

**City Council Meeting  
City of Larned  
Special Meeting and Hearing  
November 14, 2023  
12:00 PM**

- 1. Call to Order**
- 2. Approval of Resolution of Support for Housing Tax Credits to the Kansas Housing Resource Corporation by PETRA**
- 3. Adjournment**

**\*This is an open meeting. The Mayor, City Council, and the public are invited to join the meeting in person in the City Council Chambers at City Hall, 417 Broadway, or online through Zoom.**

**The Zoom meeting can be accessed by clicking the link below just prior to the Council's meeting.**

**<https://us02web.zoom.us/j/84511833804?pwd=dkFRTHBvRzVsVVlWcVNoYjRlT3l5dz09>**

**Thank you.**

**SPECIAL MEETING**  
**Larned City Council**  
**November 14, 2023**  
**12:00 p.m.**

TO: The Honorable Mayor and Members of the City Council

FROM: Bradley Eilts, City Manager

RE: Resolution of Support for Housing Tax Credits

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**Background and Analysis:** At the October 2<sup>nd</sup> City Council meeting, the Council adopted a Resolution of Support for a housing project. Similarly, this is a request to the City Council for a Resolution of Support to the KHRC for Housing Tax Credits.\* Although the grant deadline is Nov. 15<sup>th</sup>, the old Gleason Hospital at 523 Main was recently purchased by the developer, PETRA, with a focus on creating multi-family dwellings.

Tylan Dyer with PETRA is interested in renovating the interior of the old hospital building to construct 34 apartment units. The plan generally consists of taking two rooms and making one larger room between 400-500 sq ft. The rooms would be fully furnished, one-bedroom market-rate apartments with a kitchenette. The building is located in C-2 Office Business District Zoning, where multi-family dwellings is a Permitted use. Enclosed is a map of the location.

Based on data from the Housing Study conducted earlier this year:<sup>1</sup>

- 1) There is a significant gap in rental housing in Larned, with 24.7 percent, or 146 households, having incomes ranging from \$50,000 to \$100,000. These households would likely be eligible for moderate-income or market-rate housing units, if built, in Larned.
- 2) The largest employers in Larned are concentrated in the healthcare, educational services, public administration, and agriculture industries. Most major employers are in generally stable industries during economic downturns. The local economy is, however, heavily dependent on the top employer, the Larned State Hospital.
- 3) Many of the largest employers reported an abnormally high number of vacancies, a trend they attributed in part to the housing market's current state.

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<sup>1</sup> HOUSING STUDY WITH MARKET ASSESSMENT FOR CITY OF LARNED, KANSAS, NOVOGRADAC, July 2023, pg. 90 & 92.

- 4) There have been no multifamily permits for large multifamily units in Pawnee County since 2000. There have also been less than ten housing units added to the market more generally over the past decade.
- 5) In general, stakeholders agreed that there is a housing shortage in Larned. There is a general recognition that housing market issues impact labor markets, business operations at some major employers, and economic development more generally.
- 6) The housing most in demand appears to be moderate to market rate rental housing and moderate-income owner housing. None of these types of housing are likely to be added to the market without some incentive. Adding a new moderate income or market rate rental project can potentially meet two needs:
  - a. There is a need for more quality rental housing units in Larned.
  - b. If older households downsize into the new units, that would free up larger homes for families or other larger household types.

Three of the Study's eight recommendations are partially addressed through this project, including

