TOPEKA

CITYWIDE HOUSING MARKET STUDY AND STRATEGY

PREPARED FOR
CITY OF TOPEKA

JULY 2020

DEVELOPMENTSTRATEGIES®

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AND THE
CHILDREN
SHALL LEAD
SUMNER SCHOOL
A NEW DAY
Brown v. Board of Education.
7089
SWEEP THE PORCH
GOODNESS

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Greetings from

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INTRODUCTION

DIVERSITY OF HOUSING, DIVERSITY OF NEEDS

Topeka's status as a public sector employment center and city that draws commuters from a broad area creates unique challenges in providing quality housing across the spectrum of affordability.

About this Study

Topeka's Citywide Housing Market Study and Strategy was undertaken to inform Topeka's Affordable Housing Review Committee and provide a long-term strategy for meeting the city's housing needs and addressing the obstacles and opportunities of Topeka's housing market. This effort was also seen as providing an important resource to fulfill some of the community development goals in the city's holistic community plan, Momentum 2022.

The goal of this Housing Market Study and Strategy is to establish actionable strategies to improve the existing housing stock and effectively plan to meet future demand for housing. The analyses and strategies presented in this final report seek to answer four key questions:

1. What is the **current supply** of housing in Topeka, and is the city positioned to meet **future housing demand** across a range of household affordability?
2. What **types of housing** are missing in the market?
3. What are the **barriers and opportunities** for diversifying Topeka's housing stock?
4. What **tools, programs, and organizations** are needed to advance Topeka's housing priorities?

This document is organized into six chapters that outline the Housing Market Study and Strategy. The first chapter provides context for the City of Topeka and a summary of the analysis of trends and characteristics related to people and policy, place and economy, and housing affordability and stability. This analysis is the foundation for understanding the conditions that impact housing in the city.

The second chapter considers the city's various neighborhood contexts, and establishes a framework that will enable the city and its partners to focus housing investments, programs, and interventions in a strategic and impactful way.

The third chapter provides the overall market analysis to understand the current conditions and opportunity for housing. It identifies the gaps that exist in the housing supply today and likely housing needs in the future. It concludes with a development program that sets realistic expectations for the delivery of housing based on market conditions.

The fourth chapter establishes a market-based understanding of the costs to stabilize a single housing unit. Strategies to shore up a large number of housing units, alongside more intensive investments in abandoned properties and deeply affordable housing, will all play an important role. The chapter explores the dynamic between the cost of housing stabilization and the implications of different interventions.

The fifth chapter offers a strategic framework that identifies and organizes a broad array of actions that can be taken by the city and is partners to meet the city's housing needs. This framework outlines six complementary strategies by which the city and its partners can coordinate their efforts, plan ahead, and identify opportunities for collaboration to advance the housing goals in a balanced way.

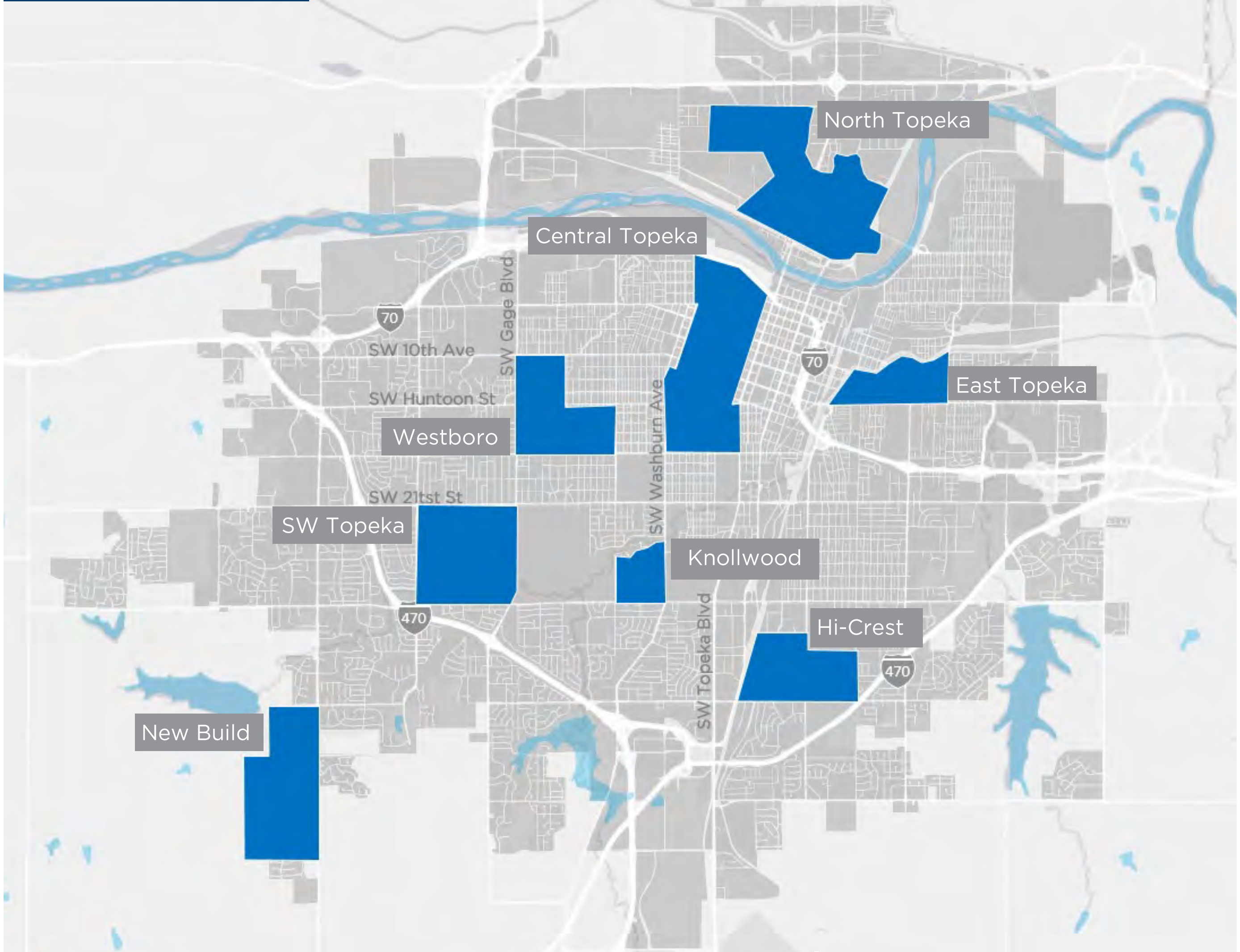
The sixth chapter lays out recommendations for strategic priority actions, including timing recommendation. The document's appendix includes a curated collection of additional analyses, which provide further detail related to content presented in the body of the report.

Focus Areas

The map on the facing page illustrates eight focus areas in the city. These areas were selected through conversations with the client team and steering committee, as well as GIS analysis of a variety of neighborhood conditions. The intent of selecting and analyzing focus areas is to illustrate the different housing conditions and contexts throughout the city. This enables the alignment of different strategies to different contexts. For instance, strategies that apply to Central Topeka will apply to other areas of the city.

We are grateful to the City of Topeka and its partners—FHL Bank, Community Action Partnership, CoreFirst Bank & Trust, Topeka Community Foundation, Kansas Housing, Cornerstone of Topeka, and Topeka Housing Authority—for the opportunity to work on this project. We hope this study serves as a useful tool in guiding efforts to improve quality of life throughout the City of Topeka.

FOCUS AREA MAP



North Topeka

North Topeka is one of the oldest areas of the city and NOTO Arts & Entertainment District has attracted renewed attention on the area. This focus area has below average housing conditions and several vacant lots that present potential redevelopment opportunity.

Central Topeka

Central Topeka includes neighborhoods between Downtown and two major employment anchors—Regional Medical District and Washburn University. Though conditions vary block by block, and some areas are very stable, overall housing conditions are below average.

East Topeka

East Topeka is a unique area, with a mix of homes and many small businesses. The neighborhood has an immigrant population who has invested in the neighborhood. It has challenging housing conditions, floodplain issues, relatively small units, and some of the lowest median values in the city.

Westboro

Westboro is one of Topeka's most stable and desirable neighborhoods. It has above average conditions, strong property values, and homes sell quickly. It was included as an example of a stable neighborhood that has seen continued investment over time.

New Build

The New Build focus area represents the most common type of housing built in the city over the past decade: single-family homes over 2,000 square feet. A number of lots remain vacant in this area due to slowing development.

Hi-Crest

Hi-Crest is one of Topeka's most challenged neighborhoods. Built following World War II to house workers and veterans, it was originally designed as short-term housing until more durable housing could replace it. Most of the housing is now rental and marginally maintained.

Knollwood

Knollwood, like Westboro, is a historically stable and desirable neighborhood. Although homes are newer and less expensive than in Westboro, it is another example of a neighborhood with continued investment and stable conditions.

SW Topeka

SW Topeka is comprised primarily of mid-century ranch homes. Conditions are average and property values are stable. It was selected because it is experiencing turn over as original residents are leaving, and some homes show signs of deterioration. Early interventions will promote its stability.

CHAPTER 1

UNDERSTAND: HOUSING TRENDS

NATIONAL TRENDS & CHALLENGES

Renting is becoming more popular nationwide due to changing preferences, but also rising costs of homes.

Downtowns nationwide are undergoing a renaissance due to changes in consumer and lifestyle preferences. Households are renting more, smaller units are becoming popular, and proximity to walkable environment and a mix of uses is becoming highly desirable. Higher-income households are renting more often than in the past: from 2009 to 2015, renter-occupied housing for households earning more than $50,000 increased by 31 percent and non-family households, which are likely renters, are expected to make up 72 percent of all households by 2025. Sixty-six percent of people said they preferred attached or small lot housing when it is within walking distance of work and amenities. These factors are increasing demand for urban-style living near amenities and employment centers.

Households across the nation also face many challenges. Housing prices in many markets across the U.S. have increased at a much faster rate than wages. As a result, 47 percent of renter households are burdened by housing cost and 85 percent of potential buyers cannot afford a 3.5 percent down payment on a median-priced home. Large investors have purchased 200,000 single-family homes worth $36 billion to turn them into rental property. This has constricted the amount of more affordable homes to first-time home buyers, and has driven competition and prices for the remaining for-sale stock.

RENTERS

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

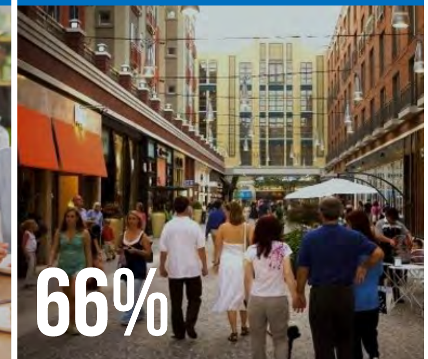
Source: American Community Survey

DEMOGRAPHICS

Non-family households by 2025

Source: Martha Farnsworth Riche

PREFERENCES



Prefer attached or small lot housing*

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

COST BURDEN

of renter households are burdened by housing costs

Source: State of the Nation's Housing, 2019

SINGLE-FAMILY RENTAL

Spent by large investors 2010-2017 to acquire single-family homes as rental property

Source: The Atlantic, 2019 (200,00 properties in total)

BARRIERS

of potential buyers lack the savings for a 3.5% downpayment on a median-priced home

Source: State of the Nation's Housing, 2019

An oversupply of three-bedroom and four-bedroom single-family homes is largely at odds with changing household demographics.

While single-family homes comprise approximately 62 percent of the nation's current housing supply, demographic shifts are changing the complexion of the "traditional" household. Married couples with children comprise 19 percent of all households in the US, while average household size decreased from 2.76 to 2.54 persons between 1980 and 2017. Trends in Topeka suggest the same mismatch between housing supply and changing demographics. A greater percentage of the city's housing units—68 percent—are detached single-family homes. While married couples with children form a larger proportion of all households—26 percent—the average household size is smaller, at 2.29 persons.

Suburban three-bedroom and four-bedroom homes have been the dominant housing typology developed since the end of World War II. However, single-person households and roommates are increasingly common, while a range of factors such as marrying later, fewer children, and student debt has decreased the overall appetite for larger detached units.

The current undersupply of denser housing options exacerbates this mismatch, and pushes more households into the single-family market, creating scarcity and rising prices. Developing a greater number of urban housing typologies provides a marketable, more affordable option for these households, and can direct significant new investment into revitalizing neighborhoods.

SINGLE-FAMILY HOUSING & HOUSEHOLD TREND COMPARISON

USA, 1980-2017

Source: US Census, ACS 5-yr est.

	1980	2017	
Share of Single-Family Homes	62%	62%	The share of single-family homes remained the same from 1980 to 2017
Share of Married Households with Children	31%	19%	Yet, the share of married households with children, a primary market for single-family homes, declined substantially
Average Household Size	2.76	2.54	Household sizes also decreased, impacting consumer preferences about the size of housing units

TOPEKA OVERVIEW

Some major employers have stayed in Topeka, but the city has not shared the prosperity of the state in recent years.

The Topeka Metropolitan Statistical area includes Jackson, Jefferson, Osage, Shawnee, and Wabaunsee Counties. It is the third largest in Kansas with 234,000 residents, and 54 percent (127,000) live in the city. Interstate 70 passes through the city's downtown, heading east-west, while Interstate 470 curves around the southern edge of the city and connects with The Kansas Turnpike. The Kansas Turnpike goes east to Lawrence (27 miles) and Kansas City (64 miles), and south to Wichita (144 miles). Topeka's proximity to Lawrence, Kansas City, and Manhattan to the northeast give access to additional jobs. However, the cities, especially nearby Lawrence, also serve as competition for residents; many choose to commute from Lawrence to Topeka.

Topeka has struggled since Forbes Air Force Base effectively closed in 1973. The population only recently returned to near the 1970 level. Significant economic development efforts continue to retain such major employers as BNSF Railroad, Evergy, and Security Benefit, while some companies expand, like Advisors Excel, and improve the overall quality of life. As the state capital, government offices of all levels have offices in the city, and are another important asset.

Despite a recovery from the Great Recession, the unemployment rate in Topeka remains higher than the state and MSA. Much of the change in unemployment is due to a decrease in the labor force; actual employment increased 0.1 percent since 2010, and population and incomes are also stagnant. Only 30 percent of Topekans have a bachelor's degree or higher, compared to 35 percent statewide, which has broad implications regarding economic mobility and housing choice.

QUICK FACTS

Land Area
60.2 sq. mi.

