



Greater Kansas City
Regional Housing Partnership

August 27, 2024

MARC BOARD UPDATE

Presented by:

Katie Killen

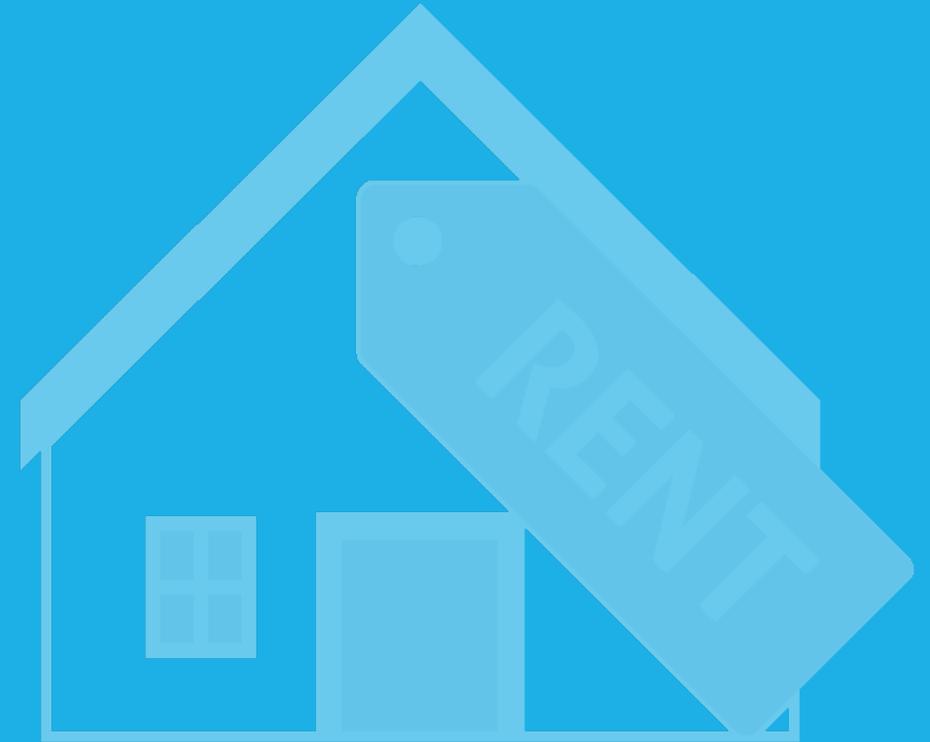
Housing Program Manager

Josh Akers

Research Manager

Overview

- Scope and Framework
- 2021-2023 Highlights
- 2024
 - Goal Setting
 - Research
 - Regional Housing Fund
- Future



Picture of the Region

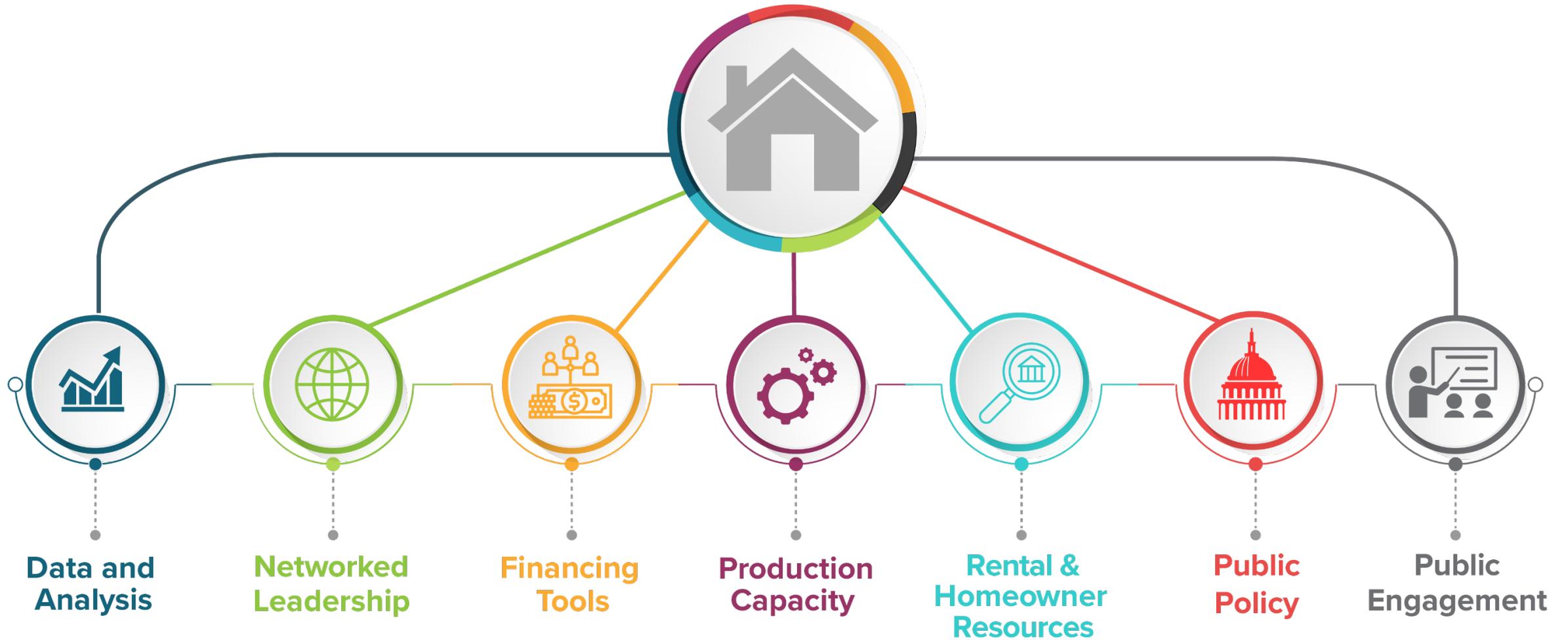
- **64,000 units needed**
- **\$650 and below**
- **LIHTC set to lose a potential 10,000 units in the next decade**
- **Trend is that our market continues to have a decrease in overall vacancy**
- **As of today, regional homeownership data shows we are still below a healthy supply of homes**

