CITYWIDE HOUSING MARKET
STUDY AND STRATEGY

PREPARED FOR
City of Topeka

December 10, 2019
Study Purpose & Process

Understand

Market Analysis

Discussion
HOUSING STUDY
STRATEGIC FRAMEWORK

Topeka Comprehensive Housing Market Study

UNDERSTANDING NEEDS

URBAN CORE REINVESTMENT

HOUSING DIVERSIFICATION
APPROACH
WHAT QUESTIONS WILL THIS STUDY/PROCESS ANSWER?

Is Topeka positioned to accommodate the housing needs from a wide range of households now and into the future?

What are the types of housing that are missing in the market?

What are the barriers and opportunities for housing diversification?
## PROCESS & SCHEDULE

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Phase</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Kickoff: Getting Started</td>
<td>Kickoff</td>
<td>1 month: September</td>
</tr>
<tr>
<td>1</td>
<td>Understand: Context and Community Analysis</td>
<td>Understand</td>
<td>4 months: October—January</td>
</tr>
<tr>
<td>2</td>
<td>Analyze: Housing Market Analysis</td>
<td>Analyze</td>
<td></td>
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<tr>
<td>3</td>
<td>Strategize: Housing Needs Identification</td>
<td>Strategize</td>
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<tr>
<td>4</td>
<td>Finalize: Strategic Priorities</td>
<td>Finalize</td>
<td>2 months: February—March</td>
</tr>
<tr>
<td>5</td>
<td>Final Report</td>
<td>Final Report</td>
<td></td>
</tr>
</tbody>
</table>
KICKOFF
STAKEHOLDER GROUPS

STAKEHOLDER ENGAGEMENT

- Faith Leaders
- Social Service Providers
- Developers
- Landlords & Property Managers
- Universities and Major Employers
- Banking & Finance Professionals
- Neighborhood Groups
- Philanthropic Organizations
- Brokers and Real Estate Professionals
KICK-OFF CONVERSATIONS
WHAT WEHEARD

QUALITY
We need to improve the quality of the housing stock we already have, and reposition it to meet market demand.

REINVEST
We need a strategy that focuses housing reinvestment in our core neighborhoods.

RESOURCES
This study can help align resources and services to better serve our vulnerable populations.

OPPORTUNITY
Housing access and stability are foundational to child and family wellbeing, including school performance.

ACCESS
There is a shortage of quality affordable and workforce housing with convenient access to major employers.

OPTIONS
We need a diversity of housing price points and housing types.
1. Leverage housing (re)-investment to **stabilize Topeka’s core neighborhoods**.

2. Improve housing stability for Topeka’s vulnerable residents — **housing as opportunity**

3. Support **new housing development**, particularly **affordable** and **moderate-income** options.

4. Address **problem landlords, absentee owners, and vacant properties**.

5. Expand the **housing ecosystem** by building new partnerships to fund the Affordable Housing Trust Fund and create a CDC network.
UNDERSTANDING TOPEKA

FOCUS AREAS

Source: Development Strategies, 2019
What is the big picture?

What is going on now?
DOWNTOWN HOUSING TRENDS

### RENTERS

31%
Increase in renter-occupied housing for households earning more than $50,000 from 2009-2015

Source: American Community Survey

### DEMOGRAPHICS

72%
Non-family households by 2025

Source: Martha Farnsworth Riche

### PREFERENCES

66%
Prefer attached or small lot housing*

* If it puts them closer to work, mix of uses, etc.
Source: National Association of Realtors
NATIONAL HOUSING CHALLENGES

COST BURDEN
47%
Of renter households are burdened by housing costs
Source: State of the Nation’s Housing, 2019

SINGLE-FAMILY RENTAL
$36 billion
Spent by large investors 2010-2017 to acquire single-family homes as rental property
Source: The Atlantic, 2019 (200,000 properties in total)

BARRIERS
85%
Of potential buyers lack the savings for a 3.5% downpayment on a median-priced home
Source: State of the Nation’s Housing, 2019
The Topeka Metropolitan Statistical Area is growing...