Population
127,000

Households (HH)
53,300

Average HH Size
2.3

Median HH Income
$50,100

Median Age
37.6

% Population Aged 0-17
23%

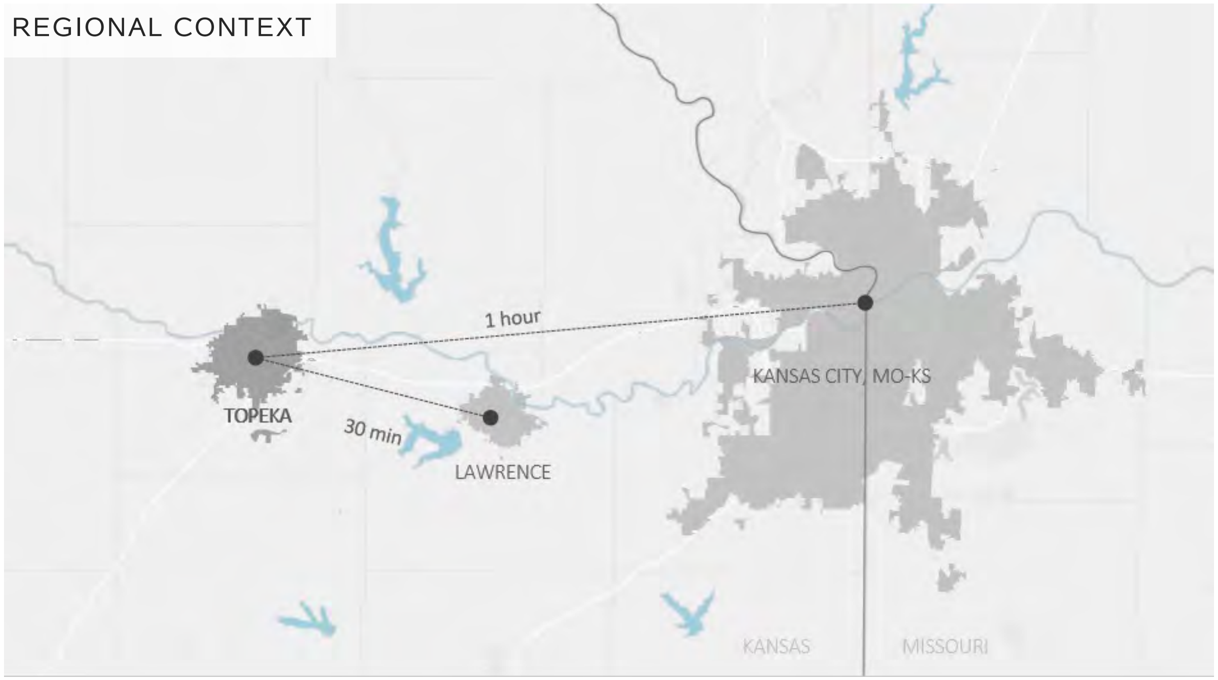
Source: ESRI, 2019

Regional Context

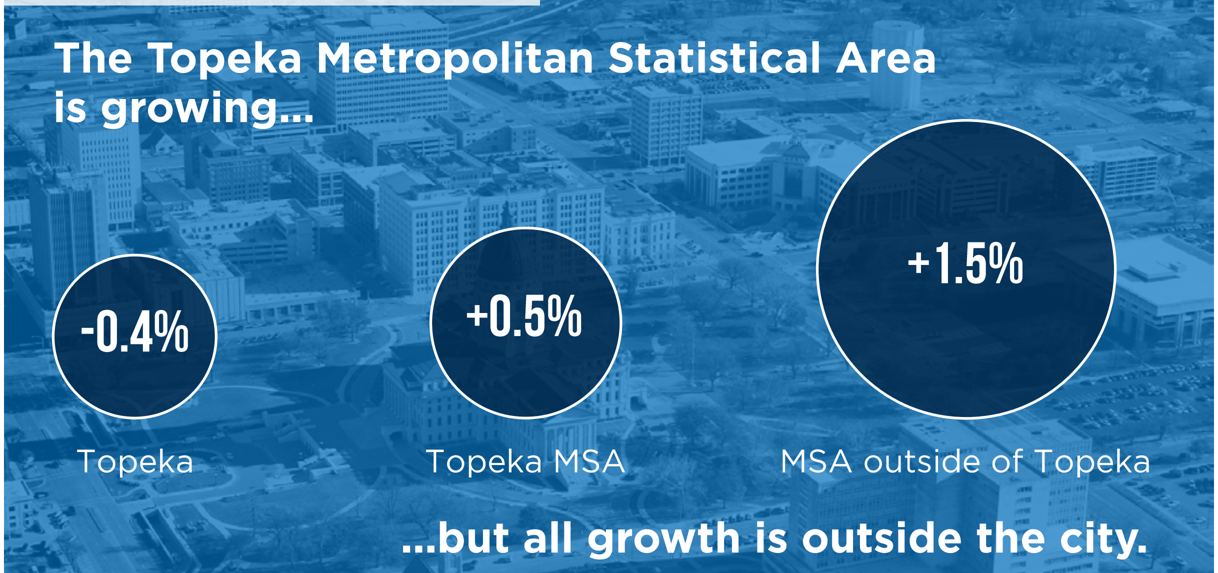
The Topeka MSA has grown slowly since 2010, but the city has captured none of that growth and is instead declining. Overall, the MSA grew 0.5 percent over the last nine years, while the city lost 0.4 percent of its population. Consequently, the MSA outside of the city grew 1.5 percent. Compared to the state, which grew by four percent, the entire region is falling behind.

A declining population means more vacant properties falling into disrepair and fewer opportunities for the residents who stay to improve their communities.

REGIONAL CONTEXT



POPULATION GROWTH, 2010—2019



Source: Bureau of Labor Statistics

PEOPLE

Topeka is losing residents to nearby cities, and the remaining residents are increasingly older.

Population

Topeka's population slowly declined from 2010 to 2019 by 0.1 percent per year, decreasing by 550 people. The area in the MSA but outside the city added 1,600 people, most of which were still within Shawnee County. The rest of the state has fared better, as Kansas overall grew 0.4 percent annually in the same period.

Migration patterns show that the nearby Lawrence and Kansas City regions are popular areas for people moving out of Topeka. The two areas had a net gain in people moving to or from Topeka, which supports a key theme and concern from stakeholder interviews.

Households

Household sizes in the Topeka area are small relative to the state, which has around 2.50 persons per households. The city has the smallest households, with 2.29 people, while the MSA has 2.42. The number of households has increased at the same rate as population, leading to no change in household sizes since 2010. Smaller households allow for smaller, more affordable homes without overcrowding.

The city also has proportionally more households which are not families. Around 43 percent of households are non-family, compared to around 37 percent in the county and MSA. These non-family households are likely to be renters and are a growing group nationwide.

Age Distribution

The age distribution between Topeka, the county, and MSA are mostly similar. Topeka is younger overall (median age of 37.6) and has slightly larger Preschool (ages four and below) and Early Workforce (ages 25 to 34) cohorts, whereas the MSA (median age of 40.3) is older and has slightly larger Empty Nesters (ages 50 to 64) and Seniors (ages 65 to 74) cohorts.

Growth is projected in the Seniors and Elderly (ages 75 and up) cohorts, while much of the population loss is from the Early Workforce and Empty Nester cohorts. Consequently, the median age is projected to increase to 38.3.

The projections suggests that younger households are losing interest in the amenities and lifestyle of the city and the older cohorts are replacing them.

KEY METRICS
TOPEKA

549 population lost since 2010

-0.4% change in population since 2010 (compared to a 0.5 percent gain in the region)

1.8% projected annual median household income growth

30% of residents have college level education (same as in the region)

23% of the city's population is between 18 and 34 years old

25% of households with annual incomes of $25,000 or less (compared to 20% for the region)

Source: ESRI 2019

Median Income

Median household incomes are relatively low in Topeka at $50,066, eleven percent lower than the MSA at around $56,500. This translates to an affordable rent (assuming 30 percent of income goes toward housing costs) of $1,250 or a $227,000 mortgage for city residents. According to HUD, a decent two-bedroom market-rate apartment in the Topeka MSA costs $785 (with $200 in utilities), which would be unaffordable to the quarter of Topekans who earn less than $25,000. They can only afford a $625 apartment (with $200 in utilities) without being overburdened. Household incomes across the region are expected to grow 2.0 percent each year, keeping up with statewide growth, but not with nationwide growth at nearly 3.0 percent.

Seniors (65+)

The overall population in Topeka is declining; however, the senior (65+) population continues to grow. It has increased 2.4 percent every year since 2010 in the city and 2.8 percent in the MSA. The senior population in Topeka grew by 2,000 in that time. The median income for seniors is 29 percent less than the general population. However, senior incomes are increasing at a higher rate than for the general population.

An increasing senior population paired with a lack of new senior housing options suggest housing costs will be rising in the future.

Education

Educational attainment across the region is relatively similar, but Topeka has slightly more people who did not finish high school or only finished high school. While education and income are linked and the city, county, and MSA have similar educational attainment, incomes in the city are eleven percent less than in the MSA. However, most Topekans have not completed any education after college, which could limit their ability to get better paying jobs.

DEMOGRAPHIC SNAPSHOT

Household Income

Source: ESRI, 2019

25%

of households have incomes <$25K

20%

MSA average

Educational Attainment

Source: ESRI, 2019

30%

of population have bachelor's degrees

30%

MSA average

Senior Population

18%

of residents above the age of 65

19%

MSA average

Source: ESRI, 2019

RACE & EQUITY

Race and equity are important lenses through which to analyze housing challenges and opportunities. Historic policies such as redlining severely limited minority access to housing and financial tools and the long-term effects are still present today. Minorities and low-income households are more likely to be concentrated in areas with poor housing conditions.

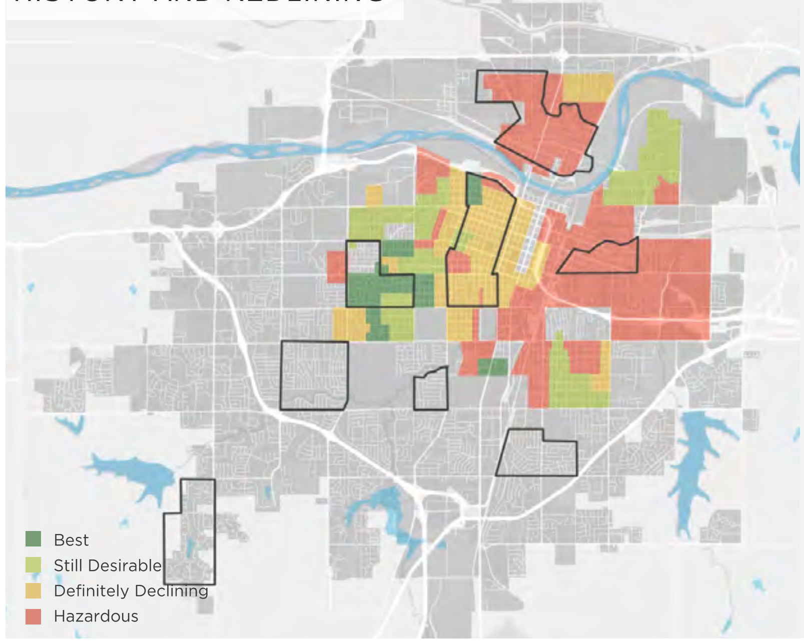
Redlining & Legacy thereof

Topeka's core neighborhoods continue to show the lasting impacts of historic policies like Redlining. Redlining systematically encouraged disinvestment in certain areas of cities on the basis of racial distribution. This practice restricted where residents could get a bank loan or buy a house by limiting access to insurance in "Declining" and "Hazardous" areas. This policy severely impacted the residents of these neighborhoods and their ability to acquire wealth. The resulting lack of investment in the housing stock in these areas contributes to many of the challenges present today.

Race Distribution

As of 2019, approximately 10 percent of the city's population is African-American, and 16 percent is of Hispanic origin. Minority households are concentrated in the older areas of the city, many of which were the historically redlined "declining" and "hazardous" areas.

HISTORY AND REDLINING

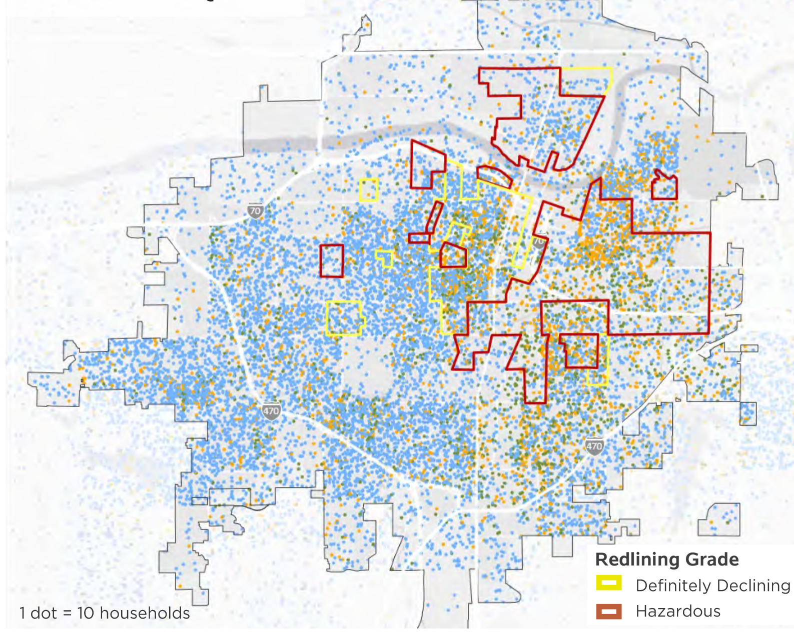


Historic policies, such as redlining, continue to impact our communities, including Topeka's core neighborhoods.

