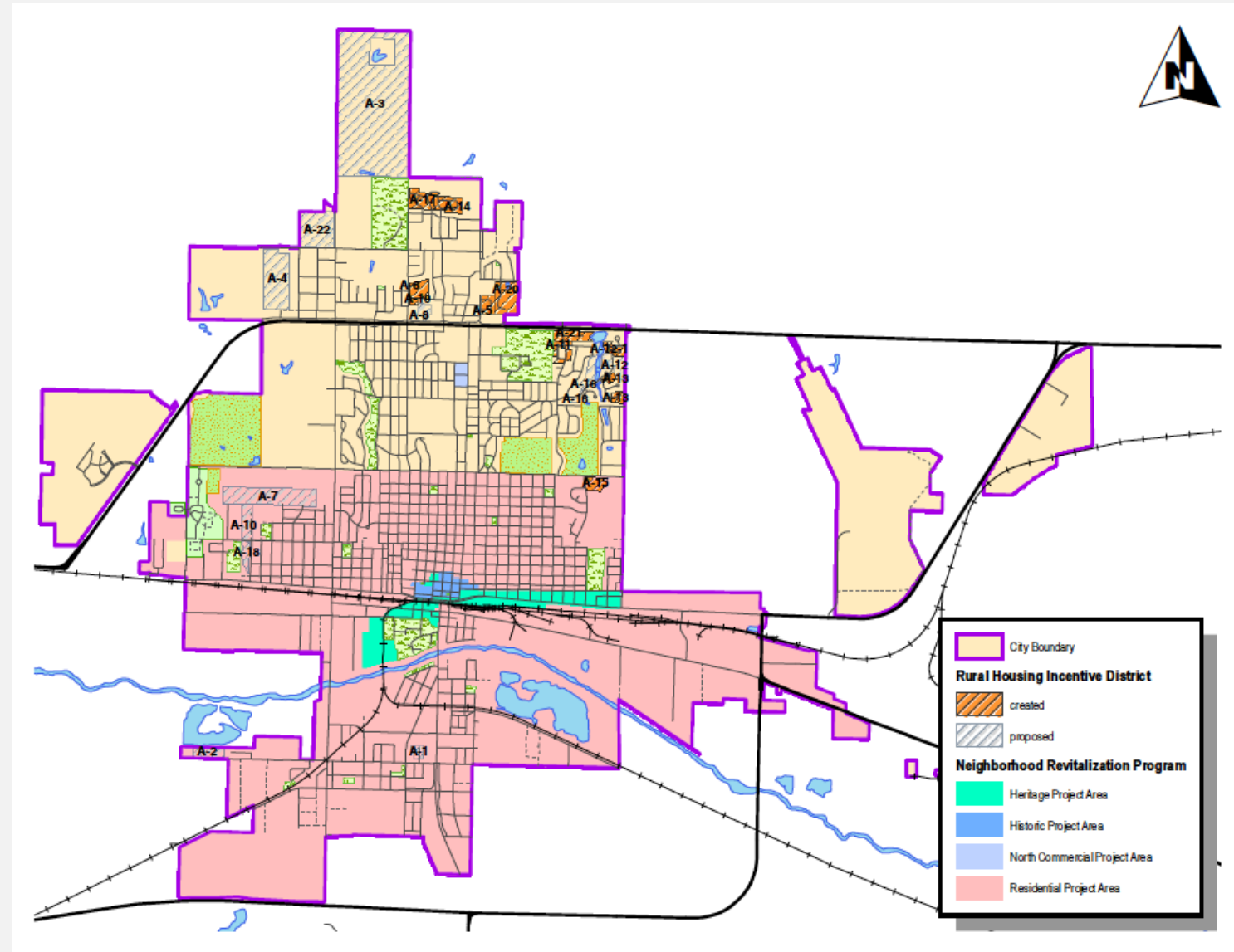


HOUSING INCENTIVES

- Single point of contact for developers
- Fee waivers (full or partial) based on income/rent/price ranges to low-income families
- Neighborhood Revitalization Plan
- New 501(c)(3) housing organization created, Community Housing Association of Dodge City (CHAD)
- Sponsor or co-sponsor grant request to state and/or federal
 - Low Income Housing Tax Credits (LIHTC)
 - Moderate Income Housing (MIH) grants from Kansas Housing Resource Corporation (KHRC)
 - USDA Rural Development Loans