-0.4%  
Topeka

+0.5%  
Topeka MSA

+1.5%  
MSA outside of Topeka

...but all growth is outside the city.

Source: Bureau of Labor Statistics
Based on projected job growth...

53% of new jobs will pay <$35k

45% of new jobs requiring a high school diploma will pay $35k - $75k

...affordable and workforce housing will be critical.

Source: Kansas Department of Labor, Northeast Region
# ECONOMIC

**MEDIAN ANNUAL WAGES OF OCCUPATIONS WITH HIGH PROJECTED NEAR-TERM GROWTH**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Annual Wage</th>
<th>Median Monthly Wage</th>
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</thead>
<tbody>
<tr>
<td>Food Preparation</td>
<td>$19k</td>
<td>$475 / mo</td>
</tr>
<tr>
<td>Janitorial Staff</td>
<td>$23k</td>
<td>$575 / mo</td>
</tr>
<tr>
<td>Personal Care Aides</td>
<td>$21k</td>
<td>$525 / mo</td>
</tr>
<tr>
<td>Software Developers</td>
<td>$96k</td>
<td>$2,400 / mo</td>
</tr>
<tr>
<td>Laborers</td>
<td>$30k</td>
<td>$750 / mo</td>
</tr>
<tr>
<td>Home Health Aids</td>
<td>$23k</td>
<td>$575 / mo</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>$60k</td>
<td>$1,500 / mo</td>
</tr>
<tr>
<td>Jobs at Advisors Excel</td>
<td>$52k*</td>
<td>$1,250 / mo</td>
</tr>
</tbody>
</table>

*Source: Kansas Department of Labor, KSNT *

*: average wages

Planned expansion; within 5 years

220 jobs retained
How does Topeka measure up?
TRENDS
PEER CITY ANALYSIS

TOPEKA

CEDAR RAPIDS

LAWRENCE

SPRINGFIELD

TULSA
TRENDS
PEER CITY RENTS & HOUSING VALUES (MSA)

Topeka  Springfield  Tulsa  Cedar Rapids  Kansas  Lawrence  USA
$118,900  $127,700  $139,100  $149,500  $150,650  $208,100  $231,000

Home values in the region

Springfield  Topeka  Cedar Rapids  Tulsa  Kansas  Lawrence  USA
$815  $837  $912  $920  $956  $1,044  $1,597

Rents in the region

Source: Zillow, September 2019
TRENDS
RENT AND HOMEOWNERSHIP TRENDS (REGIONAL)

OWNER-_OCCUPANCY 2010-2019

Cedar Rapids
Springfield
Topeka
Tulsa
USA
Lawrence

2010
2019
L
L
S
S
To
To
Tu
Tu
USA
USA
L
L

77% (3%)
73% (2%)
72% (3%)
65% (-2%)
63% (-2%)
58% (5%)

RENT CHANGE 2016-2019

USA
Lawrence
Topeka
Tulsa
Cedar Rapids
Springfield

USA
3% ($28)
2% ($17)
-2% (-$21)
-3% (-$28)
-7% (-$60)

Source: Esri, Zillow 2019
Home-ownership for City of Topeka: 63%
Rent change for City of Topeka: 3.7%
TRENDS
SHARE OF LIHTC UNITS BUILT SINCE 2010

- **Topeka**: 8%
- **Lawrence**: 13%
- **Tulsa**: 8%
- **Springfield**: 6%
- **Cedar Rapids**: 32%

Source: HUD LIHTC Database
What is it?

What does it look like in Topeka today?

