

AGENDA

CALL TO ORDER

AGENDA ITEMS

- [1.](#) Reinvestment Housing Incentive District
- [2.](#) 2024 Wastewater Project Update

ADJOURNMENT

For information on how to view prior meetings, please visit our website at <https://www.lansingks.org>. If you require any special assistance, please notify the City Clerk prior to the meeting.

AGENDA ITEM

TO: Mayor McNeill, Lansing City Council
FROM: Tim Vandall, City Administrator
DATE: April 23, 2024
SUBJECT: Reinvestment Housing Incentive District

Staff has been investigating the Reinvestment Housing Incentive District (RHID) program recently. This program could allow a developer to retain the increased increment in property taxes, therefore defraying their development cost and lowering their risk. Staff will brief the Council on the program.

Policy Consideration: N/A

Financial Consideration: The increased increment in property taxes from any new development could be returned to the developer in an RHID.

Action: Guidance and feedback from the governing body.

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:
 - land acquisition
 - site preparation
 - sanitary/storm sewers
 - street grading/paving
 - sidewalks
 - water mains

STEPS TO ESTABLISH RHID

Item 1.



- 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.

FINANCIAL EXAMPLES

20 Lot Subdivision
Parcels Improved
Valuation of \$300,000
20 or 25 years

Vacant Parcel Valued at \$5,000. New construction
valued at \$305,000=Increment of \$300,000

$\$300,000 \times .115 \times 132.556$ (total
levy)/1,000=\$4,573.18 in property taxes

$\$4,573.18 \times 20$ lots=\$91,463.60 in property taxes

$\$91,463.60 \times 20$ years = \$1,829,272
 $\$91,463.60 \times 25$ years = \$2,286,590

FINANCIAL EXAMPLES

40 Lot Subdivision
Parcels Improved
Valuation of \$400,000
20 or 25 years

Vacant Parcel Valued at \$5,000. New construction valued at \$405,000=Increment of \$400,000

$\$400,000 \times .115 \times 132.556$ (total levy)/1,000=\$6,097.58 in property taxes

$\$6,097.58 \times 40$ lots=\$243,903.20 in property taxes

$\$243,903.20 \times 20$ years = \$4,878,064

$\$243,903.20 \times 25$ years = \$6,097,580

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

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


POTENTIAL CRITERIA FOR RHID

Item 1.

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**

WORKSESSION ITEM

TO: Tim Vandall, City Administrator
FROM: Anthony J. Zell, Jr., Wastewater Utility Director 
DATE: April 15, 2024
SUBJECT: 2024 Wastewater Projects Update

Director Zell will be presenting updates to the City Council regarding the following projects:

- McIntyre Sewer Interceptor Project
- Town Centre Extension Project
- Ida/Gamble Street Sewer Relocation
- Multi-Year Inflow/Infiltration Program
- Wastewater Facility Parking Lot Replacement
- K7/Emile Street Sewer Relocation