SCOPE

Johnson County Housing Continuum



FRAMEWORK



2021

- **Secured initial philanthropic funding**
- **Hired first staff in November**

2022

- **Awarded federal appropriation dollars**
- **Regional Housing Data Hub launched**
- **Published initial data stories and blogs**
- **Explored partnership with KCMO for housing locator**
- **Started Regional CLT Business Plan**
- **Coordinated applications of MO DED Community Revitalization Grants**
- **Convened RHP Strategy Committee**

2023

- **Updated and added more data points and visualizations to Housing Data Hub**
- **Produced blogs and data stories**
- **Launched KCHousingLocator.com in coordination with KCMO**
- **Completed CLT Regional Business Plan**
- **Completed developer needs assessment**
- **Commenced Regional Housing Fund Business Plan**
- **Launched SourceLink platform kcrhp.org**
- **Applied for HUD PRO Housing Grant**

2024

- **Started implementing CLT Consortium from business plan**
- **Completed goal setting with Strategy Committee**
- **Completed and began implementing Regional Housing Fund Business Plan**
- **Convened KCHousingLocator.com Advisory Group**
- **Started working with NARC on Regional Housing Work Group**
- **Quarterly interdepartmental housing collaboration**
- **Continued updates and new data and analysis**

Goal Setting

Kick-Off Session

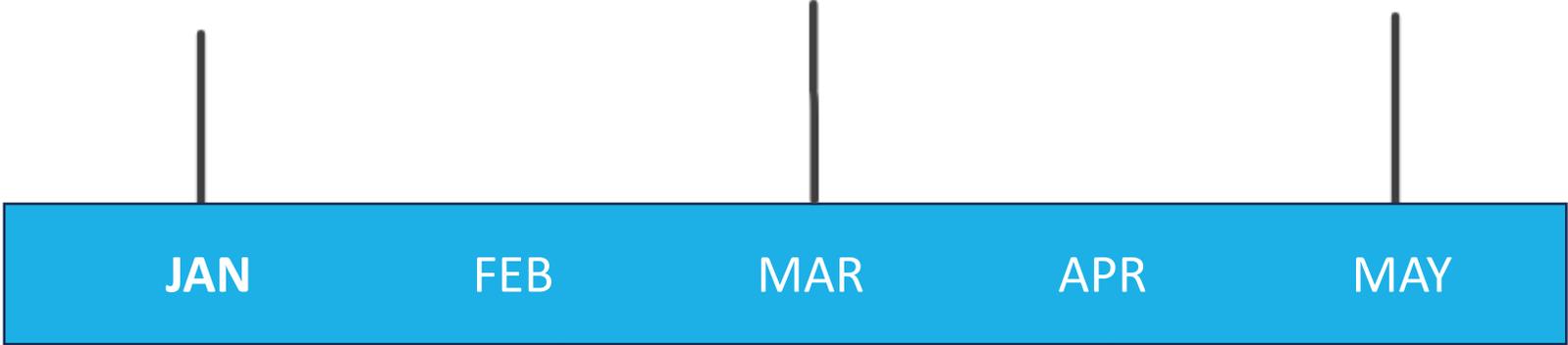
Jan. 29, 2024

**Goal Refinement &
Action Planning Session**

March 22, 2024

**Final Report:
Committee Goals**

May 3, 2024