Housing Affordability
HOUSING AFFORDABILITY

WHAT IS IT?
housing costs < 30% x household income

rent or mortgage+expenses

income from anybody in the home contributing to housing expenses (e.g., family, roommates, etc.)
$785* per month
to rent a 2-bedroom unit of safe and decent quality

Based on FY19 HUD Fair Market Rent for Topeka, KS MSA.
*Gross rent, including $200/month for utilities. Utilities assumption based on max. utility allowance limits by HUD.
**HOUSING AFFORDABILITY**

**SOME SIMPLE DEFINITIONS**

**$785** per month

to rent a 2-bedroom unit of safe and decent quality

**$16/HR**

**housing wage**

**bare minimum** to afford a 2-bedroom unit of safe and decent quality

*Based on FY19 HUD Fair Market Rent for Topeka, KS MSA.
*Gross rent, including $200/month for utilities. Utilities assumption based on max. utility allowance limits by HUD.

Calculated based on a $785 rent, assuming 30% of income toward rent, full-time employment.
Many households **cannot afford** that $785 rent...

- **33%**
  - City of Topeka

- **24%**
  - Topeka MSA

Calculated based on a $16 per hour housing wage, assuming 40 hours per week, 52 weeks per year.
...and many households are cost-burdened, paying more than they can afford.
HOUSING AFFORDABILITY
THE EXPERIENCE

58th highest eviction rate in the nation
Topeka ranks 220th in population among U.S. cities

1 of every 23 renter households evicted in 2016

2.8 evictions per day

1,012 evictions in 2016

EVICTION
HOMELESSNESS
IN 2018, PER 10,000 PEOPLE...

23 HOMELESS
Shawnee County

17
Tulsa County, OK

17
U.S.

14
Sangamon County, IL

8
Kansas

Data not available for Douglas County, KS and Linn County, IA.
Study Purpose & Process
Understand
The Big Picture
People
Place
Market Analysis
Discussion
Historic policies, such as redlining, continue to impact our communities...

...including Topeka’s core neighborhoods.

Map of City of Topeka dated February 1927, City Engineer’s Office, City of Topeka for Home Owners’ Loan Corporation (HOLC) – compiled by the University of Richmond for “Mapping Inequality” project.
GIS Shapefile Source: City of Topeka
UNDERSTANDING TOPEKA’S NEIGHBORHOODS
HISTORY AND REDLINING

REDLINING...

- Restricted where residents could get a bank loan to buy or repair a home
- Limited access to insurance in “declining” and “hazardous” areas
- Encouraged investment in “new areas”
- Limited residents’ ability to gain wealth

Map of City of Topeka dated February 1927, City Engineer’s Office, City of Topeka for Home Owners’ Loan Corporation (HOLC) – compiled by the University of Richmond for “Mapping Inequality” project.
GIS Shapefile Source: City of Topeka
RACE + EQUITY
AN OVERVIEW

53,720 TOTAL HOUSEHOLDS

75% WHITE

11% AFRICAN AMERICAN

16% HISPANIC

Source: ACS 2013-2017
RACE + EQUITY
MEDIAN HOUSEHOLD INCOME

City of Topeka: $46,100
White: $48,950
Hispanic: $41,830
African-American: $30,500

Source: ACS 2013-2017
RACE + EQUITY

HOUSEHOLDS BELOW POVERTY

*With incomes below $25k, the federal poverty threshold for a family of four

City of Topeka 17%
White 15%
Hispanic 24%
African-American 24%

Redlining Grade
- “Definitely Declining”
- “Hazardous”

Source: ACS 2013-2017
Many households **cannot afford** that $785 rent...