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

RACE AND EQUITY



53,720 Total Households

75% White

16% Hispanic

11% African American

Source: ACS 2013—2017

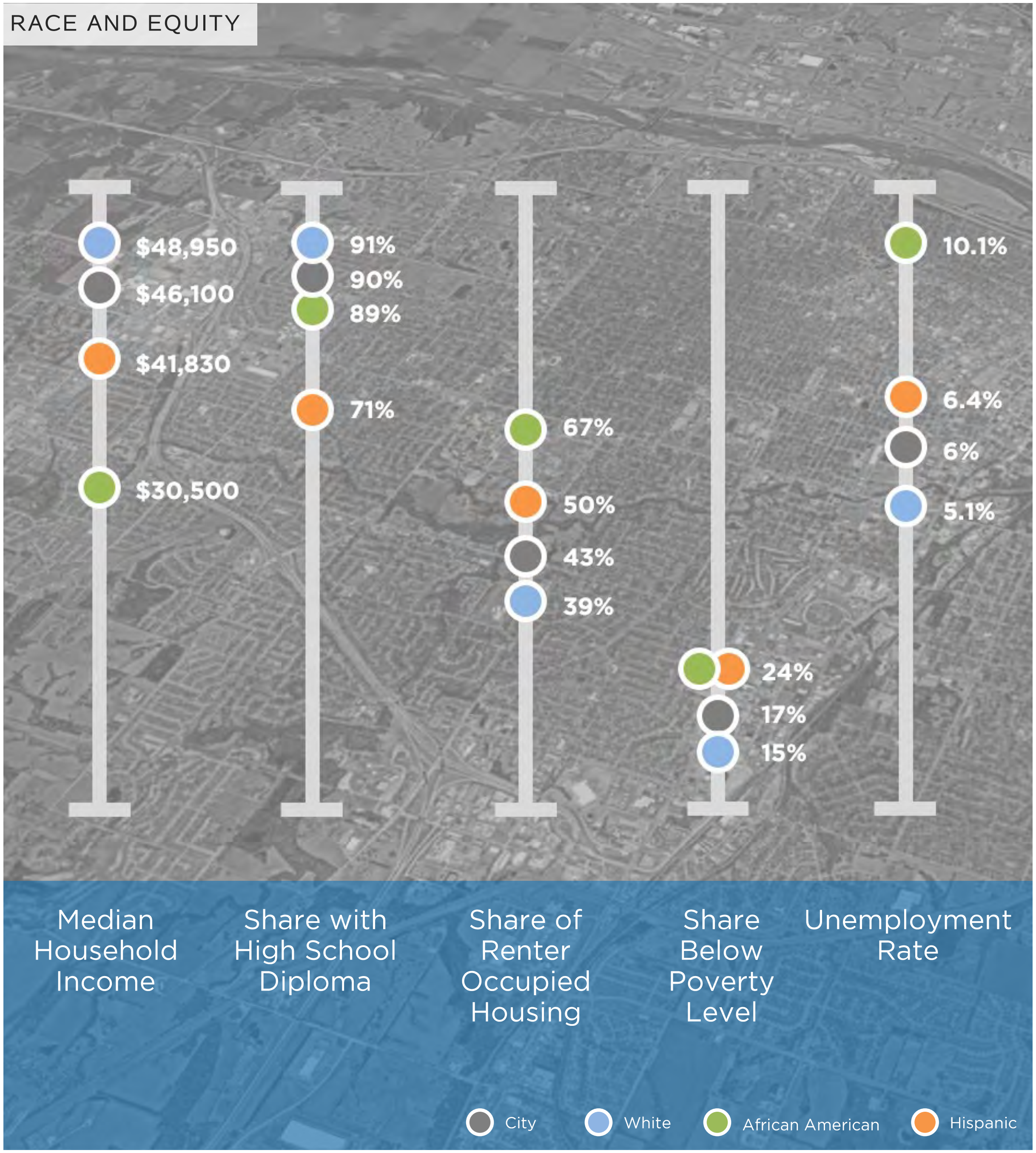
The median household income for African-American households in Topeka ($30,500) is approximately two-thirds of the citywide median ($46,100). This has broad implications regarding housing affordability and the need for equitable housing strategies.

Ninety percent of the population in Topeka has at least a high-school diploma with shares among white as well as African-American households being very close to the citywide share. At around 70 percent, Hispanic households have the lowest share of high school diploma holders, almost 20 percent lower than the city average.

More than two-thirds of African-American households and half of all Hispanic households in the City of Topeka rent a home. This is higher than the citywide percentage for renter occupied housing (43 percent). Thus, providing access to quality rental housing options is very important.

Households belonging to minority groups in Topeka are experiencing poverty at a higher rate than White households (15 percent). Almost a quarter of both African-American and Hispanic households in Topeka are below poverty level, which significantly impacts access to quality housing.

In 2017, the City of Topeka registered an unemployment rate of 6 percent. During that time, African-American households in the city had the highest unemployment rate (10.1 percent), double the rate being experienced among White households (5 percent). Closer to the citywide rate, Hispanic households experienced an unemployment rate of 6.4 percent.



ECONOMY

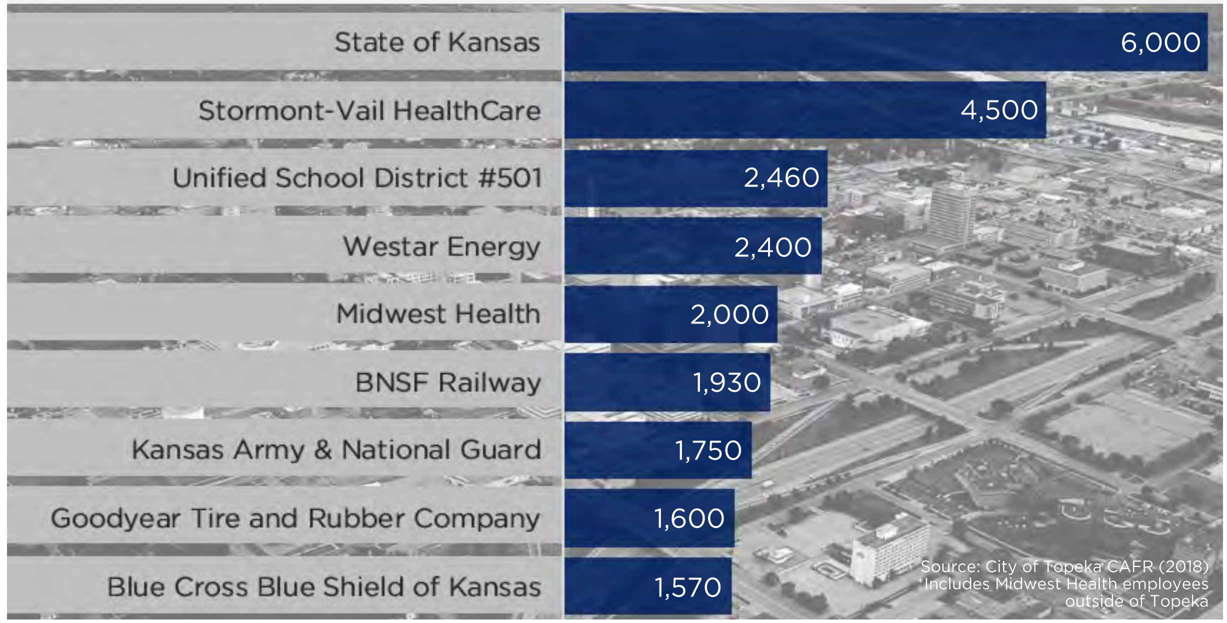
Job creation in Topeka is slow and many new jobs aren't well-paying. However, being a state capital and having multiple large companies provides it stability.

Momentum 2022

Topeka has struggled to gain back economic momentum since the closure of Forbes Air Force Base, and many efforts have been met with limited success. Momentum 2022 is a comprehensive plan to strengthen the Topeka community through improving education, creating a sense of place, and diversifying the economy.

The Kansas Department of Labor publishes projected job growth for the Northeast Region of Kansas, which includes Topeka. Projections indicate that more than half of new jobs will pay below $35,000 and nearly half of new jobs requiring a high school diploma will pay between $35,000 and $75,000. Consequently, affordable and workforce housing will continue to be needed.

TOPEKA TOP EMPLOYERS



EMPLOYMENT CHANGE BY INDUSTRY
Shawnee County, 2001-2018
Source: Bureau of Economic Analysis, 2018

Top Six Growing Sectors	Net Change	Percent Change	Top Six Contracting Sectors	Net Change	Percent Change
Admin & Support Services	2,300	39%	Retail Trade	-4,600	-29%
Finance & Insurance	2,000	27%	Information	-3,900	-4%
Healthcare & Social Assistance	1,100	7%	Government	-700	-3%
Accommodation & Food Service	900	13%	Manufacturing*	-700	-9%
Professional & Technical	800	13%	Construction	-600	-9%
Real Estate	600	16%	Other Services	-600	-8%

*Employment Net Change 2002-2018

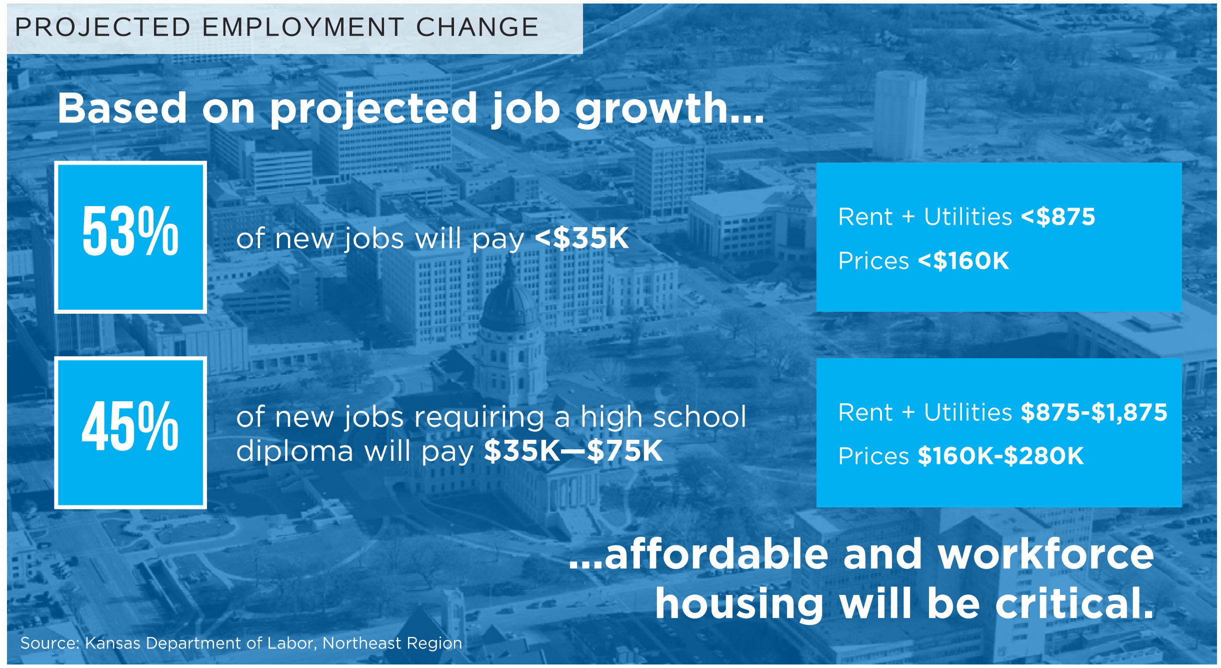
Employment

As the capital of Kansas, many Topekans are employed by the state government. Downtown Topeka still has large companies like BNSF Railroad, Evergy, Blue Cross Blue Shield, and several banks. Stormont Vail Hospital and Washburn University are both located east of Downtown, while Advisors Excel, a marketing consultant, and Security Benefit, an investment company, have offices along the highway. These are major employers which are important assets for the community.

The largest industry in Topeka by far is health care/social assistance. The industry employs 18 percent of workers. The next largest industry is retail trade, which employs eleven percent. Public administration, manufacturing and educational services make up around nine percent each. As the state capital, the city has a large public administration industry, but it has relatively small manufacturing and educational services industries.

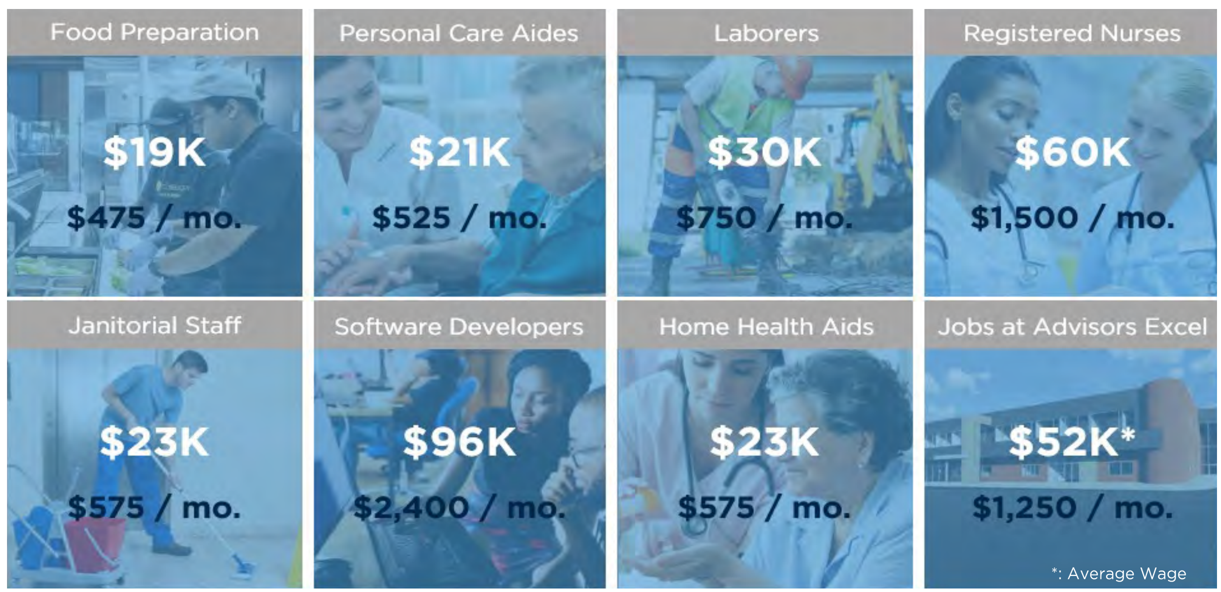
Job Growth

While high paying jobs like registered nurses and software developers are seeing some job growth, the fastest growing occupation is expected to be food preparation, which has a median wage of $19,000. Many of the projected top growing jobs pay $20,000 to $30,000. According to HUD, a market-rate two-bedroom apartment of decent quality in Topeka would be $785 (including utilities), which would be a burden for these low-earning workers.



Source: Kansas Department of Labor, Northeast Region

MEDIAN ANNUAL WAGES OF THE TOP GROWING OCCUPATIONS



Source: Kansas Department of Labor, KSNT

HOUSING

New development within the city is limited, particularly of multi-family buildings, but there are many opportunities for rehabilitation and redevelopment.