**Individual
Interviews**

Feb. 5-16, 2024

**Interactive Goal
Setting Session**

Feb. 23, 2024

**Review & Wrap
Up Session**

April 19, 2024



Goals

GOAL ONE: BUILD UPON A COLLABORATIVE REGIONAL PROCESS & APPROACH

Improve the regional coordination, awareness and collaboration of businesses, organizations and communities in the Kansas City region to strengthen a fair and comprehensive regional housing system.

GOAL TWO: PRODUCE & PRESERVE HOUSING

Ensure diverse, high-quality and affordable housing options are available and accessible to all in the Kansas City region.

GOAL THREE: INCREASE RESIDENT HOUSING STABILITY & ACCESS TO HOUSING

Increase stability and access to affordable housing options across the Kansas City region to meet the needs of all residents in partnership with community-based organizations.

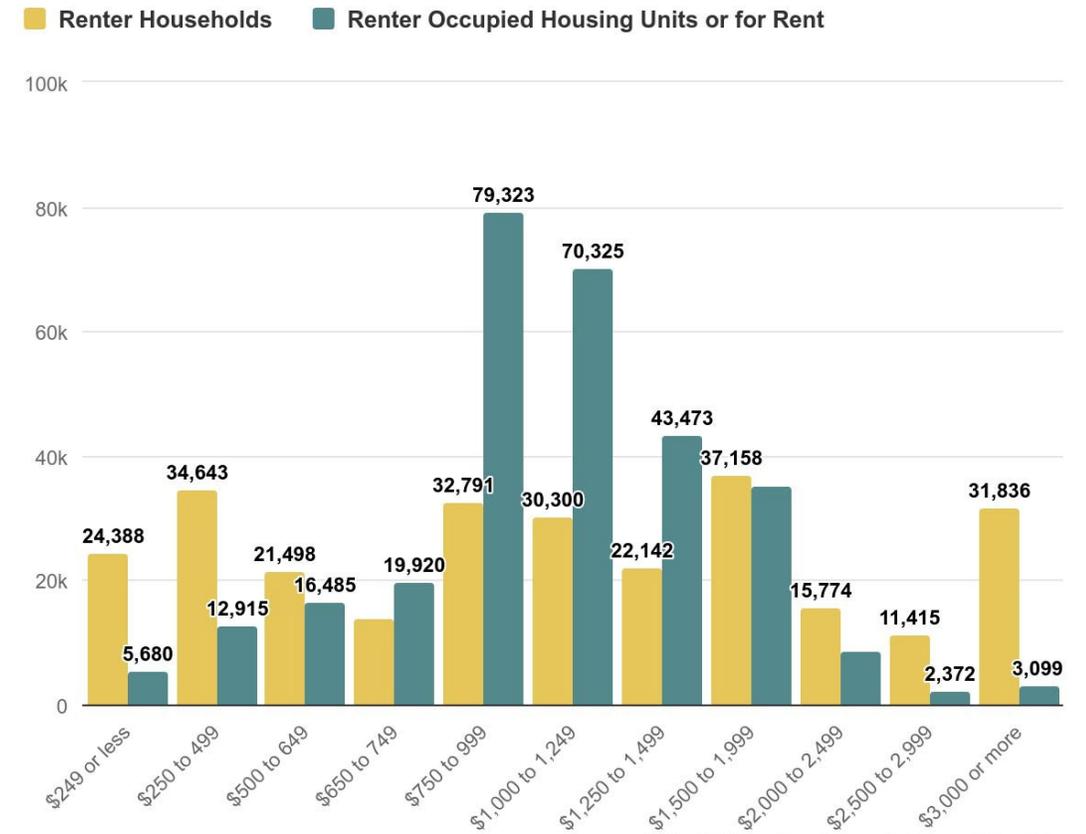
Research

The need for affordable housing

- Overall supply is lacking for owners and renters
- Limited supply and vacancy put upward pressures on rents
- Rising rents and limited income growth equals a greater number of cost-burdened households
- Cost-burdened households make difficult choices between necessities like meals and health care
- Cost-burdened households are unable to respond to unexpected expenses putting their housing in jeopardy

Renter Households Compared to Rental Housing Units by Price Point

Renter households exceed rental housing unit supply for price points less than \$650 per month in the Kansas City region.