RHID DISTRICTS

- First district designated RHID in 2009
- 12 developed districts – over 300 units
- 9 additional districts ready for development





RHID BASICS

- K.S.A. 12-5241 *et seq.*
 - http://www.ksrevisor.org/statutes/chapters/ch12/012_052_0041.html
- Created in 1998
 - Authorized for any city in Kansas with a population of less than 60,000 in a county with a population of less than 80,000
 - Purpose is development and renovation of housing in rural areas of Kansas and assist in financing of public improvements in support thereof
 - Amended in 2019 from 15 year recapture period to 25 years

HOW RHID WORKS



Captures the incremental real property taxes created by a housing development project (excluded the 20 mills from the school levy)



All taxing districts included



Up to 25 years per project

RHID FUNDING METHODS

- Developer Reimbursement – Pay as you go
 - Developer finances approved RHID costs
 - Reimbursed as increment is received
 - LIHTC must use this funding method – no bonds or specials
- RHID Bond Financing – need to involve counsel
 - Special Revenue Bonds
 - Issued by creator of District
 - Limited obligation
 - May be purchased or guaranteed by developer and re-sold once valuation established
 - Full faith and credit (general obligation) bonds prohibited
 - Temporary notes may be used for interim financing
- Special Assessment

RHID PERMITTED USES

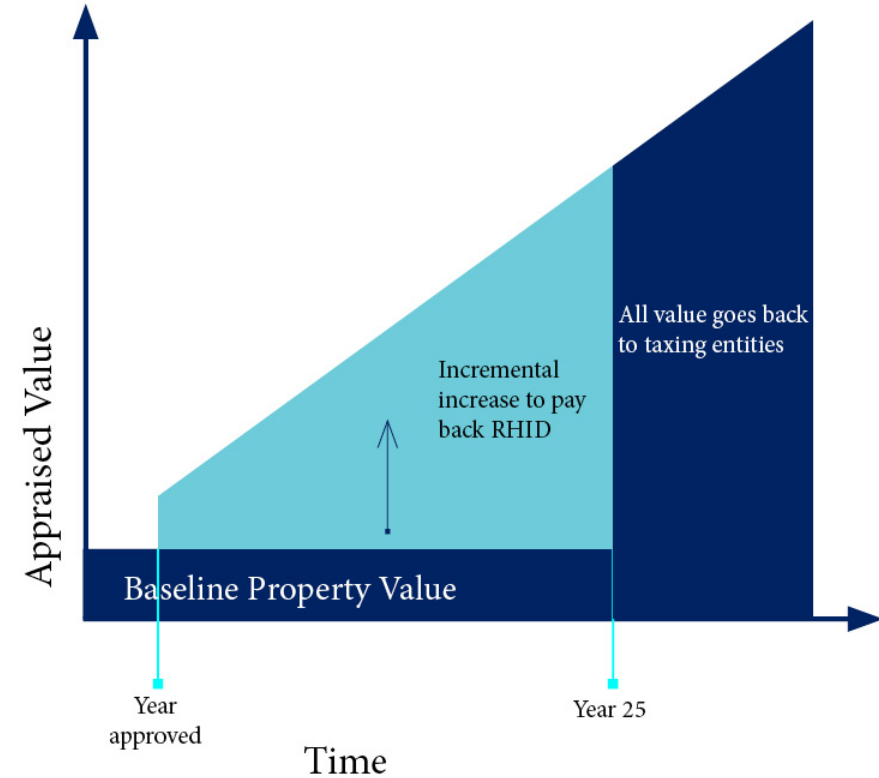


Must be in the district

- (1) Acquisition of property within the specific project area or areas as provided in K.S.A. 12-5247; - cannot use eminent domain, must run through the city
- (2) payment of relocation assistance;
- (3) site preparation;
- (4) sanitary and storm sewers and lift stations;
- (5) drainage conduits, channels and levees;
- (6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- (7) street lighting fixtures, connection and facilities;
- (8) underground gas, water, heating, and electrical services and connections located within the public right-of-way;
- (9) sidewalks; and
- (10) water mains and extensions.