Character of Existing Stock

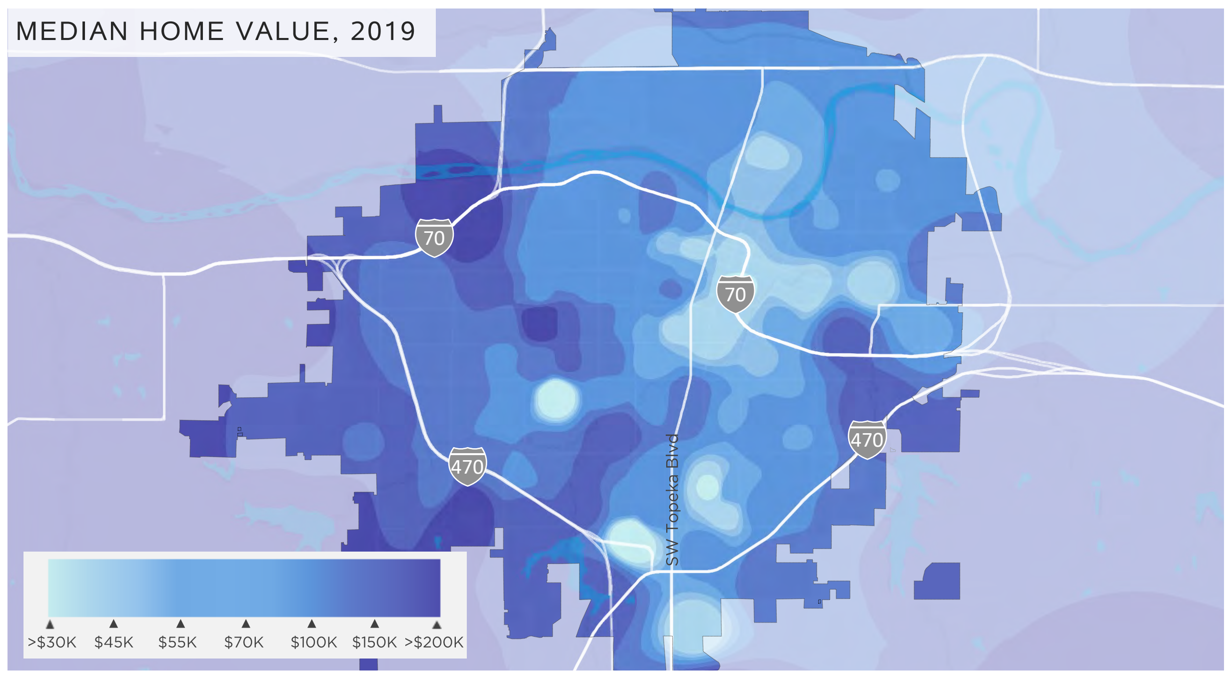
Much of the housing stock in Topeka was built before 1970 and contains less than 2,000 square feet. A scan of recent sales suggest that most homes contain between 1,300 to 1,800 square feet and were sold for $80,000 to $120,000, but there is some supply of homes over $250,000. Attached garages are common outside of the city's core in homes built after 1950. These houses tend to also be single-story, ranch-style homes. Many neighborhoods throughout the city have vacant lots that could be built on and poorly maintained houses that could be redeveloped.

There has been limited new multi-family construction in Topeka during the last decade. Due to age and a lack of modern amenities, many apartments are affordable, and quality varies considerably. Topeka has only a handful of large apartment properties. While many of them are affordable, none are new. Only one property, Echo Ridge managed by Topeka Housing Authority, has been built since 2010. Other apartment properties are garden-style with breezeways or townhomes.

Most households (70 percent) live in single-family structures, but a sizable portion (16 percent) live in large, ten unit or more buildings. The city, county, and MSA have vacancy rates of around ten percent, which is normal for areas in Kansas.





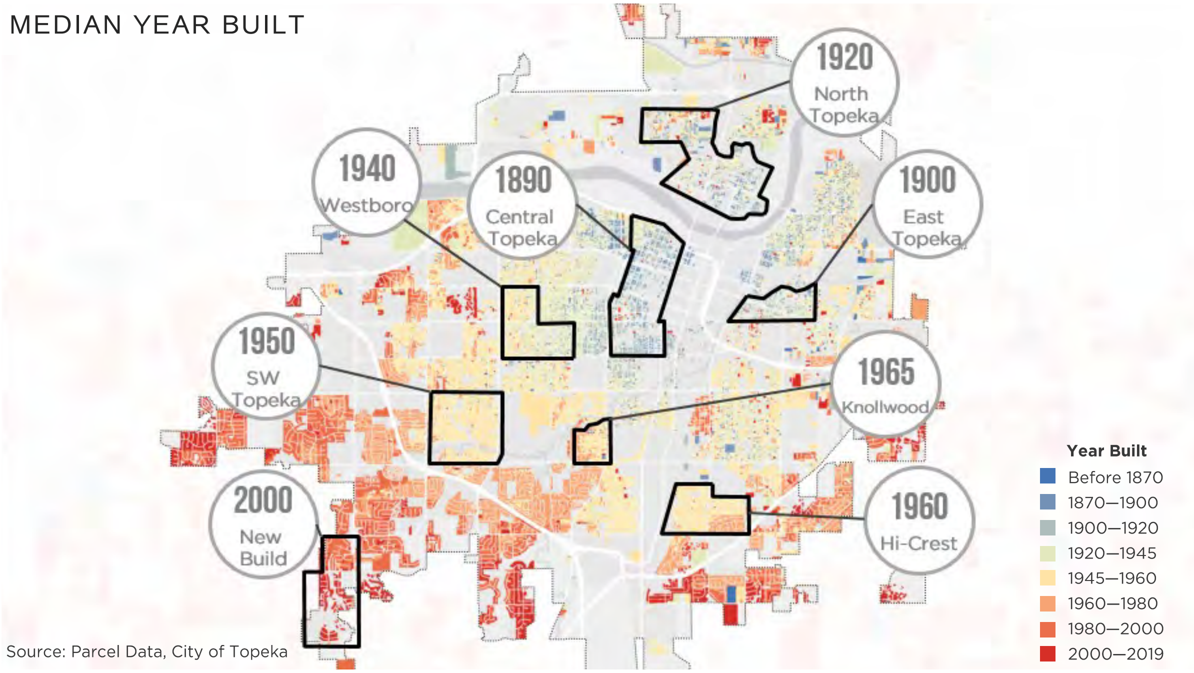
Year Built

Most of Downtown Topeka and North Topeka housing stock was built between 1890 and 1920. East Topeka, between Interstate 70 and the river, has a lot of age variability, with many buildings built before 1900 and many built after 1980. Most neighborhoods outside of the core but within Interstate 470 were built between 1940 and 1960, while the area south of Interstate 470 was developed after 1970.

Building Condition

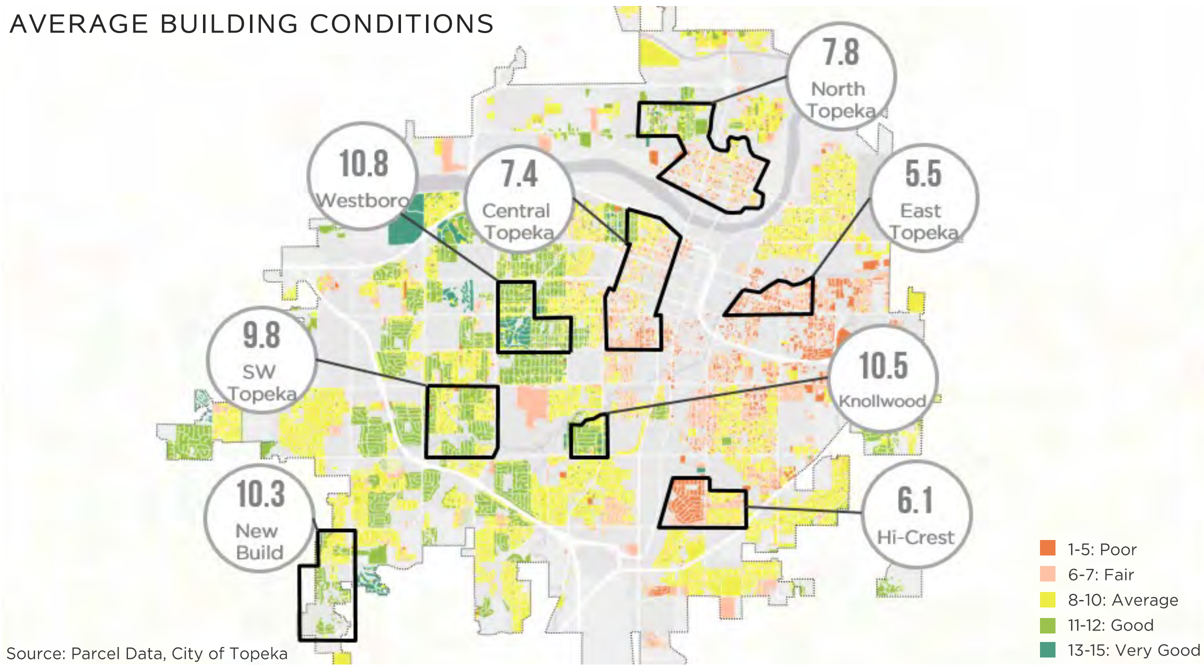
Downtown Topeka and North Topeka have the oldest housing stock and many buildings are in poor condition. East Topeka has very few buildings in above average condition, while the Southern Boundary has mostly average to good building conditions. The neighborhoods west of Downtown, the Westboro neighborhood in particular, are in the best condition citywide despite their age. Concentration of housing condition challenges require a strategic approach to maximize the impact of limited resources and to foster long-term neighborhood stabilization.

MEDIAN YEAR BUILT



Source: Parcel Data, City of Topeka

AVERAGE BUILDING CONDITIONS



Source: Parcel Data, City of Topeka

HOUSING AFFORDABILITY

Around 30 percent of households are overburdened by housing costs, and many are threatened by eviction.

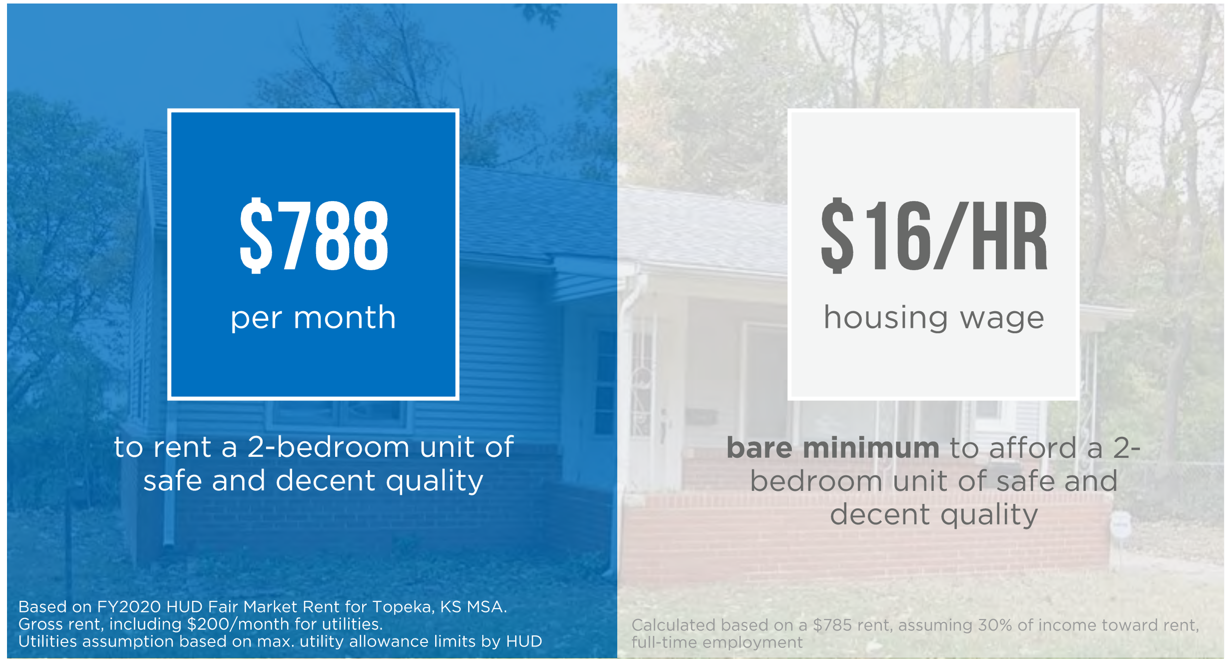
Definition

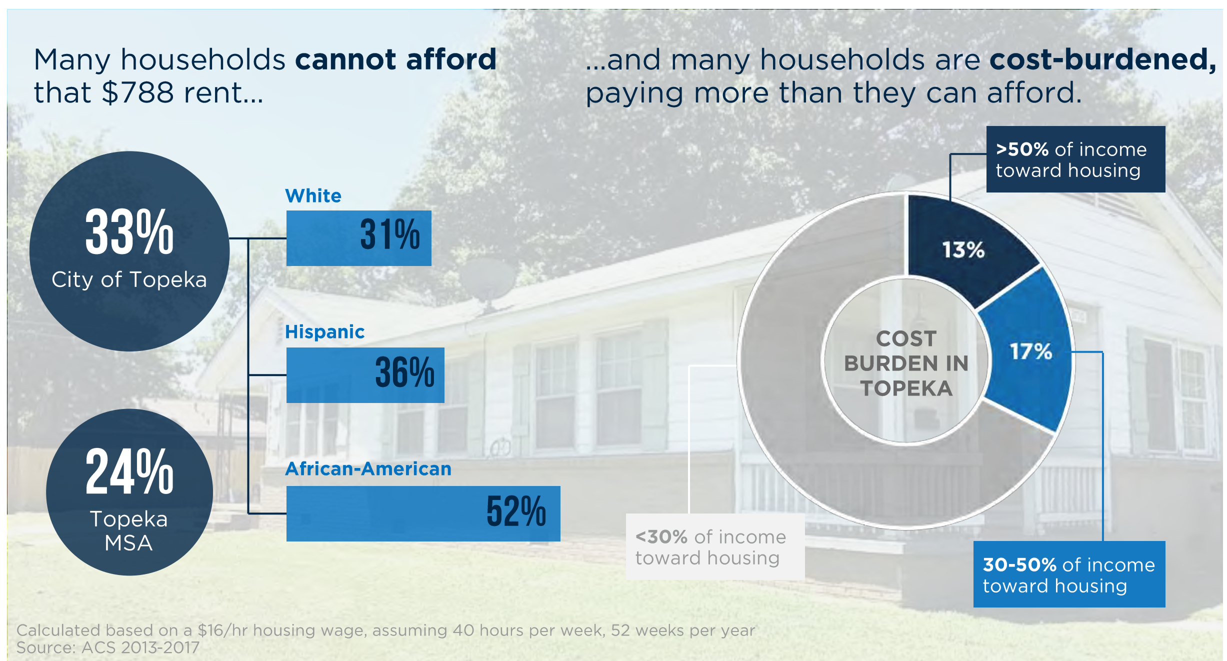
Housing is considered affordable if housing costs, including rent or mortgage payments and utility costs, are less than 30 percent of a household's income. Otherwise, a household is considered rent burdened.

