

CERTIFICATION OF CLERK

I, Brenda K. Wolf, the duly appointed, qualified, and City Clerk of Manhattan, Kansas, do hereby certify that the foregoing Resolution was duly adopted at a meeting of the City of Manhattan, Kansas, held on the 3rd day of December, 2024, and that said Resolution has been compared by me with the original thereof on file and of record in my office, is a true copy of the whole of said original.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Manhattan, Kansas, 4th day of December, 2024.



Brenda K. Wolf

Brenda K. Wolf, CMC, City Clerk

POLICY
RESOLUTION NO. 120324-A
CITY OF MANHATTAN, KANSAS

SUBJECT

EFFECTIVE DATE:

Workforce Housing Sales Tax

December 3, 2024

A. BACKGROUND

In 2020, voters in the City of Manhattan approved a half-cent (0.5%) Economic Recovery and Relief Sales Tax ballot measure. The sales tax took effect on January 1, 2023, and will expire on December 31, 2032. Approximately ten percent (10%) of the sales tax revenues are dedicated to pay for workforce housing initiatives.

The City Commission created the Workforce Housing Steering Committee (WHSC) to provide recommendations on the use of the revenue. Per the 2022 Housing Market Analysis and recommendations from the WHSC, the City's overall objective for awarding Workforce Housing Sales Tax (WHST) funding is to encourage the private development of a variety of housing structure types within the defined workforce housing range. This should include a mix of rental and owner-occupied units, with preference given to projects that utilize existing public infrastructure. Further, the City Commission finds that low-income housing and housing rehabilitation projects also support workforce housing initiatives by diversifying and preserving the local housing supply.

B. USES OF WHST REVENUE

At the Commission's discretion, WHST revenue may be used for housing initiatives, including, but not limited to the following:

- To provide incentives for private workforce housing projects, to include the following: paying all, or part of, City building, utility or other fees for the project; or providing a project grant or loan. To provide funding for low-income housing tax credit (LIHTC) housing projects
- To provide funding for public housing authority projects or for community housing development organization (CHDO) projects
- To pay for City personnel and expenses related to the City's administration, review or oversight of workforce housing funds or initiative
- To pay for owner-occupied housing rehabilitation projects and services in programs funded by the City

C. REQUEST FOR PRIVATE WORKFORCE HOUSING PROJECT INCENTIVES

The City will use a variety of factors to evaluate whether to use WHST funds to support private projects. These factors include, but are not limited to, the Commission's assessment of the proposed project's public benefit, conformity with the City's most recently adopted Housing Market Analysis, other potential and committed WHST fund uses, City budget considerations, and this Policy. The City Commission is not obligated to award WHST funds for any private project; however, only units within the workforce housing range (Exhibit A) will be considered for WHST funds.

1. Application Periods. The City will accept Preliminary Applications at any time throughout the year, except during the Application Periods. The City will only accept Formal Applications during the Application Periods to allow the City Commission to simultaneously consider competing eligible requests for finite WHST funds. A Preliminary Application must be submitted and approved by City staff before a Formal Application can be submitted.
 - Spring Application Period: first business day in April through the last business day in April
 - Fall Application Period: first business day in October through the last business day in October
2. Eligibility. The WHST award request must be able to meet these requirements, as of the date the Formal Application is submitted:
 - a. The project results in a net gain of two or more workforce housing dwelling units on the project site;
 - b. The applicant owns the project site, has an executed agreement to buy the project site, or has consent from the project site owner;
 - c. The project site is annexed and properly zoned for the proposed housing project prior to application;
 - d. The requested WHST award shall not exceed ten percent of the total project cost; and,
 - e. The requested WHST award shall not exceed \$250,000 for the total project and \$25,000 per workforce housing unit. Provided that, if the proposed project is located within a tax increment finance (TIF) district, the requested WHST award shall not exceed \$350,000 for the total project and \$35,000 per workforce housing unit.
3. Preliminary Application.
 - a. Applicant submits the City's Preliminary Application and the Preliminary Application fee to the Department of Community Development.
 - b. City staff will determine whether the Preliminary Application is complete and the project is eligible. If not, City staff will provide feedback to the applicant on the deficiencies. An incomplete or ineligible project cannot proceed for City Commission consideration.

- c. If needed, City staff will schedule a project meeting with the applicant and City staff and bond counsel.
4. Formal Application. If City staff approves the Preliminary Application, the applicant may decide to proceed with the Formal Application to the City Commission.
 - a. Applicant submits the City's Formal Application and the Formal Application fee to the Department of Community Development. The Formal Application must include, but is not limited to:
 - Legal description and map of the project site.
 - Names and addresses of the owners of record.
 - Detailed description of the proposed project, including preliminary plans and project narrative.
 - Existing assessed valuation of land and improvements on the site and estimated taxable value of the project when occupied.
 - A financial analysis that includes the project budget, sources of funding, project proforma, and analysis of the costs and benefits that each requested benefit will have on state and local revenues.
 - Any other information deemed necessary by the City.
 - b. City Staff Recommendation. City staff will confirm that the Formal Application is complete. Once complete, City staff will evaluate the project and make a recommendation to the City Commission based on the materials submitted with the Formal Application.
 - c. Schedule. If the City Commission gives direction to proceed with a recommendation, the City will draft necessary agreements and other documents for review by the applicant and their legal counsel. The applicant will reimburse the City for its legal fees if the City hires outside legal counsel. The City will use reasonable efforts to process recommendations in a timely manner.
5. City Commission Award. Notwithstanding this Policy, the City Commission retains its full discretion to approve, deny, or modify any recommendation it considers related to approval of the use of WHST funds for a private workforce housing project.

D. FEES

The City Commission authorizes the City Manager, in consultation with the Director of Community Development, to establish application fees. Fees are non-refundable.

E. REPEAL

This Resolution repeals and replaces Res. No. 080624-B.

PASSED BY THE GOVERNING BODY OF THE CITY OF MANHATTAN,
KANSAS, ON THIS 3RD DAY OF DECEMBER, 2024.

Susan E. Adamchak

Susan E. Adamchak, Mayor

ATTEST:

Brenda K. Wolf

Brenda K. Wolf, CMC, City Clerk



Exhibit A: Workforce Housing Definition for Private Workforce Housing Projects

Workforce Housing is defined locally as households making between 60% and 120% area median income (AMI).

To determine rental rates within the Workforce Housing definition, HUD's Fair Market Rents, per bedroom, calculations are used as the base for calculating the 120% AMI rental rate ceiling.

For Formal Applications submitted in April 2025, the following rents per bedroom will be used for rental Workforce Housing projects:

	Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Community-wide	\$1,056	\$1,062	\$1,312	\$1,751	\$2,226
Residential Development Incentive Zone ¹	\$1,088	\$1,388	\$1,650	\$1,950	\$2,350

For Formal Applications submitted in April 2025, the sale price within the workforce housing definition is between \$161,000 and \$336,000.

¹ Residential Development Incentive Zone Map is located in Exhibit B.

Exhibit B: Residential Development Incentive Zone Map

All parcels identified as red or blue are considered to be within the Residential Development Incentive Zone.