RHID EFFECT ON TAXING DISTRICTS

- All taxing jurisdictions held harmless at Base property tax level
 - Total valuation is restored to all taxing jurisdictions as soon as
 - Year 25
- OR
- Infrastructure costs are paid



STEP I – DEFINING A DISTRICT

- Defined by the City or County
- Based on Housing Needs Analysis
 - Shortage of quality housing of various price ranges
 - Shortage of quality housing can be expected to persist and that additional financing incentives are necessary
 - Shortage of quality housing is a substantial deterrent to future economic growth
 - The future economic well-being of the city or county depends on the incentives
- Resolution by taxing entity designating area as RHID
 - Public notice published at least once in the official newspaper

STEP I – DEFINING A DISTRICT

- Secretary of Commerce approval
 - Letter from entity
 - Certificate of Resolution
 - Copy of signed Resolution
 - Copy of signed minutes approving resolution
 - Proof of publication
 - Copies of Letters of Support



STEP 2 – PUBLIC HEARING

- Pass Resolution calling Public Hearing
 - Not less than 30 days nor more than 70 days
 - Public Notices not less than 1 week nor more than 2 weeks
 - Certified copy of resolution to other taxing entities

STEP 3 – ADOPTION OF DEVELOPMENT PLAN

- City Ordinance or County Resolution approving the Development Plan
- 30 Day Protest Period – County & School District can veto – Community College can not





DEVELOPMENT PLAN

- Overall blueprint for the assistance of housing development
- Legal description and map
- Existing assessed valuation listing land and improvement values separately
- List of names and addresses of the owners of record
- Description of the housing and public facilities project
- Listing of the names, addresses and specific interests in real estate in the district of the developers
- Contractual assurances, if any
- Feasibility study
- Developers may need help gathering the required information

RHID CHECKLIST EXAMPLE

	Completed	Date Signed
Resolution Designating Area as RHID	2017-08	3/20/17
Publish in the DC Daily Globe	3/24/17	
Submit Certified Resolution to Dept. of Commerce - Letter to KSDOC - Certificate of Resolution - Copy of Signed Resolution w/Exhibits - Copy of Signed Minutes Approving Resolution - Proof of Publication in DC Globe - Copies of Letters of Support	3/27/17	
Received Approval from Dept. of Commerce	4/13/17	
Resolution Adopting Plan for Setting Public Hearing for RHID	2017-14	5/1/17
Provide Certified Copy of Resolution to Board of County Commissioners, Board of Education USD 443, Planning Commission of the City & Board of Trustees for DCCC	5/8/17	
Public Hearing Set for... <i>The date of the public hearing cannot be less than 30 days from the date of adoption of the resolution nor more than 70 days. Publication cannot be less than one week or more than two weeks preceding the date fixed for the public hearing.</i>	6/5/17	
Published in the DC Daily Globe	5/24/17	
Ordinance Establishing RHID	3664	6/15/17
Certificate of Delivery to Board of County Commissioners, Board of Education USD 443, Planning Commission of the City & Board of Trustees for DCCC	6/7/17	8/2/17
Published in the DC Daily Globe		6/17/17
Development Plan	6/5/17	
Development Agreement	6/5/17	6/5/17
Eligible Expenses Submitted		
Certificate of Substantial Completion Form		
Certificate of No Protest		

RHID

PROS

- It Works!
- Creates additional housing units
- Recruitment tool for City to entice new developers (LIHTC developers)
- Allows developers to build affordable housing – savings of infrastructure cost is passed down to homebuyer
- Creates additional property taxes for taxing entities once RHID is paid

CONS

- Process is time consuming before developer can begin building
- Lots of convincing
 - City Commission, County Commission, School District
 - General Public
- Lots of training with developers

RESOURCES

Housing Website – <http://dodgecityhousing.com/housing-programs/incentive-programs/rhid/>

- Sample Development Plan
- Timeline and Checklist
- Dodge City CHAT Study