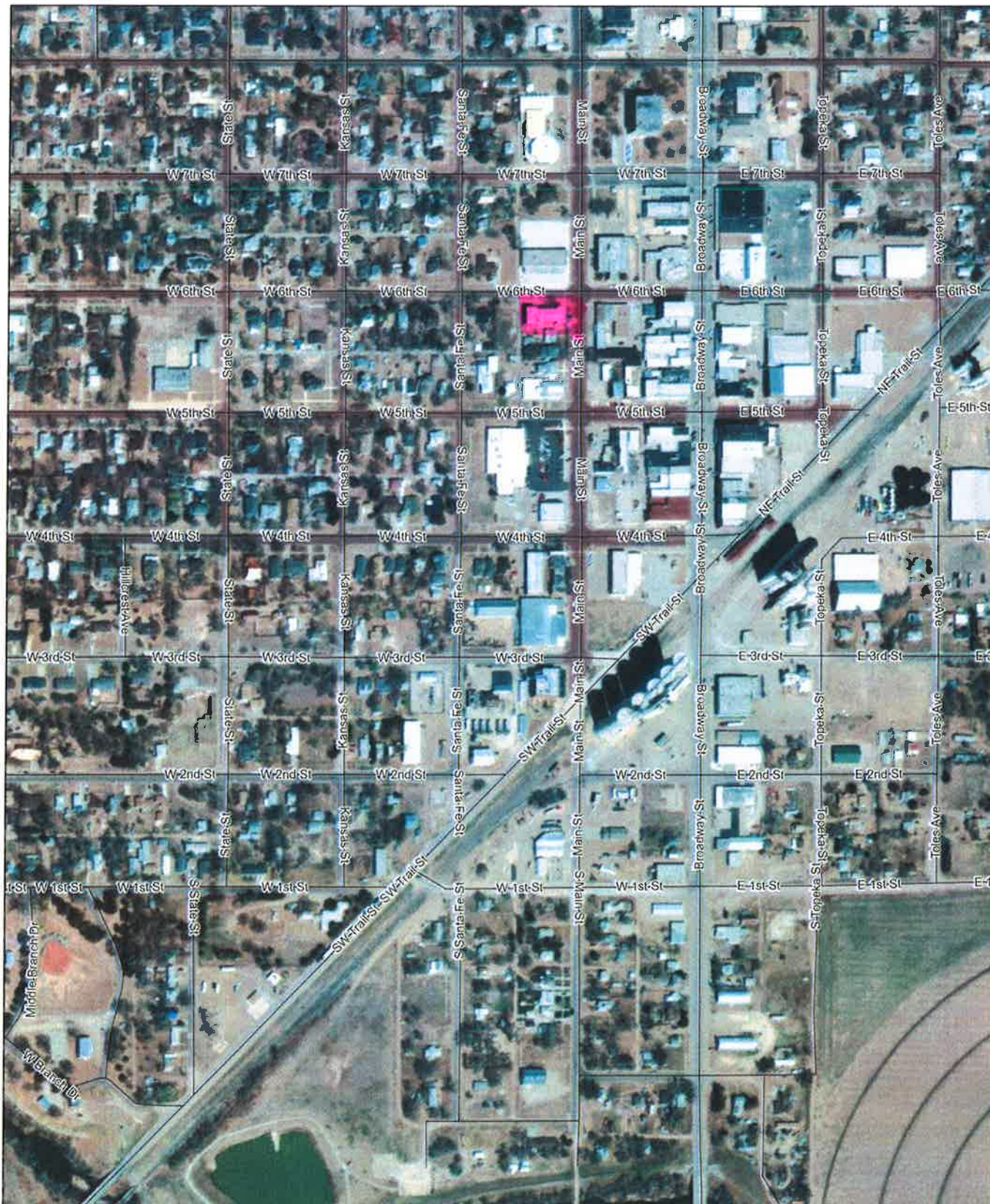
- (1) expanding the supply of moderate-income rental housing,
- (2) enhancing housing and amenities in the Downtown Area, and
- (3) expanding the types of units offered by supporting tax credit applications.

**Financial Considerations:** There are no costs associated with this action, and the City is not financially committed to managing or owning these housing units.

**Action Required:** Adopt Resolution of Support for Tax Credits by PETRA to the Kansas Housing Resource Corporation.


\* Tax credits are valuable tools for community development and affordable housing for rural communities. Tax credits awarded to developers are sold to individuals or a syndication to reduce income tax liability. They are usually sold for between 75-90% of the amount of the credit. The developer uses the proceeds of the sale as equity in a project. This equity reduces the level of debt service required in development as well as reducing the cost of borrowing.

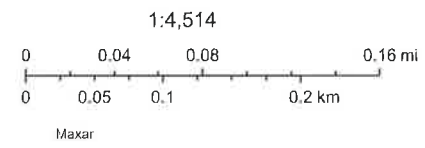
# Pawnee County GIS



11/14/2023, 5:53:35 AM

— RoadCenterline

 - 523 Main



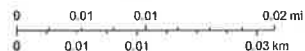
Pawnee County GIS




11/14/2023, 5:58:01 AM

- Parcels
- RoadCenterline

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Maxar, Microsoft

 - 523 Main