REINVESTMENT HOUSING INCENTIVE DISTRICT (RHID)

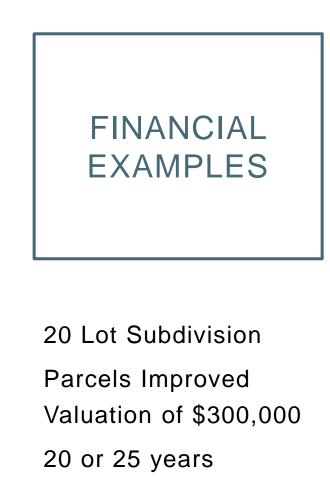


- RHID captures the incremental increase in property taxes within a specific district for up to 25 years.
- The incremental increase can be transferred to the developer as reimbursement for costs incurred.
- Reimbursed costs can include:
 - Iand acquisition
 - ➤ site preparation
 - sanitary/storm sewers
 - street grading/paving
 - sidewalks
 - ➤ water mains

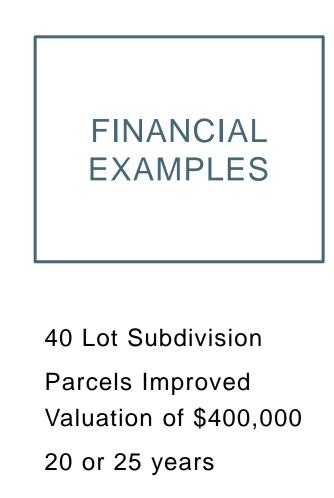


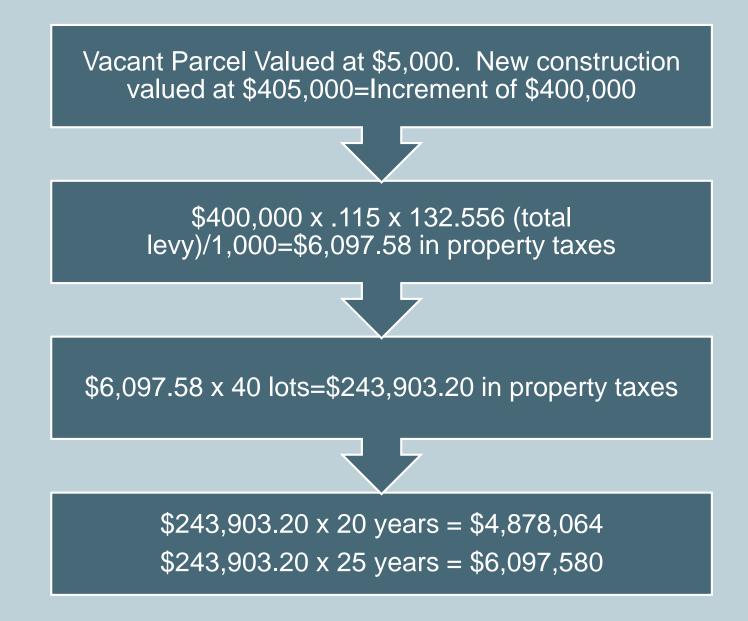
- City must prepare a Housing Needs Analysis (HNA)
 - City adopted our HNA in October 2023
- Adopt Resolution making certain findings regarding establishment of RHID and provide legal description. Upon publication of resolution, Resolution and HNA must be sent to Kansas Secretary of Commerce requesting agreement (takes 4-6 weeks)
- City Establish a Redevelopment Plan
 - Legal Description & Map
 - Existing Assessed Valuation
 - Names & Addresses of All Owners
 - Description of Items Proposed to be constructed or improved in location
 - Names and addresses of developer and property owned in District
 - Contractual assurances of developer
 - Comprehensive feasibility analysis
- Once the Sec. of Commerce approves the HNA & the District is established via redevelopment plan, the project may begin.











POTENTIAL PROS & CONS



Pros

- 1. Reduces Developer Risk
- 2. Offsets upfront costs
- 3. City can establish rules to allow for specific targeted goals
- 4. Can create more affordable homes for existing and new citizens
- 5. Can increase population & generate more sales taxes for our businesses
- 6. Addresses Housing Shortage

Cons

- Entities would not receive new property taxes within district for 25 years or until expenses roll off
- "X" number of new units/homes, but no new property taxes to fund officers/firefighters/teachers

POTENTIAL CRITERIA FOR RHID



Possible Criteria to Meet Objectives

- Certain % of units must meet certain sale cost or monthly rent projections
 - > We likely don't want to incentivize an already viable project-30% of MHI
 - > Possibly require a certain percentage of lots for sale to meet affordability guidelines
- Operational within 36 months of approval?
- Do we want unit limitations per year? "X" of homes per year, per development?, citywide?
- Density limitations by agreement (only single family, duplex, triplex?)
- Review district every three years w/ committee including school and County officials
- Bonner allows for a 5% admin fee of the increment annually; Hays requires drought tolerant landscaping
- Deed Restrictions
- Require certain base zoning of property