- **City of Topeka:** 33%
- White: 31%
- Hispanic: 36%
- African-American: 52%

Source: ACS 2013-2017
# UNDERSTANDING TOPEKA'S NEIGHBORHOODS

## NEIGHBORHOOD CYCLES

### Definition of Neighborhood Cycles

<table>
<thead>
<tr>
<th>OPPORTUNITY</th>
<th>TRANSITIONAL</th>
<th>STABLE</th>
<th>GROWING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity neighborhoods are the areas of the city that have experienced the most disinvestment and abandonment, or have a significant amount of obsolete housing stock. These areas include portions of East Topeka, Hi-Crest, North Topeka, and Central Topeka.</td>
<td>Transitional neighborhoods are those with more stability and investment than opportunity neighborhoods yet still face multiple challenges. Transitional neighborhoods could also be those where there is concern that conditions will deteriorate.</td>
<td>Stable neighborhoods are established neighborhoods that do not show signs of widespread disinvestment. Neighborhoods like College Hill, Oakland, and many of the post-war neighborhoods in west Topeka and south Topeka are examples of this designation.</td>
<td>Growing neighborhoods are new subdivisions where new construction is underway, or existing neighborhoods where new development is replacing existing homes or densifying the area (i.e., redevelopment with new multi-family). Growing areas also include those with above average home price appreciation.</td>
</tr>
<tr>
<td>While these areas face complex challenges, there are multiple opportunities for reinvestment. City efforts should include consistent code enforcement, site assemblage, partnerships with community groups and nonprofits for community clean-up and infill development opportunities, coordinated public improvements, and connecting residents to the broader housing ecosystem—to help residents who may need immediate repairs or assistance to stay in their homes.</td>
<td>City efforts in this area should include maintaining property standards by encouraging the continued investment in the homes—a more structure-based focus for interventions.</td>
<td>Existing neighborhoods like Westboro, Briarwood, and new development areas like Rockfire, Sherwood Park, and Misty Harbor are examples of this designation. City efforts in this area include normal plan review and permitting.</td>
<td></td>
</tr>
</tbody>
</table>
UNDERSTANDING TOPEKA'S NEIGHBORHOODS

INVESTMENTS NEEDED

Opportunity Neighborhoods
Public money flows into targeted sites

Transitional Neighborhoods
Public and inst. Investment. Fledgling economy emerges

Stable Neighborhoods
Projects occur without subsidy

Growing Neighborhoods
Tax base supports other communities

Investments in Public Realm

Investments in People

Catalyst Projects

Private Investment

Claudia Barahona | Matthew Wetli 2013
UNDERSTANDING TOPEKA'S NEIGHBORHOODS

OVERVIEW

OPPORTUNITY
- Median Home Value: <45k
- Projected Home Value Growth: <9%
- Median HH Income: <16k
- Poverty Level: <30%
- Owner HH: >35%
- Vacant Units: >25%
- Permit Activity: Very low

TRANSITIONAL
- Median Home Value: 45k-70k
- Projected Home Value Growth: 9%-25%
- Median HH Income: 16k-33k
- Poverty Level: 30%-45%
- Owner HH: 20%-35%
- Vacant Units: 15%-25%
- Permit Activity: Low

STABLE
- Median Home Value: 70k-110k
- Projected Home Value Growth: 25%-45%
- Median HH Income: 33k-66k
- Poverty Level: 45%-70%
- Owner HH: 10%-20%
- Vacant Units: 5%-15%
- Permit Activity: Moderate

GROWING
- Median Home Value: >110k
- Projected Home Value Growth: >45%
- Median HH Income: >66k
- Poverty Level: >70%
- Owner HH: >70%
- Vacant Units: <10%
- Permit Activity: High
UNDERSTANDING TOPEKA'S NEIGHBORHOODS

INDICATORS

MEDIAN HOME VALUE

PROJECTED CHANGE IN HOME VALUE

MEDIAN HOUSEHOLD INCOME

OWNER HOUSEHOLDS

- OPPORTUNITY
- TRANSITIONAL
- TABLE
- GROWING
UNDERSTANDING TOPEKA'S NEIGHBORHOODS

INDICATORS

**PERMIT ACTIVITY**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Median Home Value</td>
<td>35%</td>
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<tr>
<td>Projected Home Value Growth</td>
<td>0%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>0%</td>
</tr>
<tr>
<td>Owner Households</td>
<td>20%</td>
</tr>
<tr>
<td>Households Below Poverty</td>
<td>25%</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>10%</td>
</tr>
<tr>
<td>Permit Activity</td>
<td>10%</td>
</tr>
</tbody>
</table>
UNDERSTANDING TOPEKA'S NEIGHBORHOODS
NEIGHBORHOOD CYCLES