Affordable Housing in Topeka

According to HUD, the fair market rent for a decent, safe 2-bedroom apartment is $788 per month (including approximately $200 in utilities). A third of Topeka households do not earn the $16 per hour required to afford such a home and are cost-burdened. Seventeen percent of households spend 30 to 50 percent of their income on housing, and 13 percent spend more than 50 percent, posing a severe burden on 30 percent of the population. Low-income households may need to choose between spending a significant portion of their income on housing or living in substandard conditions—either way it is a difficult position to get out of without additional affordable housing options and supports.

African-Americans and Hispanics are more likely to be cost-burdened than the general population. More than a third of Hispanics and over half of African-Americans do not earn the $31,400 required to afford the $785/month apartment.





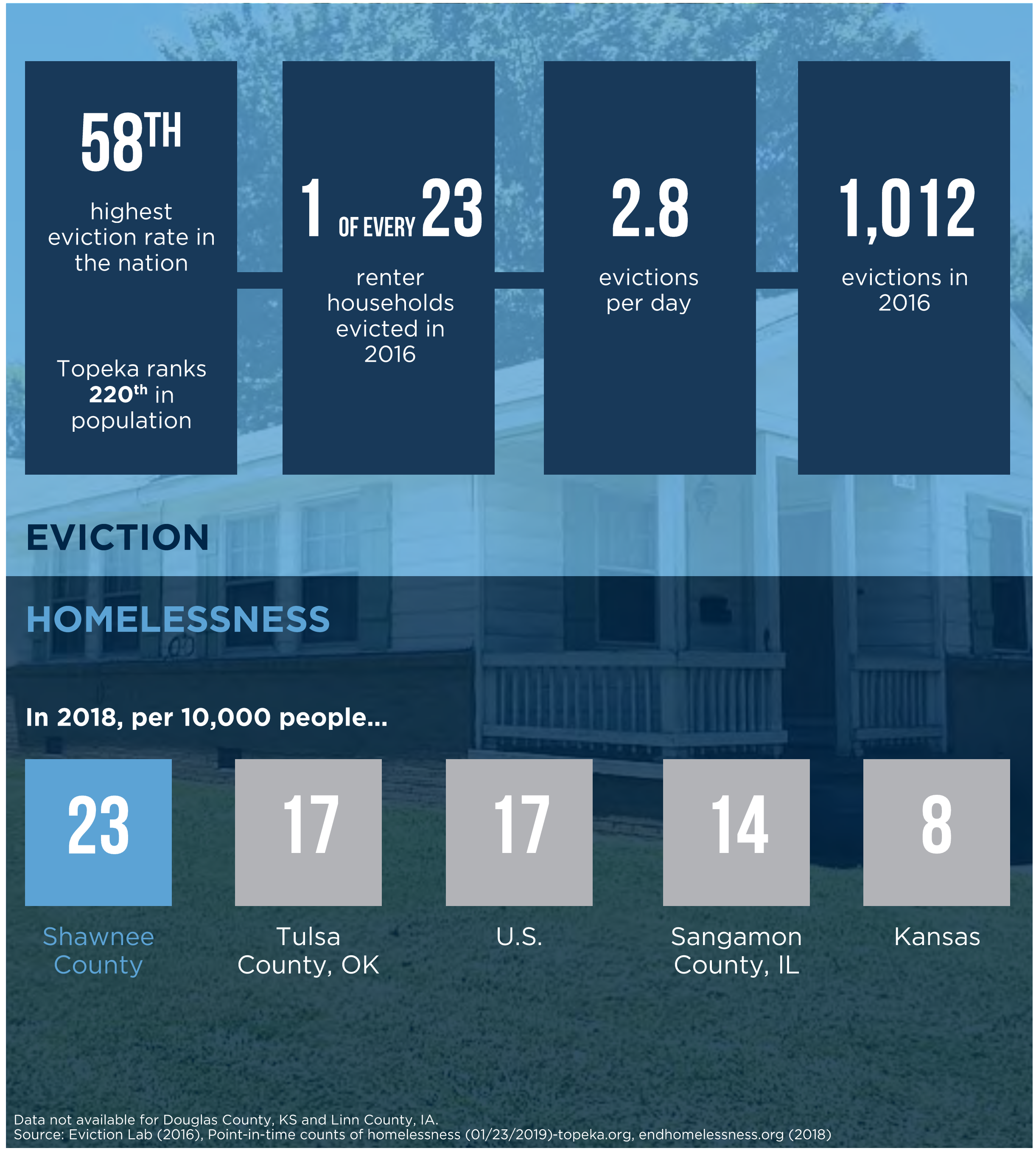
Evictions

Topeka has the 58th highest eviction rate in the nation, while being 220th in population. In 2016, one in every 23 renter households were evicted. Many landlords will not accept tenants with prior evictions, regardless of income, forcing many households into substandard housing or homelessness.

Homelessness

Shawnee County's has a higher rate of homelessness than its peers, with 23 homeless per 10,000 people, compared to 17 and 14 in Tulsa County and Sangamon County (Springfield, IL), respectively. In the U.S. the homelessness rate is 17, dropping to 8 in Kansas.

Each year a point-in-time count of homeless people in Topeka occurs. In 2019, the count was up five percent to 441, with 69 minors. Not having a permanent home disrupts the rest of a person's daily life: it is harder to find jobs and private landlords may not rent to prospective tenants who lack a rental history.



PEER CITIES

Topeka 's housing market and economy is generally weaker than similar cities.

Five peer and aspirational cities were selected based on housing and demographic conditions, as well as conversations with the client team. This allows for a comparison of the housing context in Topeka with other markets and helps to identify strategies that have been successfully implemented elsewhere. Topeka's peers are other Midwestern cities like Cedar Rapids, Iowa; Springfield, Illinois; Tulsa, Oklahoma; and Lawrence, Kansas.

Home Prices

According to the Zillow's Housing Value Index, home prices in Topeka are lower than all of its peers at $118,900. The next lowest is Springfield, with a value of $127,700, and Lawrence is the highest at $208,100. Even though home values are low, they are still unaffordable to a significant portion of Topekans. Low home values make new development or repair of existing homes difficult because costs can be higher than value.

Rents

Rents in Topeka are slightly higher than in Springfield and less than other cities. The Zillow Rent Index value for Topeka is $837, compared to $815 in Springfield. Cedar Rapids and Tulsa rents are around $915, while Lawrence has the highest rent at $1,004. Like home prices, the nationwide rent value is almost twice Topeka's and low rents make new multi-family development economically challenging.

Trends

Most (63 percent) of Topekans own their homes rather than rent. Tulsa and Lawrence have around 51 percent home-owners, Springfield has 67 percent, and Cedar Rapids has the most with 73 percent. Most of the cities, including Topeka, have had increasing home-ownership. Topeka is up five percent since 2010, a larger increase than the other peer cities.

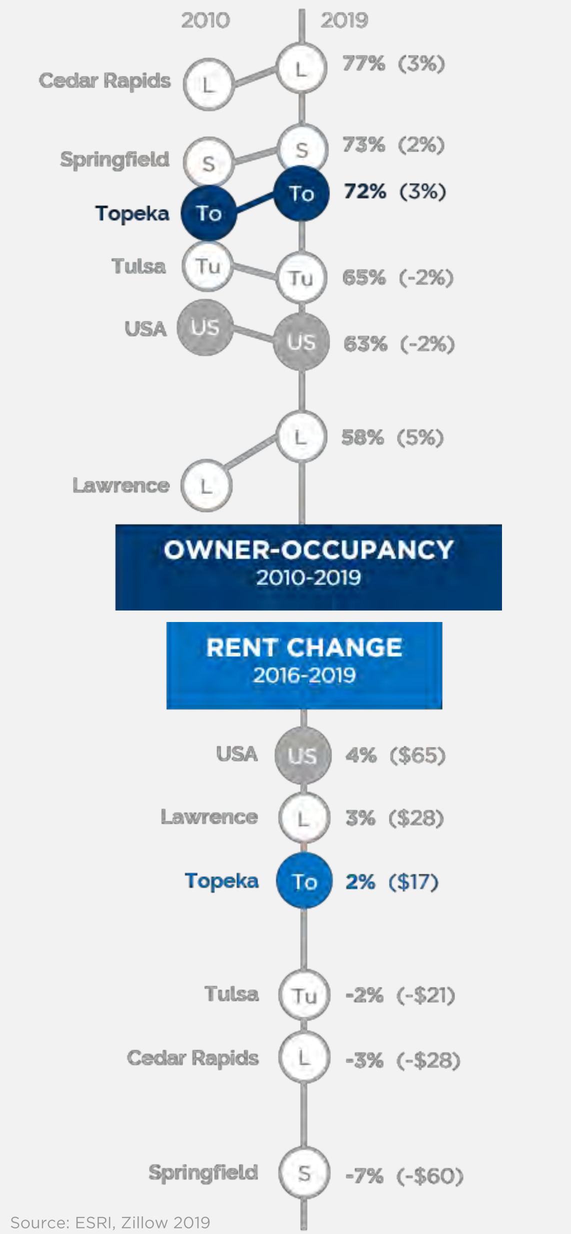
Unlike most of its peers, rents in Topeka have been growing—up 3.8 percent since 2016. The second highest is Lawrence, where rents grew 2.7 percent. The other peer cities have declining rents. Reasonable rent increases are both positive and negative for a community: they can make rehabs and new construction more feasible, but also strain cost-burdened households, especially if wages are not increasing.

Key Comparison Points

Tulsa has the lowest median household income ($46,000) of the peer cities. Topeka and neighboring Lawrence have median incomes around $51,000, with Springfield at $55,000 and Cedar Rapids at $58,500. Topeka has the lowest expected income growth of the cities, while Lawrence has the highest.

Having a relatively low median household income and slow growth can make the city less resilient to changing markets. Rents increasing without equivalent income growth can overburden more households. Low incomes also make the city less attractive to migrants.

REGIONAL RENT AND HOMEOWNERSHIP TRENDS



Source: ESRI, Zillow 2019

PEER CITY COMPARISON

Source: HUD LIHTC Database, ESRI, Zillow 2019

CITIES	TOTAL POPULATION 2017	ANNUAL POP. GROWTH SINCE 2010	HOUSEHOLDS 2017	ANNUAL HH GROWTH SINCE 2010	MEDIAN HOUSEHOLDS INCOME	MEDIAN HOUSING VALUE	PERCENT RENTER HOUSEHOLDS	CHANGE IN ZILLOW HOUSING VALUE INDEX SINCE 2010	SHARE OF LIHTC UNITS BUILT SINCE 2010
TOPEKA	**127,000**	**-0.1%**	**53,700**	**0.1%**	**$55,000**	**$117,300**	**37%**	**+11%**	**8%**
Lawrence	97,600	1.2%	39,400	1.3%	$51,700	$204,300	48%	+15%	13%
Springfield	115,500	-0.1%	50,600	-0.1%	$55,200	$136,300	33%	+9%	6%
Cedar Rapids	137,900	1.0%	57,900	0.9%	$58,500	$148,700	27%	+12%	32%
Tulsa	411,500	0.5%	169,800	0.4%	$46,000	$148,100	49%	+25%	8%
State of Kansas	2,966,500	0.4%	1,154,400	0.4%	$56,300	$158,800	33%	+14%	-

CHAPTER 2

UNDERSTAND: NEIGHBORHOOD CONTEXT

INTRODUCTION

Understanding demographic, economic, and market trends in Topeka is important. However, given the scale and diversity of the city, it is equally critical to establish a framework that will enable the city and its partners to focus housing investments, programs, and interventions in a strategic and impactful way.

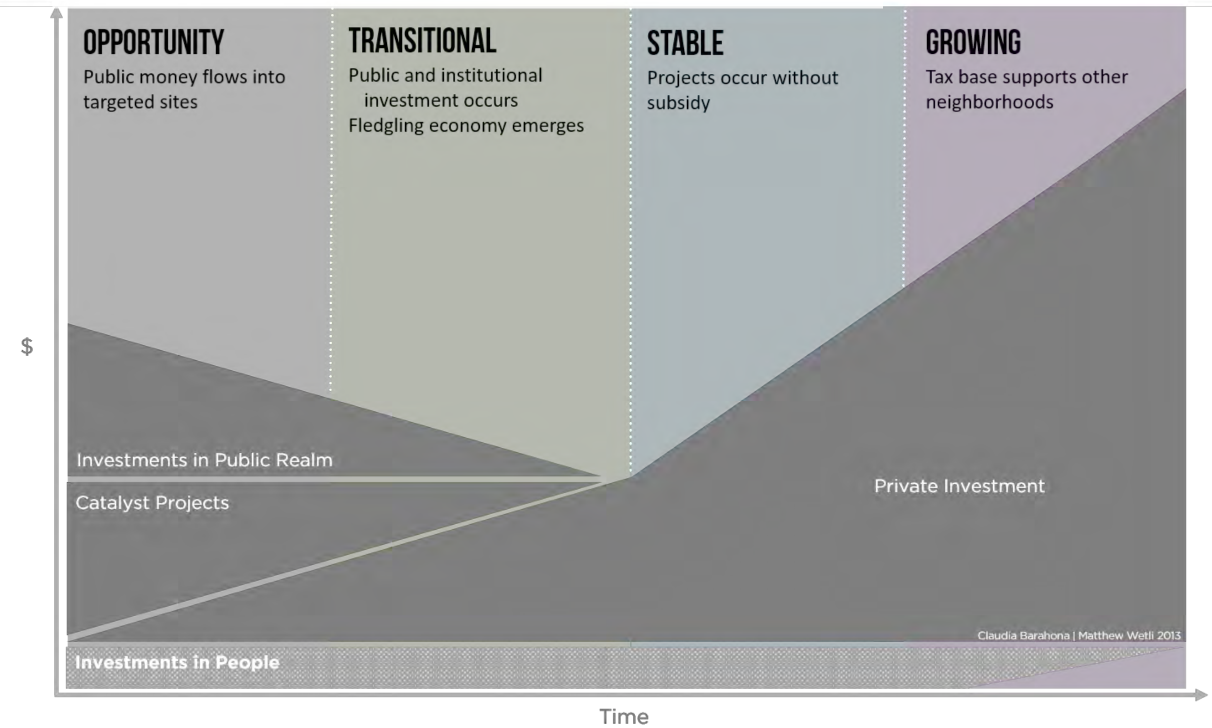
Neighborhood Cycles

Neighborhood Cycle Analysis is a tool to further our understanding of different geographical areas in a city and where they are in the development/ redevelopment cycle. This tool uses available demographic and market data to classify geographical areas into four different neighborhood cycles; opportunity, transitional, stable, and growing, each representing its own unique opportunities and challenges. Cycles are designated by clustering similar characteristics, with the help of indicators like household income, home value, tenure, poverty level, vacancy, and permitting activity.