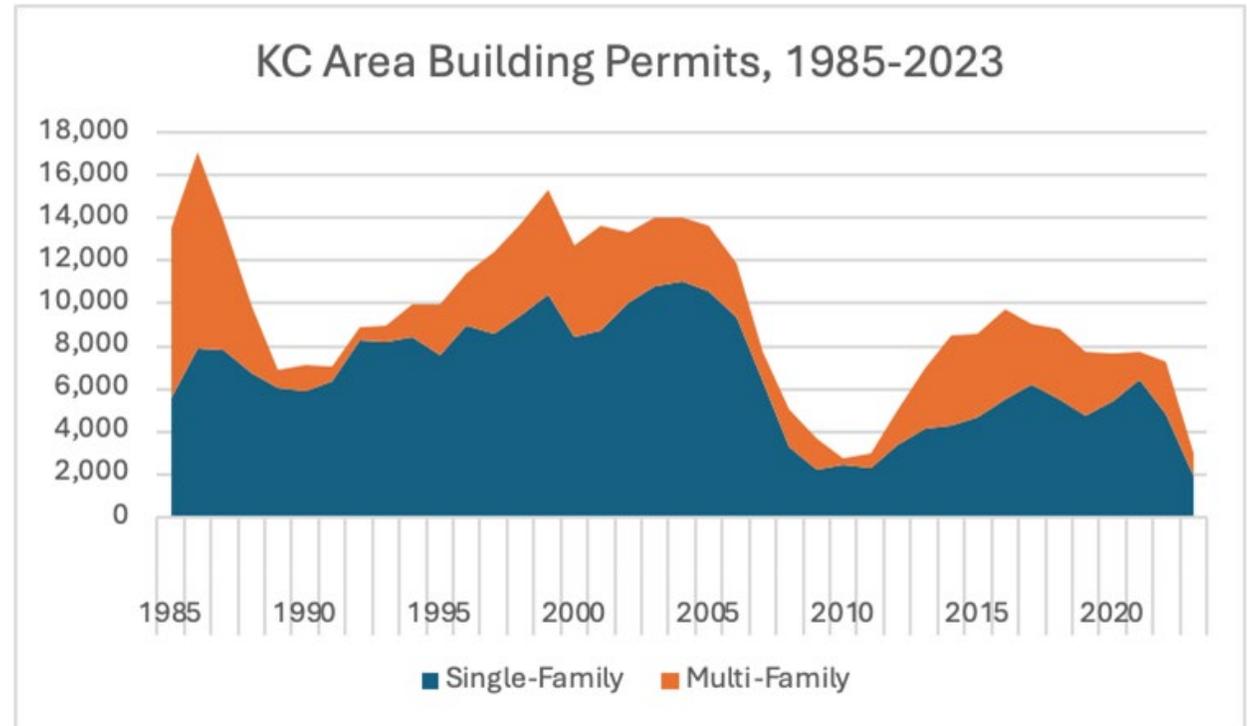


2017 - 2021 American Community Survey 5-Year Data

Research

The need for more housing at more price points

- The region is missing as many as 24,000 units of housing
- Market has been out of equilibrium since the financial crisis in 2008
- Closing the gap will require nearly doubling current annual production levels
- This production gap is a driver in the region's growing affordability gap