Source: Development Strategies, 2019
UNDERSTANDING TOPEKA'S NEIGHBORHOODS

NEIGHBORHOOD CYCLES
Households face severe **cost burdens** across the City—but at much higher rates in some neighborhoods.
These rates are even higher when looking at rentership—renters are much more likely to be cost burdened than owners.
NEIGHBORHOODS ANALYSIS
MEDIAN YEAR BUILT

Year Built
- Before 1870
- 1870-1900
- 1900-1920
- 1920-1945
- 1945-1960
- 1960-1980
- 1980-2000
- 2000-2019

Source: Parcel Data, City of Topeka
NEIGHBORHOODS AND EQUITY
HOUSING COST BURDEN - A GREATER HARDSHIP FOR MINORITIES
Study Purpose & Process

Understand

The Big Picture
People
Place

Market Analysis

Discussion
A market-based look at conditions on the ground...

...not yet ideas for solutions, though this understanding is an essential foundation.
## HOUSING SUPPLY
### MARKET-RATE RENTAL SUMMARY METRICS

<table>
<thead>
<tr>
<th>City of Topeka</th>
<th>CLASS B</th>
<th>CLASS C</th>
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<tbody>
<tr>
<td><strong>HOUSING UNITS</strong></td>
<td>14,327</td>
<td>8,905</td>
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<tr>
<td><strong>VACANCY RATE</strong></td>
<td>7.3%</td>
<td>8.3%</td>
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<tr>
<td><strong>AVERAGE RENT/MO</strong></td>
<td>$715</td>
<td>$767</td>
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<table>
<thead>
<tr>
<th>Central Topeka</th>
<th>CLASS B</th>
<th>CLASS C</th>
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<tbody>
<tr>
<td><strong>HOUSING UNITS</strong></td>
<td>443</td>
<td>1,550</td>
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<tr>
<td><strong>VACANCY RATE</strong></td>
<td>6.0%</td>
<td>6.8%</td>
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<tr>
<td><strong>AVERAGE RENT/MO</strong></td>
<td>$474</td>
<td>$312</td>
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<tr>
<td><strong>HOUSING UNITS</strong></td>
<td>218</td>
<td>5.1%</td>
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<tr>
<td><strong>VACANCY RATE</strong></td>
<td></td>
<td>$493</td>
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<tr>
<td><strong>AVERAGE RENT/MO</strong></td>
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<td>$312</td>
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Source: CoStar 2019, Development Strategies; data reflect only existing units, not those under construction or proposed; *Vacancy rate only reflects actively marketed properties.
MULTIFAMILY SUPPLY
LOWER MIDSCALE

La Casa Grande Apartments
Built 1969, (191 units)
Occupancy: 89%
Rents
Studio: $535
1BR: $564
2BR: $708
3BR: $930
$0.75 Avg. PSF

White Lakes Plaza Apartments Homes
Built 1973 (144 units)
Occupancy: 97%
Rents
1BR: $604
2BR: $685
$0.76 Avg. PSF

Whitehall Apartments
Built 1979 (74 units)
Occupancy: 93%
Rents
1BR: $563
2BR: $714
3BR: $780
$0.68 Avg. PSF

Park South Apartments
Built 1970 / Ren. 2018 (234 units)
Occupancy: 87%
Rents
Studio: $427
1BR: $519
2BR: $603
3BR: $930
$0.71 Avg. PSF
Crown Colony Apartments
Built 1982 (220 units)
Occupancy: 97%
Rents
1BR: $814
2BR: $895
3BR: $949
$1.11 Avg. PSF

Chalet
Built 1983 (233 units)
Occupancy: 96%
Rents
Studio: $518
1BR: $731
2BR: $922
3BR: $1,262
$1.00 Avg. PSF

Trianon Apartments
Built 1966 (88 units)
Occupancy: 98%
Rents
1BR: $700
2BR: $818
3BR: $1,233
$0.71 Avg. PSF