Neighborhood and Housing Interventions

The neighborhood cycle classifications can be used to detail what level of intervention is needed to promote long-term sustainability. The graphic to the right details what level of interventions are needed and the impact of continued investment over time. Investments are broadly categorized as **people-based**, such as financial counseling and homebuyer education, social services, and other services provided directly to residents that promote stable lifestyles; **public realm**, which includes streets, sidewalks, parks, schools, and other public infrastructure; and, **privately-held**, or in this case, the housing stock,

NEIGHBORHOOD AND COMMUNITY INVESTMENTS



As indicated, opportunity neighborhoods require extensive investments in all three components. These neighborhoods have experienced decades of disinvestment and multi-faceted stabilization efforts are needed to stabilize them and attract private investment. This involves aligning partners providing people-based interventions, coordinating public investments, and aligning resources to support catalyst projects. An example of a catalyst project at a neighborhood scale would be to leverage a Habitat for Humanity infill project with rehabs of salvageable housing units and supporting an LIHTC development on a nearby block. This would serve to stabilize a core area of a neighborhood in a manner, that, over time, would stabilize adjacent blocks.

Transitional neighborhoods have started to experience market-driven reinvestment, but still require people-based, public realm, and catalytic investments to fully stabilize. The focus in stable neighborhoods is to support the market with strategic investments and to prevent decline by maintaining public assets. Investment is primarily market-driven. Growing neighborhoods are market-driven and are contributors to the rest of the city—the tax base in these neighborhoods supports other neighborhoods

In each of these cases, the long-term goal is to create an environment where public investments stimulate private investments.

DEFINITION OF NEIGHBORHOOD CYCLES

OPPORTUNITY	TRANSITIONAL	STABLE	GROWING
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.	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.	Stable neighborhoods are established neighborhoods that do not show signs of widespread disinvestment. Neighborhoods like Westboro, Quinton Heights, and many of the post-war neighborhoods in west Topeka and south Topeka are examples of this designation.	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.
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—partners focused on people-based interventions.	City efforts should include consistent code enforcement, 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.	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.	City efforts in this area include normal plan review and permitting.

Analysis Methodology

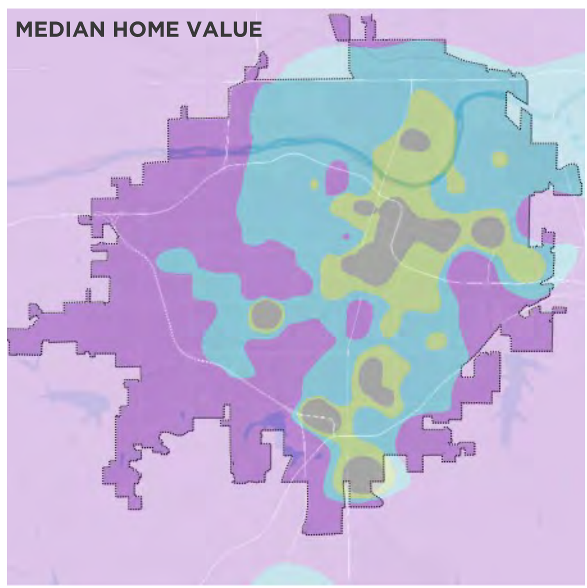
Median household income, projected home value growth, median home value, share of owner households, households below poverty level, vacancy, and permit activity are the indicators used to ascertain the prevailing housing and market conditions of neighborhoods in Topeka.

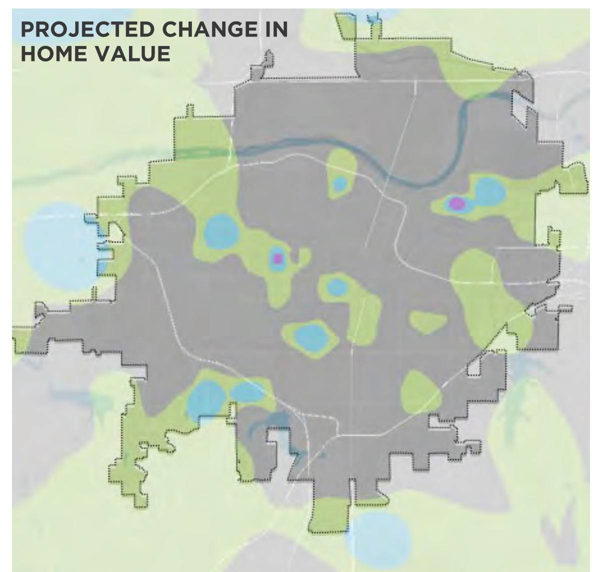
Values for each indicator have been categorized into four ranges, each range corresponding to one neighborhood cycle. Stable and Growing cycles correspond to stronger market characteristics— higher than average home values, more than 45 percent owner occupancy, high permit activity along with significantly lower vacancies and less than 20 percent poverty.

Opportunity and Transitional cycles showcase relatively weaker market characteristics— home values lower than $70k, low shares of owner occupancy, lower permit activity along with higher vacancy and poverty levels. The graphic to the right depicts these ranges across all the indicators for each of the neighborhood cycles.

Maps to the right spatially represent each of the seven indicators for the City of Topeka. All the indicators have a unique role to play in the overall makeup of a neighborhood's condition. Indicators like median home value, households below poverty, and share of owner households weigh heavily towards understanding the current housing and market conditions, The remaining indicators like vacant units and permit activity, although not weighted heavily, help complete the picture, providing key insights pertaining to the development momentum.

INDICATORS	OPPORTUNITY	TRANSITIONAL	STABLE	GROWING
Median Home Value	<$45K	$45K—$70K	$70K—$110K	>$110K
Projected Home Value Growth	<9%	9%—25%	25%—45%	>45%
Median HH Income	<$16K	$16K—$33K	$33K—$66K	>$66K
Owner HH	<30%	30%—45%	45%—70%	>70%
Poverty Level	>35%	20%—35%	10%—20%	<10%
Vacant Units	>25%	15%—25%	5%—15%	<5%
Permit Activity	Very Low	Low	Moderate	High



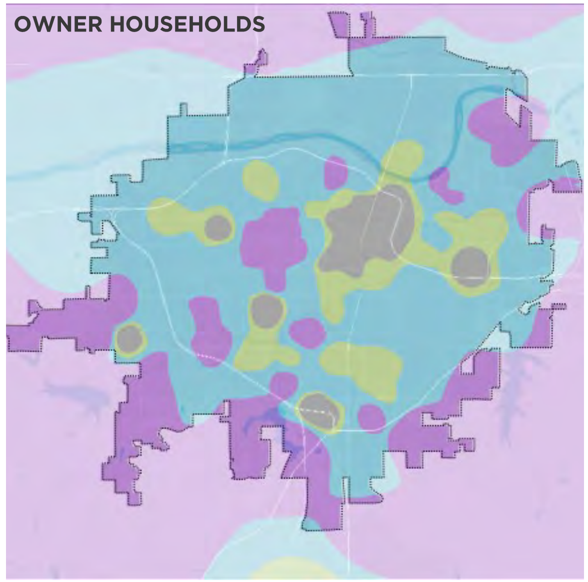


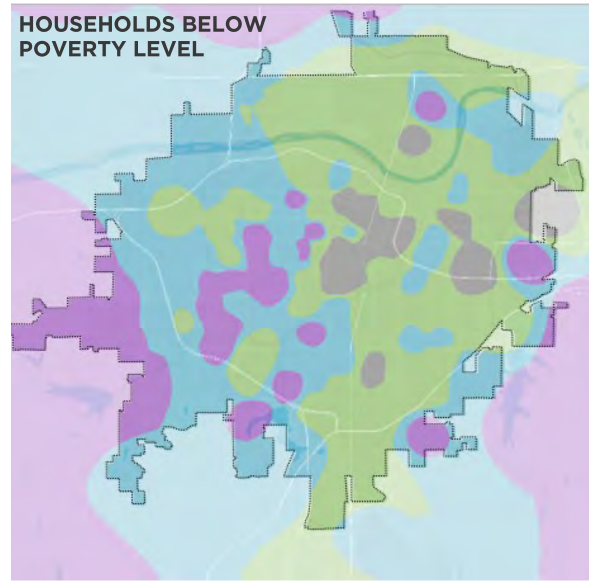
OPPORTUNITY TRANSITIONAL STABLE GROWING

To account for this varying influence, each indicator is assigned a particular weight, on a scale of 0 percent to 100 percent, reflecting its share towards determining the neighborhood cycles. This analysis has assigned the following weights to each of the indicators:

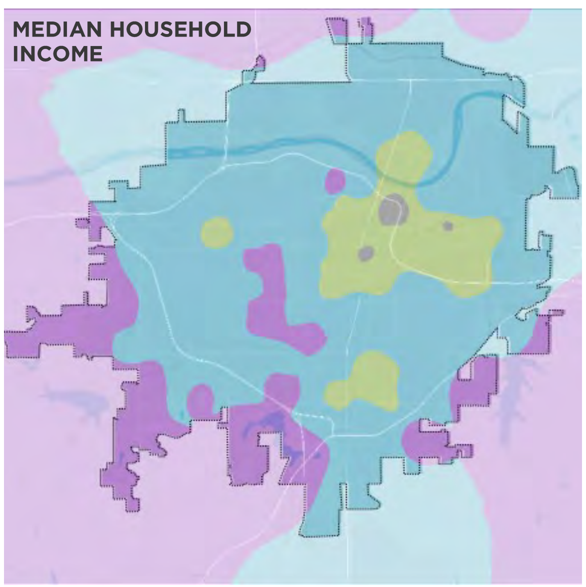
Median home value-35%, households below poverty-25%, share of owner households-20%, vacancy rate-10%, permit activity-10%, projected home value growth-0%, median household income-0%.

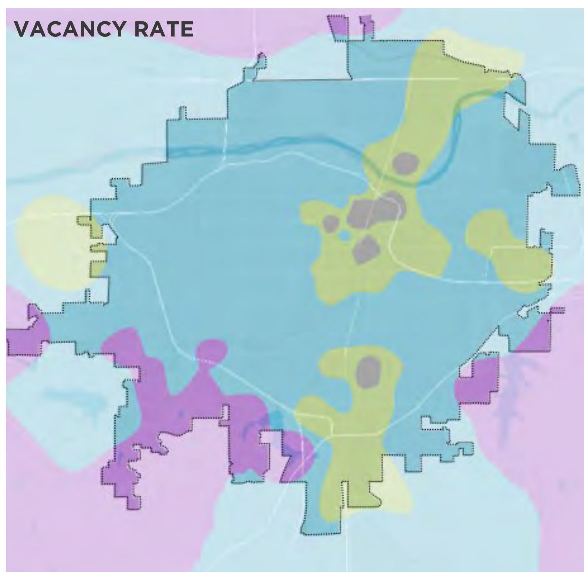
The weighted indicator maps are finally overlaid to produce the composite map (on the following page) showing the current neighborhood cycle classification for the City of Topeka.