Source: Greater Kansas City Homebuilders Association

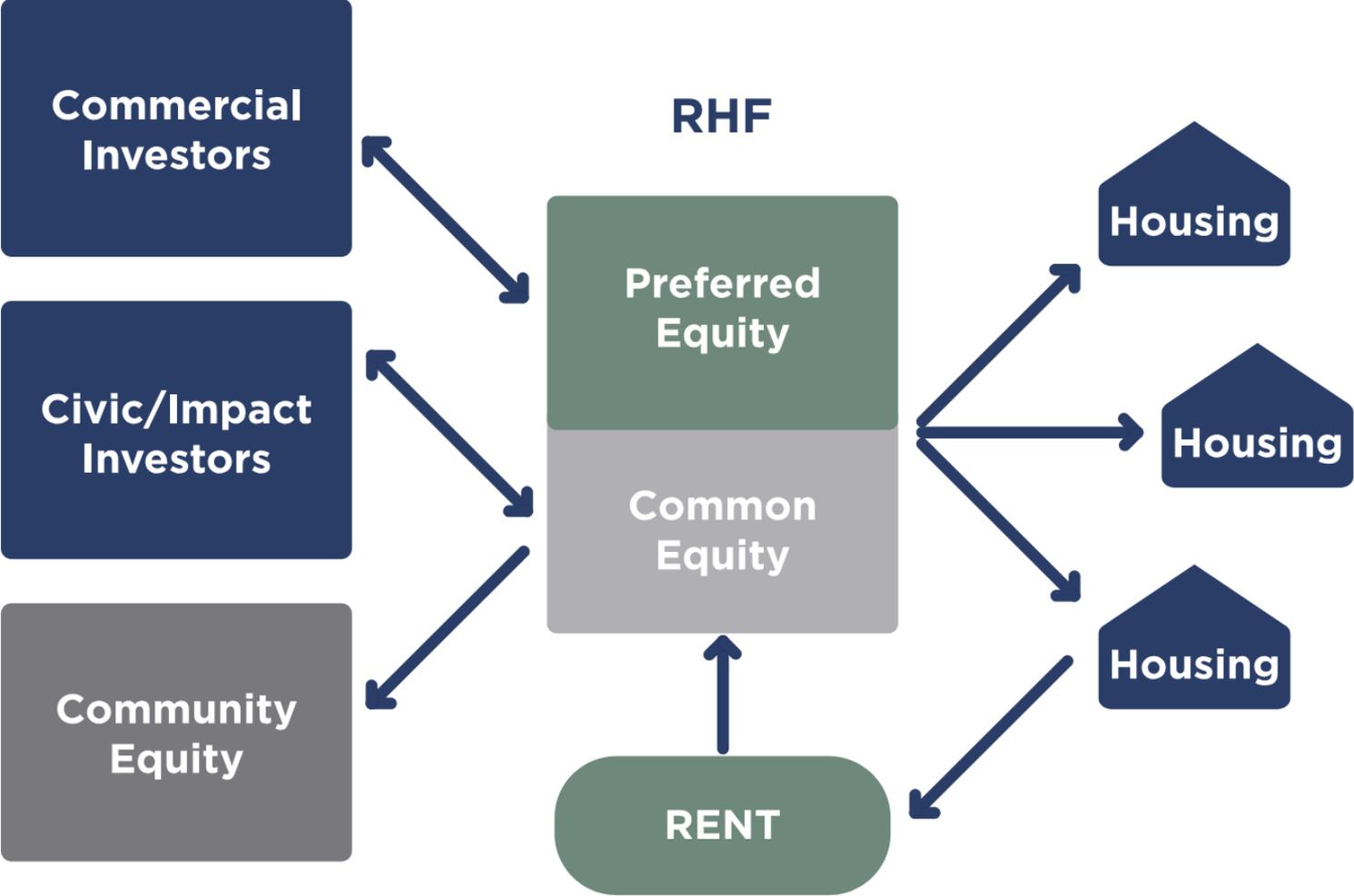
RHF Feedback

- The housing crisis is present in all parts of the region but manifests differently in each community.
- Private equity exacerbates but does not necessarily cause the housing crisis.
- Communities want to use housing as a means of building wealth.
- Equitable sharing of resources and responsibilities between smaller and larger communities.
- The term “Affordable Housing” generates strong emotional resistance in all communities.

RHF Feedback

- A functional and comprehensible system for accessing concessionary capital
- Relative policy continuity between communities
- Cost control assistance
- Community engagement regarding affordable housing

Business Plan Recommendation



Business Plan Recommendation

- **Fund Type:** Real Estate Investment Trust (REIT)
- **Total Units:** 164,461 preserved or developed
- **Affordable Units:** 51,147 targeting a broad income spectrum
- **Total Initial Capital Committed:** \$900 million
- **Senior Debt:** \$500 million at 6% (local third-party lenders outside RHF)
- **Preferred Equity:** \$300 million at 7% coupon (commercial investors)
- **Common Equity:** \$100 million at ~4% - 5% IRR (PRI/Impact Investors)
- **Administrative Costs:** \$3 million - \$4 million per year
- **Final Community Ownership Value:** \$254 million
- **Estimated AUM upon Maturity:** \$1.9 billion

Next Steps

- Pilot fund
 - Initial project investments
 - Raise initial startup capital
 - Test model
 - Build infrastructure
- Raise capital and launch fund
- www.kcrhp.org

RHP Future

- Pilot regional housing fund
- Develop the environment for the fund to thrive (implementing goals)
 - Support local governments in updating land use, zoning, building and development regulations and processes
 - Develop workforce and projects for pipeline
 - Grow network of stakeholders to plug into the work
- Produce annual report on housing in the region measuring progress
- Continue to look at ways to diversify the funding of the RHP
- Maintain work started