Sherwood Apartments
Built 1988 (300 units)
Occupancy: 96%
Rents
1BR: $860
2BR: $924
3BR: $1,040
$1.05 Avg. PSF
MULTIFAMILY SUPPLY
STUDENT

**Washburn North**
Built 1971 (21 units)

- **Rents**
  - Studio: $394
  - 1BR: $497
  - 2BR: $564
  - $0.81 Avg. PSF

**Mount Vernon Apartments**
Built 1971 (111 units)

- **Rents**
  - 1BR: $477
  - 2BR: $596
  - $0.80 Avg. PSF

**The Lofts at College Hill**
(220 units)

- **Rents**
  - Studio: $636
  - 1BR: $731
  - 2BR: $1,027
  - 3BR: $1,132
  - 4BR: $1,258
  - $0.91 Avg. PSF

**Washburn Place**
Built 1998 (28 units)
Occupy: 93%

- **Rents**
  - 2BR: $638
  - $0.91 Avg. PSF
MULTIFAMILY SUPPLY
NEW CONSTRUCTION/REHAB

101 N Kansas Ave
Built 1900 (33 units)
Occupancy: 92%
Rents
2BR: $1,150
$1.12 Avg. PSF

Woodland Park at Soldier Creek
Built 2004 (236 units)
Occupancy: 95%
Rents
1BR: $835
2BR: $773
3BR: $885
$0.93 Avg. PSF

The Overlook
Built 2001 (318 units)
Rents
1BR: $785
2BR: $860
3BR: $1,050
$0.77 Avg. PSF

Downtown Lofts
Built 2017-19 (75 units)
Rents
1BR: $648
2BR: $1,350
$0.68 Avg. PSF
EXISTING SUPPLY
SUBSIDIZED AFFORDABLE HOUSING

745 public housing units
1,080 other assisted Multi-Family units
4,820 subsidized affordable units
2,995 LIHTC units
EXISTING SUPPLY
SUBSIDIZED AFFORDABLE HOUSING

4,820 subsidized affordable units

14,000 Income-qualifying Households
(based on 60% AMI w/o subsidies)
SINGLE-FAMILY MARKET
RECENTLY SOLD

1. **3544 SW 15th Street**
   - **Westboro**
   - Built 1955
   - 2,198 SF
   - $78 PSF
   - 3BR 3Bath: $171,000

2. **2825 SW Sunset Road**
   - **Southwest**
   - Built 1959
   - 1,476 SF
   - $78 PSF
   - 3BR 2Bath: $115,000

3. **1601 SW Sieben Street**
   - **Shunga Park**
   - Built 1972
   - 2,234 SF
   - $76 PSF
   - 4BR 4Bath: $170,000

4. **6021 SW 39th Court**
   - **New Build**
   - Built 1995
   - 2,040 SF
   - $110 PSF
   - 3BR 3Bath: $225,000

*Sale Prices from Zillow 2019*
What are future needs?
## MARKET ANALYSIS
**TYPES OF SUPPLY - AFFORDABILITY**

<table>
<thead>
<tr>
<th>% AMI (Area Median Income)</th>
<th>Subsidized</th>
<th>Affordable</th>
<th>Workforce</th>
<th>Upscale</th>
<th>Luxury</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
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<tr>
<td>30%</td>
<td></td>
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<tr>
<td>60%</td>
<td></td>
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<tr>
<td>100%</td>
<td></td>
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<tr>
<td>120%</td>
<td></td>
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<tr>
<td>150%</td>
<td></td>
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<tr>
<td>200%</td>
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</table>
COST OF HOUSING
AFFORDABILITY METRICS AND INCOME DISTRIBUTION

For-Sale Affordability
- $70K
- $140K
- $250K
- $320K

Rental Affordability
- $400
- $830
- $1,380
- $1,830

Subsidized
Affordable
Workforce
Upscale
Luxury

No. of Households
City of Topeka
- 6,920
- 13,300
- 14,060
- 10,545
- 5,395

Source: 2013-17 American Community Survey 5-Year Estimates
HOUSEHOLD HOUSING AFFORDABILITY
STUDY AREA - RENTAL

