RHID
A Tool for Addressing Housing Gaps

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Rural Housing Incentive District (RHID) Act

Community Development Block Grants (CDBG) – Housing Rehabilitation

Designated Main Street Communities - Upper Story Housing Loan
kansascommerce.gov/housing
Rural Housing Incentive District

**What:** Designed to aid developers building housing within rural communities by assisting in the financing of public improvements

**How:** Captures the incremental increase in real property taxes created by a housing development project for up to 25 years

**Who:** Any city in Kansas with a population less than 60,000 or a county with a population of less than 80,000
Permitted uses for RHID reimbursements

- Certain land acquisition cost
- Payment of relocation assistance
- Site preparation
- Sanitary and storm sewers and lift stations
- Drainage conduits, channels, and levees
- Street grading, paving, curbs, and gutters
- Street lighting
- Underground public and limited private utilities
- Sidewalks
- Water mains and extensions
In 2021, RHID was expanded by the KS Legislature to enable the renovation of buildings and structures more than 25 years old on Kansas main streets and downtown districts for residential use.

This expansion allows Kansas communities to include upper story lofts and apartments to benefit from RHID.

Commerce has approved several RHIDs including upper stories since the bill was signed into law last year.
The City/County HNA must demonstrate the following:

- That there is a shortage of quality housing within City/County;
- That the shortage of housing expected to persist;
- That the shortage of housing is a substantial deterrent to future economic growth in City/County; and
- That the future economic well-being of the City/County depends on governing body providing additional incentives for the construction or renovation of quality housing in City/County.
Once the HNA is completed, the City/County takes action to adopt a Resolution making certain findings regarding establishment of the RHID and providing the legal description of the property to be contained within the District.

After publishing the Resolution, a copy of the Resolution and the HNA are sent to the Secretary of Commerce requesting agreement with the findings in the HNA.

If the Secretary agrees with the findings, the City/County may proceed with the establishment of the District and adopt a plan for the redevelopment or development of the housing project in the District.
The City/County must adopt redevelopment plan, including:

• Legal description and map
• Existing assessed valuation
• Names and addresses of all owners
• Description of the housing public facilities project proposed to be constructed or improved and location
• Names and addresses of developer and property owned in District
• Contractual assurances of Developer
• Comprehensive feasibility analysis
Statutory Checklist for Municipalities

Steps required by K.S.A. 12-5244; 12-5245; 12-5246

KSA 12-5244
___ Establish a proposed District
___ Approval of HNA, designated district(s) and Resolution by Secretary of Kansas Department of Commerce

KSA 12-5245
___ City adopts a Resolution stating it’s considering adoption of a plan and designation of a district;
___ Resolution will provide notice of a public hearing
___ Public hearing within 30 to 70 days after adoption date of Resolution
___ Resolution published in newspaper min. 1 week, max. 2 weeks before public hearing
___ Certified copy of Resolution sent to Planning Commission, School Board, County Commissioners
Steps required by K.S.A. 12-5244; 12-5245; 12-5246

KSA 12-5246
____ Public Hearing Held
____ City rep. will present the proposed plan for housing development
____ Developer shall be identified

____ City Commission may then adopt plan and establish the district by Ordinance;
____ County Commission and School Board notified by certified copy of Resolution;
____ Boundaries of district must be same as designated in original notice to local gov’t. bodies

____ 30-day time period for other local gov’t bodies to claim adverse effects
RURAL HOUSING INCENTIVE DISTRICT

FOR MORE INFORMATION

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Designed for cities and counties to assist developers in the building of housing in rural communities by financing public improvements and upper story residential in central business districts.
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Housing Assessment Tool (HAT)
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