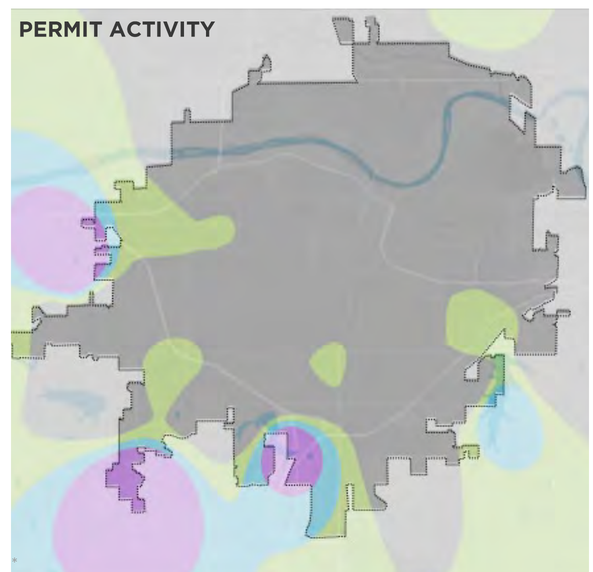




OPPORTUNITY TRANSITIONAL STABLE GROWING





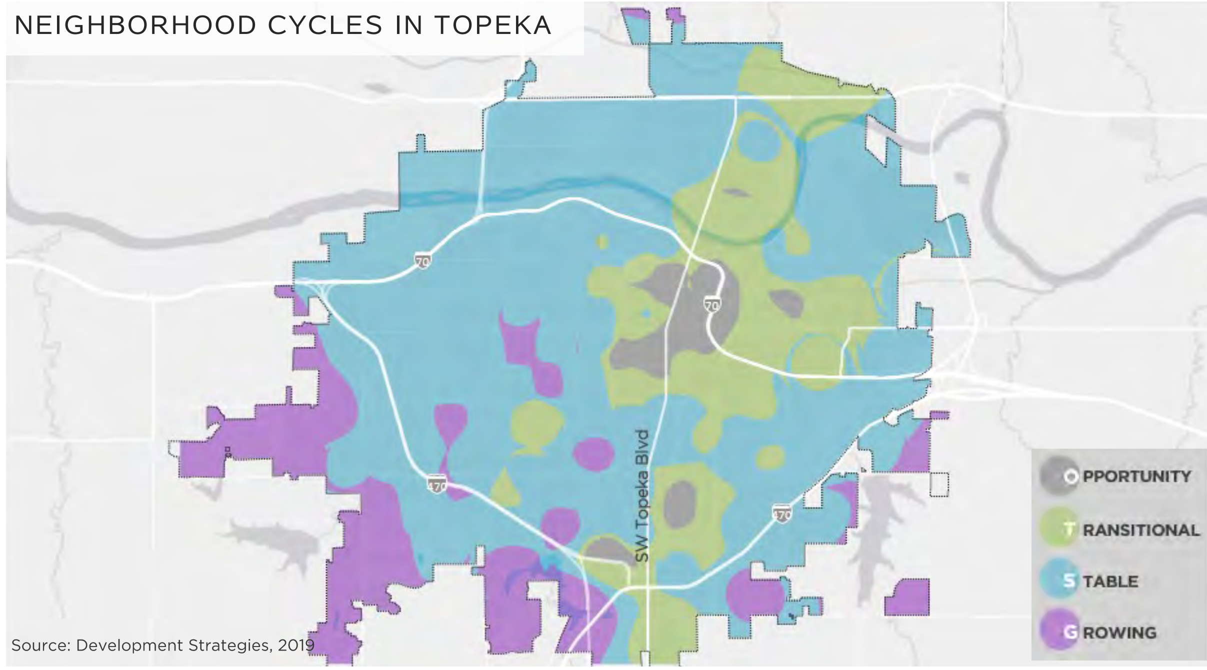


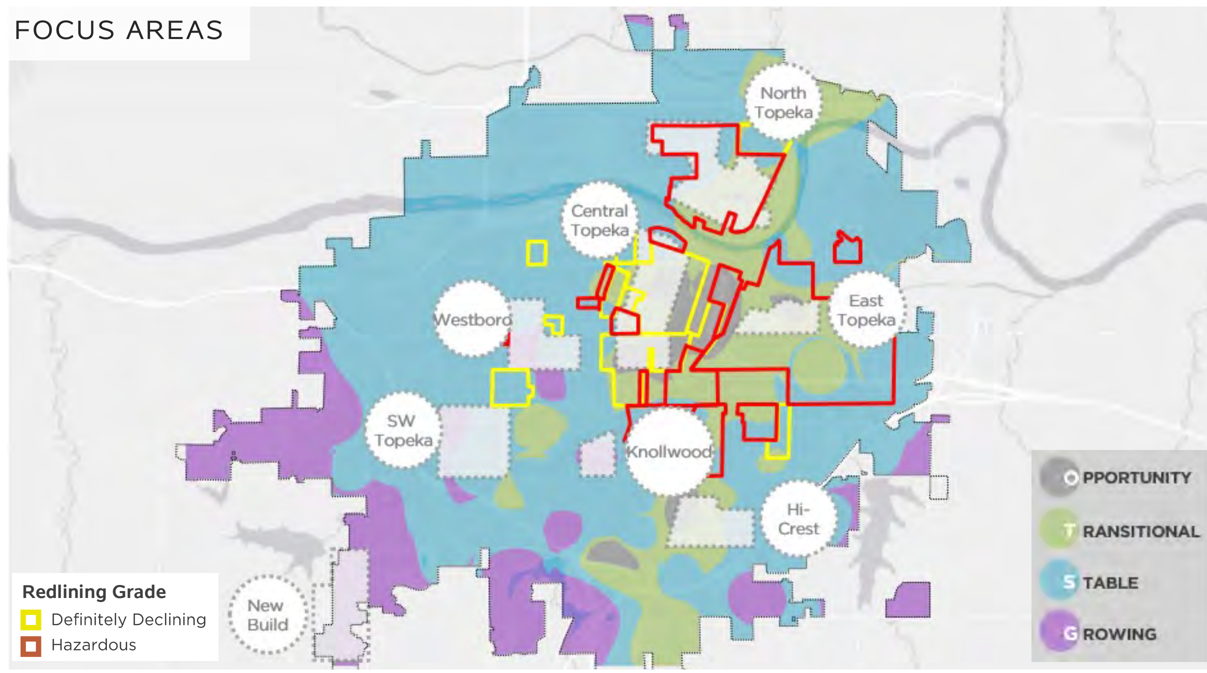
Neighborhood Cycles Map

Weighting demographic and development factors results in the neighborhood cycle classifications shown in the map to the right. Opportunity neighborhoods are concentrated in central Topeka and Hi-Crest, align with what stakeholders reported as the most challenged neighborhoods in the city. Transitional neighborhoods extend out from opportunity neighborhoods and make up approximately 20 percent of the city. Most of the city is classified as stable neighborhoods and efforts should continue to maintain the stability of these areas. Finally, most growing neighborhoods are located on or near the city boundaries, but also include strong older neighborhoods such as Westboro and Knollwood.

Eight focus areas, chosen based on discussions with City Planning department and several stakeholders, provide a sampling corresponding to different neighborhood cycle classifications within Topeka. While some of these completely fall under one cycle (Knollwood, New Build), others have a mix of two or more cycles (Central Topeka, North Topeka, East Topeka, Hi-Crest, Westboro, SW Topeka), which points to the challenge of classifying neighborhoods – they are dynamic places.

Policies like redlining that influenced access to capital and credit created long-lasting effects on residential patterns, neighborhoods' economic health and household accumulation of wealth. The map to the right shows that majority areas within Topeka that are in the "opportunity" and "transitional" cycles were also classified as "hazardous" and "declining" in the past.



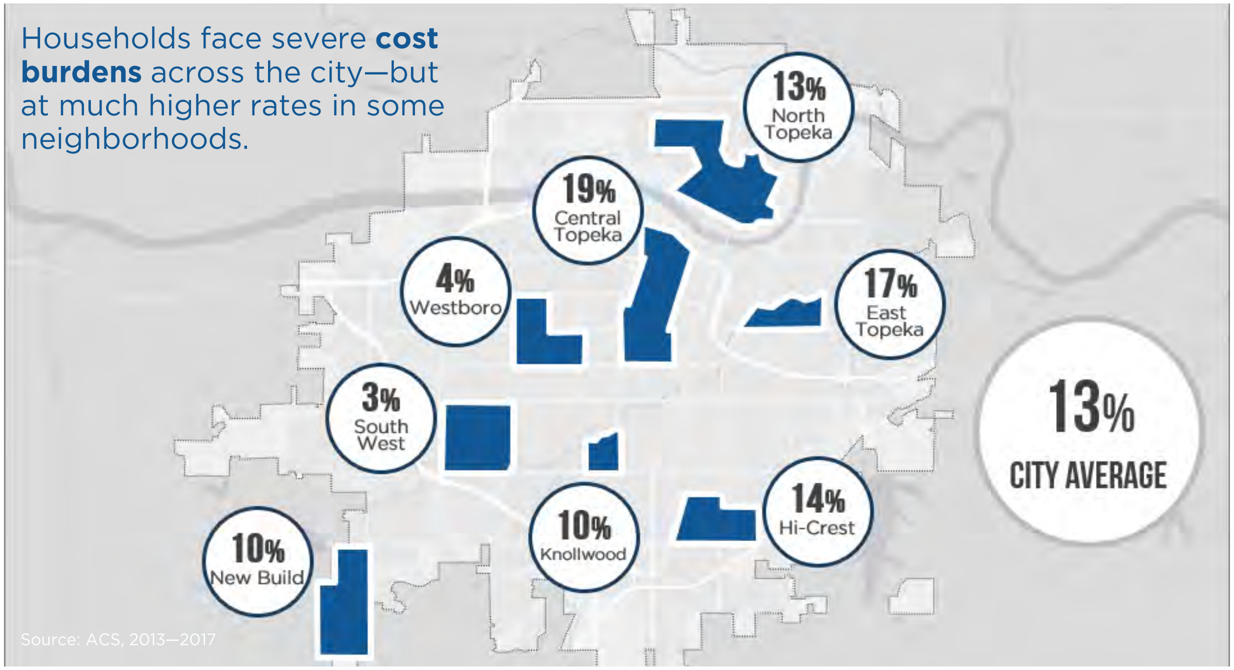


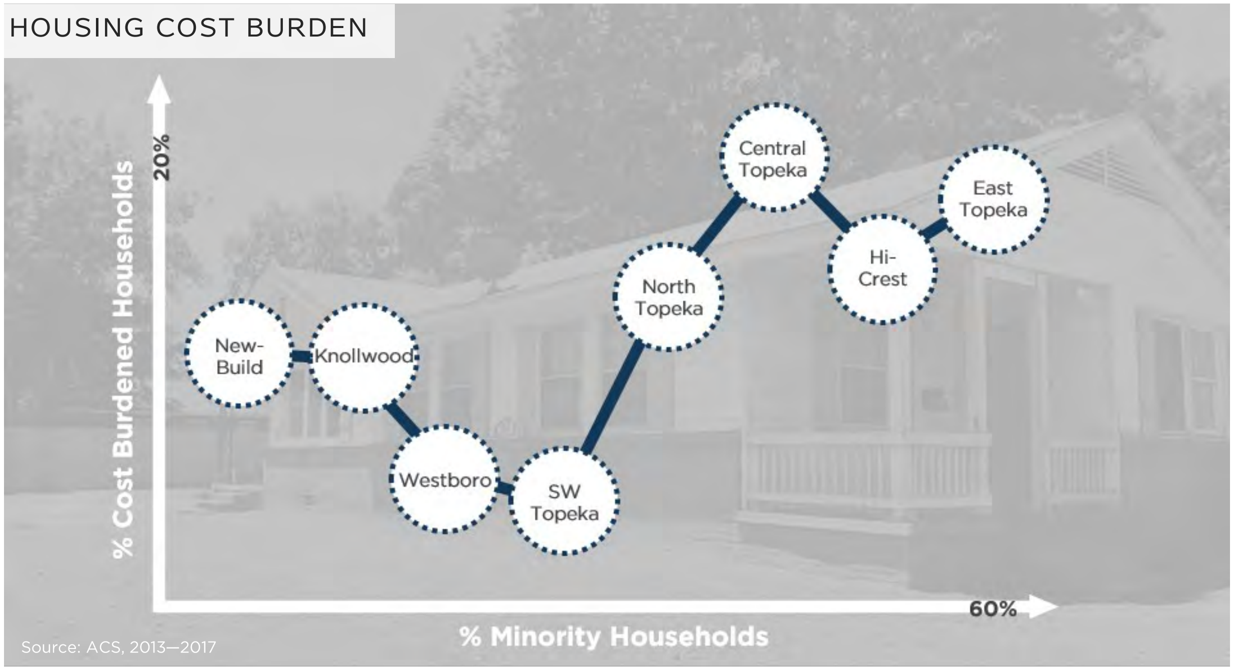
Cost Burden by Neighborhood

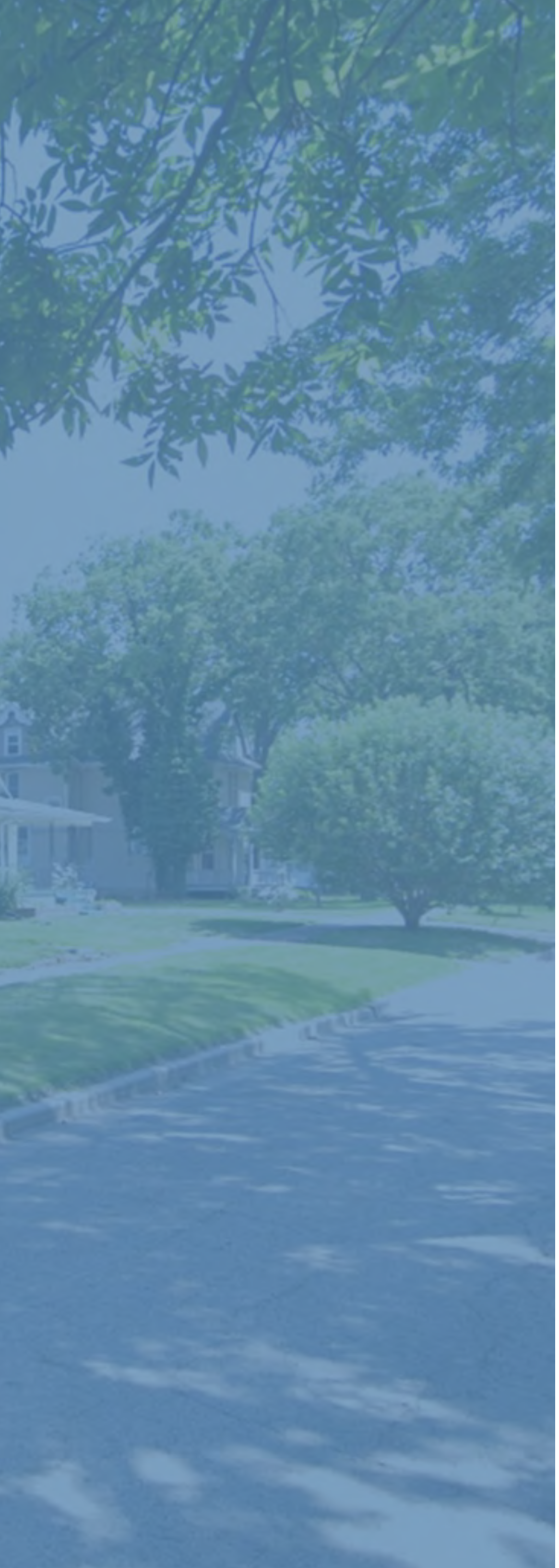
Housing cost burden is a real challenge across the City of Topeka. Thirteen percent of households in the city are severely cost-burdened, paying more than 50 percent of their income toward housing costs (rent and/or mortgage). When looking through the lens of focus areas, this challenge becomes more pressing for households in specific neighborhoods—facing cost-burdens at an even higher rate: Central Topeka (19 percent), East Topeka (17 percent), Hi-Crest (14 percent), and North Topeka (13 percent).

When analyzed through the lens of tenure, cost burden is a greater struggle for renters. As of 2017, 22 percent of the renters in the City of Topeka are severely cost-burdened. This strain experienced by renter households is intensified in neighborhoods like East Topeka (31 percent), Central Topeka (25 percent), North Topeka (20 percent), and Hi-Crest (18 percent).

Ranked based on share of minority households, housing cost burden is a greater hardship for focus areas with higher percentage of racial and ethnic minority households, as indicated by the graphic on the right. This has broad implications regarding the need for equitable housing strategies alongside affordable homeownership and rental assistance programs.







CHAPTER 3

HOUSING MARKET ANALYSIS

MARKET ANALYSIS: A PROCESS OVERVIEW

Market analysis helps understand current conditions and opportunity—it identifies gaps that exist in the housing supply today and likely housing needs in the future, including the specific needs of different populations based on income, age, and physical ability.

Market analysis can essentially be divided into the study of people, product, and place:

Supply Analysis

The first step in housing market analysis is to document what exists today. This information tells us a great deal about what the market will support in terms of rents, sale prices, and lease rates. It indicates preferences for specific products or locations. Sometimes, analysis of the competitive market can reveal specific opportunities for types of housing that the city lacks by identifying newer, more competitive types of development that achieve product differentiation by focusing on quality, amenity, design, or service offerings. Supply analysis provides critical foundational information for market analysis and the strategic framework designed to meet critical housing needs.

Demand Analysis

Demand analysis is fundamentally about people: who lives in the community today? Where do they live? What are their needs? Who is moving into the community. How many? This requires analysis of standard demographic data like household income, age, and population. It is important to analyze housing demand from multiple angles and for multiple populations. Seniors prefer different housing products than young professionals or families. Workforce housing looks different than upscale housing or housing for at-risk people. Demand analysis allows us to quantify how many units are needed at different price points and income levels.

Housing Gap Analysis

Housing gap analysis is the comparison of supply and demand. It allows us to determine what is currently missing in the market and what is needed to provide the "right" kind of housing for all Topekans. This may mean more affordable units so that fewer households are cost burdened, more Downtown units to support talent recruitment and attraction, or encouraging the development of more upscale single-family homes to keep higher-paid professionals from moving to Lawrence or Kansas City.

MARKET STRATEGY

Market Strategy focuses on how to change the conditions and capitalize on opportunities.

HOW DO WE GET THEM HERE?

WHAT DO WE BUILD?

WHERE DO WE CREATE IT?

MARKET ANALYSIS

Market Analysis identifies current conditions and quantifies opportunities.