2013-2017 American Community Survey 5-Year Estimates
HOUSEHOLD HOUSING AFFORDABILITY
STUDY AREA – FOR-SALE

Affordable  Workforce  Upscale  Luxury

Households

1,420  2,650  2,290  4,300  6,990  5,400  6,370  2,010

<$70K  $120K  $150K  $185K  $225K  $325K  $375K  >$400K

43% of likely owner households

31,400 owner HHs

2013-2017 American Community Survey 5-Year Estimates
SENIOR HOUSING DEMAND
PRIMARY MARKET AREA

INDEPENDENT LIVING
> for self-sufficient individuals; activity and community-focused, with some meals provided.

1,100
market area senior households that can afford
$2,000-$4,000/month

ASSISTED LIVING
> for individuals with some care need; trained staff on-site for personal and medical care; all meals provided.

200
market area senior households that can afford
$3,500-$5,000/month

350
market area senior households that can afford
$5,000+/month
What does this mean in terms of future housing development?
**DEMAND**

**CITYWIDE AFFORDABILITY GAPS - OWNER**

Share of Stock ‘Below Average’

<table>
<thead>
<tr>
<th>Home Price Range</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>80% AMI</th>
<th>100% AMI</th>
<th>150% AMI</th>
<th>200% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$70k</td>
<td>76%</td>
<td>33%</td>
<td>5%</td>
<td>14%</td>
<td>16%</td>
<td>10%</td>
<td>10%</td>
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<tr>
<td>$70k-110k</td>
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<tr>
<td>$110k-120k</td>
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<tr>
<td>$120k-140k</td>
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<tr>
<td>$140k-190k</td>
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<tr>
<td>$190k-250k</td>
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<tr>
<td>$250k-370k</td>
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</table>

2013-2017 American Community Survey 5-Year Estimates, City of Topeka - Parcel Data
DEMAND
CITYWIDE AFFORDABILITY GAPS - RENTER

Households / Units

30% AMI: 5,540
40% AMI: 2,680
50% AMI: 2,000
60% AMI: 1,660
80% AMI: 2,770
100% AMI: 2,480
150% AMI: 3,440
200% AMI: 680

Rent Range
< $414
$414-552
$552-690
$690-828
$828-1104
$1104-1380
$1380-2070
$2070-2760

Unmet demand

1,040
5,760
2,020
1,660
2,770
2,480
3,440
2,000
4,050
2,600
2,680
2,280
2,600

Household Affordability
Current Supply
There are several important considerations and further analysis is needed to quantify future housing demand.

- “Demand” refers to what existing households can afford assuming that **30% of income goes towards housing costs** (rent/mortgage payment plus utilities).

- Low-income households allocate a **significantly greater proportion of income** towards housing costs. Middle- and upper-income households may allocate less, creating an imbalance on both ends of the graph.

- Most low-income households in Topeka are housed, but **rent burden is an issue**. The “unmet demand” portion of the 30% AMI bracket are households burdened by housing costs in the 40% and 50% AMI levels.

- There is a need to **support organizations** that work with people/families to stabilize their finances and **move up the housing affordability scale**.

- Housing quality is generally **substandard at lower affordability levels**. More than half of all units at or below 50% AMI are “below average” quality or worse. While these units are “affordable” their condition leads to higher utility bills and potential health and safety hazards.
- This is compounded by uneven neighborhood cohesion. **Lack of access to services and amenities** in some parts of Topeka limits the potential buyer pool for many quality rehabs or well-maintained older homes.

- Smaller for-sale units—condos, townhomes—can be positioned at a **more accessible price point for moderate-income households** than larger detached single-family homes. Diversity is housing stock can fill these gaps and create a **pathway to homeownership** for a broader range of households.

- There is an **undersupply of rental units** throughout the community. The absence of **upscale rental properties**—there is very little supply at 150% of AMI and above—creates additional pressure as affluent households have fewer options of sufficient quality. These households opt for lower-priced rentals, enter the for-sale market, or choose to live elsewhere.

- **Demand for affordable housing** is persistent in communities throughout the country. Though subsidies and incentives are finite, LIHTC can be used to ensure long-term provision of affordable units in improving neighborhoods, or dramatically improving the overall quality of the rental stock in struggling areas.
MARKET ANALYSIS
SUMMARY

There is a need for:
- New or modern affordable housing.
- Moderate and higher-priced for-sale housing.
- Improved condition of the existing housing stock.
- New construction.

There is an abundance of “affordable” housing, but several factors make it undesirable—condition, location, neighborhood conditions, schools, etc.

It is not just about price, it is about quality of product and place. It is also about people.

There is a need for a strategic approach to align market opportunities to improve neighborhood conditions.
What's next in this process?
# Focus Area Analysis

## Summary

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Change in housing units (2010-2019)</th>
<th>Median Home Value</th>
<th>Renter Share</th>
<th>Extremely Cost-Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Average</td>
<td>1.3%</td>
<td>$117k</td>
<td>37%</td>
<td>13%</td>
</tr>
<tr>
<td>Central Topeka</td>
<td>2.1%</td>
<td>$75k</td>
<td>67%</td>
<td>19%</td>
</tr>
<tr>
<td>East Topeka</td>
<td>1.3%</td>
<td>$34k</td>
<td>47%</td>
<td>17%</td>
</tr>
<tr>
<td>North Topeka</td>
<td>0.2%</td>
<td>$69k</td>
<td>38%</td>
<td>13%</td>
</tr>
<tr>
<td>Hi-Crest</td>
<td>0%</td>
<td>$63k</td>
<td>42%</td>
<td>14%</td>
</tr>
<tr>
<td>SW Topeka</td>
<td>0.6%</td>
<td>$102k</td>
<td>22%</td>
<td>3%</td>
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<tr>
<td>Westboro</td>
<td>0.2%</td>
<td>$139k</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Shunga Park</td>
<td>0%</td>
<td>$195k</td>
<td>4%</td>
<td>10%</td>
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<tr>
<td>New Build</td>
<td>23%</td>
<td>$279k</td>
<td>8%</td>
<td>10%</td>
</tr>
</tbody>
</table>

### Redlining Grade
- **Yellow**: “Definitely Declining”
- **Red**: “Hazardous”

Source: ESRI, Zillow, 2018
A CLOSER LOOK
CENTRAL TOPEKA FOCUS AREA

KEY CHARACTERISTICS

MEDIAN YEAR BUILT
1890

HOME PRICES
$20K - $300K

CONDITION RATING
AVERAGE
A CLOSER LOOK
CENTRAL TOPEKA FOCUS AREA

ASSETS & PRIORITIES
- Stable areas adjacent to and within focus area
- Proximity to Washburn U., Downtown, and Stormont Value
- Proximity to Quincy St Station
- Good access to multiple parks

OPPORTUNITIES
- Housing needs for Stormont Vail and Washburn
- Housing options not available or planned downtown
- Leverage momentum from adjacent area

CHALLENGES
- General conditions
- Older housing stock
- Pockets of high crime
NEXT STEPS

1. **Organizational Assessment and Housing Strategy**
2. **Understand Housing Needs & Goals**
3. **Quantify Development Costs & Funding Gaps**
4. **Evaluate Capacity of Existing Organizations and Programs**
5. **Identify Organizational & Programmatic Gaps**
6. **Strategy for Utilizing Available Resources**
7. **Strategy for Creating New Resources & Tools**
8. **Define Roles & Responsibilities for Implementation**
1. Leverage housing (re)-investment to stabilize Topeka’s core neighborhoods.

2. Improve housing stability for Topeka’s vulnerable residents — housing as opportunity

3. Support new housing development, particularly affordable and moderate-income options.

4. Address problem landlords, absentee owners, and vacant properties.

5. Expand the housing ecosystem by building new partnerships to fund the Affordable Housing Trust Fund and create a CDC network.