PEOPLE
(WHO)

DEMAND

PRODUCT
(WHAT)

SUPPLY

PLACE
(WHERE)

LOCATION

SUPPLY OVERVIEW

A community-wide supply overview provides the baseline for the housing market analysis, and highlights the gaps in the range of housing products currently available to Topeka residents.

Single-family homes remain the dominant housing typology in Topeka. Early 20th century properties are concentrated in and around the urban core, followed by rings of post-war bungalows and mid-century ranches continuing outward. Contemporary suburban development of the past two decades continues this outward migration, and is almost entirely on the edges of the city. The overall pace of multi-family development has remained slow.

While housing values in Topeka were not impacted as significantly during the recession as other parts of the country and region, values remain below nearby cities such as Wichita, Lawrence, and Kansas City. Part of the challenge with the existing stock is its age—the median year built for homes in Topeka is 1965, while about 20 percent of the overall housing stock was built before the 1940s—and many properties have considerable deferred maintenance or are no longer marketable. This includes a significant proportion of former military housing that has outlived its practical usefulness. This issue is especially challenging in low-income areas where owners do not have the incomes to adequately maintain their properties.

Single-Family (For-Sale)

Housing typologies and conditions vary considerably across the city, reflected by a wide range of recent sales prices. Move-in ready homes sold in the past 12 months had a median sales price of about $140,000, or roughly $75 to $90 per square foot. In contrast, numerous lower quality, low-cost homes are scattered throughout the community. More than 200 homes sold for less than $75,000, though most require substantial additional investment to return them to a marketable standard.

Single-Family (Rental)

Single-family homes also represent a significant portion of the current supply of rental units in Topeka. Though approximately 37 percent of all housing units are renter-occupied, only 27 percent of all housing units are contained within properties of two or more units. ACS data for housing tenure and occupancy indicates there are approximately 5,000 single-family homes for rent community-wide. These properties tend to be smaller, and older, with an average current asking rent of about $850 per month across 200 listings.

Multi-Family (Market Rate)

Topeka's current inventory of approximately 10,300 market rate multi-family units is primarily contained within older garden-style apartment communities built more than 30 years ago. Construction over the past decade has been limited to fewer than 100 units, though some momentum has begun to build within the Downtown submarket as scattered former commercial spaces are converted to residential lofts. The average rent among all units market-wide is $735, while overall vacancy is about eight percent.

Multi-Family (Affordable)

Topeka has a total supply of about 4,820 affordable units, including nearly 3,000 LIHTC units, 745 public housing units, and just over 1,000 additional units contained within scattered properties supported by Section 8 vouchers or other rental assistance programs. Affordable housing is an important component of a larger strategy to ensure demographic, economic, and housing diversity throughout Topeka. Modern affordable models are a distinct departure for the subsidized high rises common in the 1960s and 1970s, and offer attractive mid-rise construction and increasingly robust amenities that are similar to other contemporary market rate apartments.

Senior

There are currently 15 independent living and assisted living communities serving senior residents of Topeka, though only two were built in the past decade. While most properties offer a similar array of services and care options, they vary more broadly in terms of amenities, design, and finishes. The high cost of long-term care is a barrier for many seniors, and existing facilities are generally concentrated in more affluent areas of west Topeka.

EXISTING SUPPLY: FOR SALE

With an aging stock of homes available for-sale in and around the urban core, nearly all of the contemporary construction of the past two decades occurred near Topeka's boundaries, or outside the city limits. Further, a lack of diversity in housing typologies has limited this stock's overall marketability.

Though broad differences in age, condition, location, and quality are apparent in home sales across Topeka over the last year, options continue to consist almost entirely of single-family homes. Single-family units accounted for approximately 97 percent of all sales in the past twelve months, and single-family units account for about 70 percent of the total housing stock despite only approximately 63 percent of units being owner-occupied. The remaining three percent of non-single-family sales consist of scattered, generally dated, townhome and condo units, and no contemporary multi-family for-sale options have been added in many years.

Low-cost homes comprise a significant portion of Topeka's overall housing supply. According to ACS data, approximately 45 percent of all homes in the city have a value of less than $110,000. However, these units do little to address the shortage of affordable housing options in the community given their generally poor condition. Approximately 55 percent of these homes are classified as being in "below average" condition or worse by the Shawnee County Appraiser's Office, indicating significant additional investment and repairs would be needed to return them to a livable standard. Even well-maintained homes at these price points face marketability issues, including limited neighborhood amenities, underperforming local schools, and the poor condition of many nearby homes.

Differences in home quality and value largely manifest themselves along geographic lines. Homes built inside the Interstate 470/Highway 24 boundary have a median home value of approximately $95,000, and about twelve percent of all homes are vacant. In contrast, homes outside this boundary have a median value nearly twice this level--$181,000—and an overall vacancy rate of just six percent[1]. The lack of new construction within the innerbelt and absence of developable lots is also evident in median property age. Approximately 25 percent of all homes within the interstate were built before 1940, with a median year built of 1958. This trend reverses along Topeka's periphery, where nearly 20 percent of all housing units were constructed since 2000, with a median year built of 1987.

Conversations with real estate professionals and policymakers throughout the community highlighted several additional trends in the for-sale market. Though recent sale prices remain low relative to the national market, it is a reflection of the age and condition of the current housing stock, not a lack of demand. Most well-located properties in stable urban neighborhoods of Topeka sell within a short time of being listed. Finally, investors have purchased a significant number of single-family homes in and around the more affordable focus areas, marketing them as rentals. While this can, at times, be a benefit in diversifying residential uses community-wide, speculative buyers in struggling areas may have little incentive to renovate properties until the surrounding neighborhood improves.


1932 SW Westwood Dr
Built 1941
2,550 SF
4BR 2.5Bath
Sold for: $245K


7616 SW Lowell Lane
Built 2017
2,700 SF
4BR 3Bath
Sold for: $300K


1913 SW 29th Terrace
Built 1964
1,650 SF
3BR 2Bath
Sold for: $147K


1039 SW High Ave
Built 1927
1,400 SF
3BR 2Bath
Sold for: $115K

[1] ESRI, 2019

EXISTING SUPPLY: MARKET RATE RENTAL

While a small number of historic loft units have been added Downtown in recent years, much of Topeka's existing rental supply consists of a mix of traditional suburban garden-style apartment communities.

The city has a current inventory of roughly 10,400 multi-family units, contained primarily within traditional garden-style apartment communities. There has been only nominal development in the multi-family market over the past decade, with fewer than 100 new units added since 2010. Overall vacancy has remained steady between seven and eight percent, while asking rents have increased about 18 percent.

The residential conversion of several commercial buildings along Kansas Avenue have been well-received by the market, and indicates unmet demand for upscale rental units in a walkable environment. However, these efforts have been undertaken by a small number of individual developers, and is not yet at a scale that is representative of a broad trend.

Though they vary widely in terms of condition and age, the large majority of the current rental supply is contained within suburban-style garden apartment communities. These are located on large development sites outside of the urban core, and most consist of 10 to 20 two-story and three-story buildings situated around ample surface parking with centralized community amenities.

The correlation between the age and quality of these properties is intuitive. Communities built after 2000 have rents that are 20 percent higher than the city-wide average for comparable unit types, while the overall vacancy rate is also slightly lower.

Average rents for upscale units range from $0.85 to $1.30 per square foot with overall occupancy rates above 95 percent. Typically, the development of new and upscale multifamily properties puts downward pressure on the midscale supply, but due to the lack of new construction in the market, midscale properties—communities that are more than 30 years old—have maintained rental rates around $1.00 per square foot despite their condition and age. The absence of new upscale products has impacts on the broader housing market as well. Affluent renter households have few options of sufficient quality, and therefore opt for lower-priced rentals, enter the for-sale market, or choose to live elsewhere.

EXISTING SUPPLY: AFFORDABLE

Topeka's supply of affordable rental options consists of a mix of public housing, contemporary LIHTC properties, and scattered, deeply-subsidized units.

Topeka has a total supply of about 4,820 affordable units, including nearly 3,000 LIHTC units, 745 public housing units, and just over 1,000 additional units contained within scattered properties supported by Section 8 vouchers or other rental assistance programs. Similar to multi-family trends as a whole, relatively little has been constructed in the past few years. The most recently-developed properties have included a mix of family and senior units, including the rehab and conversion of the historic Santa Fe Railroad office building into Pioneer Motive Place Senior Apartments in 2012 and Pioneer's ongoing rehab of the Casson Building located along Topeka Boulevard near Downtown.

Affordable housing is an important component of a larger strategy to ensure demographic, economic, and housing diversity throughout Topeka. Modern affordable models are a departure for the subsidized high rises common in the 1960s and 1970s, and offer attractive mid-rise construction and increasingly robust amenities that are similar to other contemporary apartments. While a variety of affordable housing programs are available, LIHTC communities—affordable communities financed with low-income housing tax credits—Section 8 communities, and public housing are most common. Though all target households with incomes below the area median, there are key differences in how they operate and the tenants they serve.

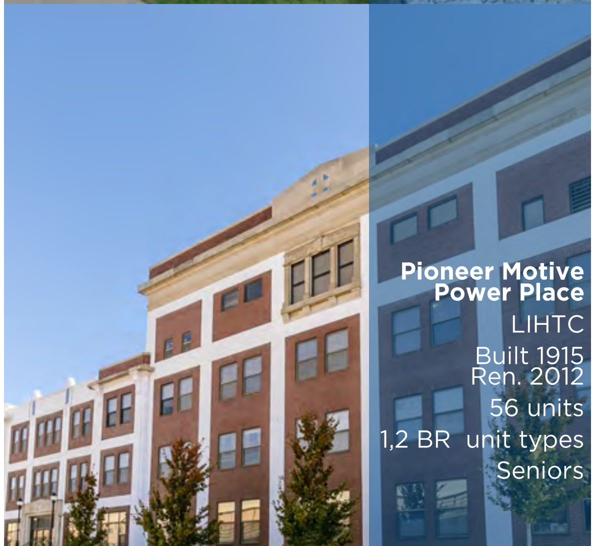
LIHTC provide an incentive for private developers to build housing that would not otherwise generate a sufficient profit to warrant investment. These credits allow the developer to offer units at below-market rents to low-to-moderate-income households. Unlike Section 8 or public housing, LIHTC units are not rent-subsidized. In practical terms, this creates a minimum income requirement for tenants, as they must be able to pay the full monthly rent without additional assistance. This minimum income differentiates LIHTC properties from many other affordable housing options as it targets households that may be overburdened by current market rents, but often have incomes too high to qualify for traditional public housing or Section 8 options.

In contrast to LIHTC properties, traditional public housing and Section 8 properties provide project-based rental assistance to fill the payment gap between a unit's monthly rent and the ability of a tenant to pay. In most instances, tenants allocate 30 percent of their monthly income towards rent and utilities, with the balance covered through HUD or the local housing authority.

Demand for affordable housing is persistent in communities throughout the country. Though subsidies and incentives are finite, a combination of these programs can be used to ensure the long-term provision of affordable units in improving neighborhoods, or dramatically improve the overall quality of the rental stock in struggling areas. In many communities, new resources are being created, including affordable housing trust funds, to more broadly address the need for affordable housing.


Jackson Towers
Public Housing
Built 1969
102 units
1,2 BR unit types
Families, Seniors


Oakbrook Terrace
LIHTC
Built 1979
Ren. 1995
170 units
1,2,3 BR unit types
Families


Pioneer Motive Power Place
LIHTC
Built 1915
Ren. 2012
56 units
1,2 BR unit types
Seniors

EXISTING SUPPLY: SENIOR

A relatively small proportion of Topeka's overall housing supply is tailored to the unique needs of senior residents, and existing communities are generally concentrated west of Downtown.

The senior living market has steadily moved away from institutional, dated skilled care facilities and nursing homes over the past several decades. These have be replaced by contemporary independent living, assisted living, and memory care communities that provide greater degree of independence for residents while providing assistance with activities of daily living in a comfortable, attractive environment.

Much of Topeka's existing supply is representative of an earlier wave of senior living communities completed in the 1980s. Though somewhat dated, these properties offer nearly identical arrays of amenities and services, including all daily meals, on-site medical staff, numerous community and activity spaces, and regularly scheduled social activities. Monthly rates are generally comparable as well, and range from $1,650 to $2,500 for independent living and $3,000 to $3,500 for assisted living, depending on unit type and size.

The distinction between these older communities and the newest properties added to the market is clear. The Healthcare Resort of Topeka and Legend of Capital Ridge were completed in 2016 and 2010, respectively. They are representative of a growing number of "upscale" senior living communities that offer an even broader array of amenities as well as higher-end finishes and higher staffing ratios for a greater degree of personalized care.

The Healthcare Resort of Topeka includes unique amenities such as a multimedia room, restaurant-style dining, a complete fitness center, outdoor spaces—including a fire pit—and an on-site "pub" that position it near the top of the overall market. Legend at Capital Ridge is slightly less upscale, but features many of the same amenities in an attractive, contemporary environment. It is also one of very few Topeka properties that offers Memory Care for residents with dementia or Alzheimer's. Monthly rates at these properties are positioned well above other options in the city, and range from approximately $3,700 to $4,500, depending on care level, with dementia care units positioned even higher.

Both senior housing typologies serve a key purpose of providing quality housing options across several price points as Topeka residents age. However, the distribution of these properties within the city is uneven. Essentially all contemporary assisted living and independent living communities are located west of Topeka Boulevard, and approximately half are located outside the Interstate 470-70 boundary. While there are affordability concerns for a wide spectrum of senior households—an issue that is addressed at greater length in the demand section of this report—low-income seniors in the northern, eastern, and southeastern portions of the city currently have few, if any, contemporary long-term care options.

The Healthcare Resort of Topeka
Assisted Living
Rehabilitation Care
Built 2016
Avg. Monthly Rates
$3,850-$4,500

Legend at Capital Ridge
Assisted Living
Memory Care
Built 2010
Avg. Monthly Rates
$3,500-$4,500
$5,000+

Lexington Park
Independent Living
Assisted Living
Avg. Monthly Rates
$1,850-$2,500
$3,500+

Atria Hearthstone
Independent Living
Assisted Living
Memory Care
Avg. Monthly Rates
$2,000-$2,500
$2,750-$4,000
$5,400+

DEMAND

There is clearly demand for affordable housing of all types, senior housing options, mid to upscale for-sale homes, and upscale rental options. The current condition of Topeka's housing stock, particularly in older neighborhoods, is a key challenge in meeting demand.

Quantifying Demand

Demand for housing comes from a number of "demand segments," which consist of existing residents and new residents moving to the area. Generally, the needs of these segments are different—many existing residents need access to quality affordable housing, while attracting new residents will require improving the conditions and marketability of neighborhoods and the city as a whole. For Topeka to be successful and economically vibrant, it will need to address the housing needs of each of these segments.

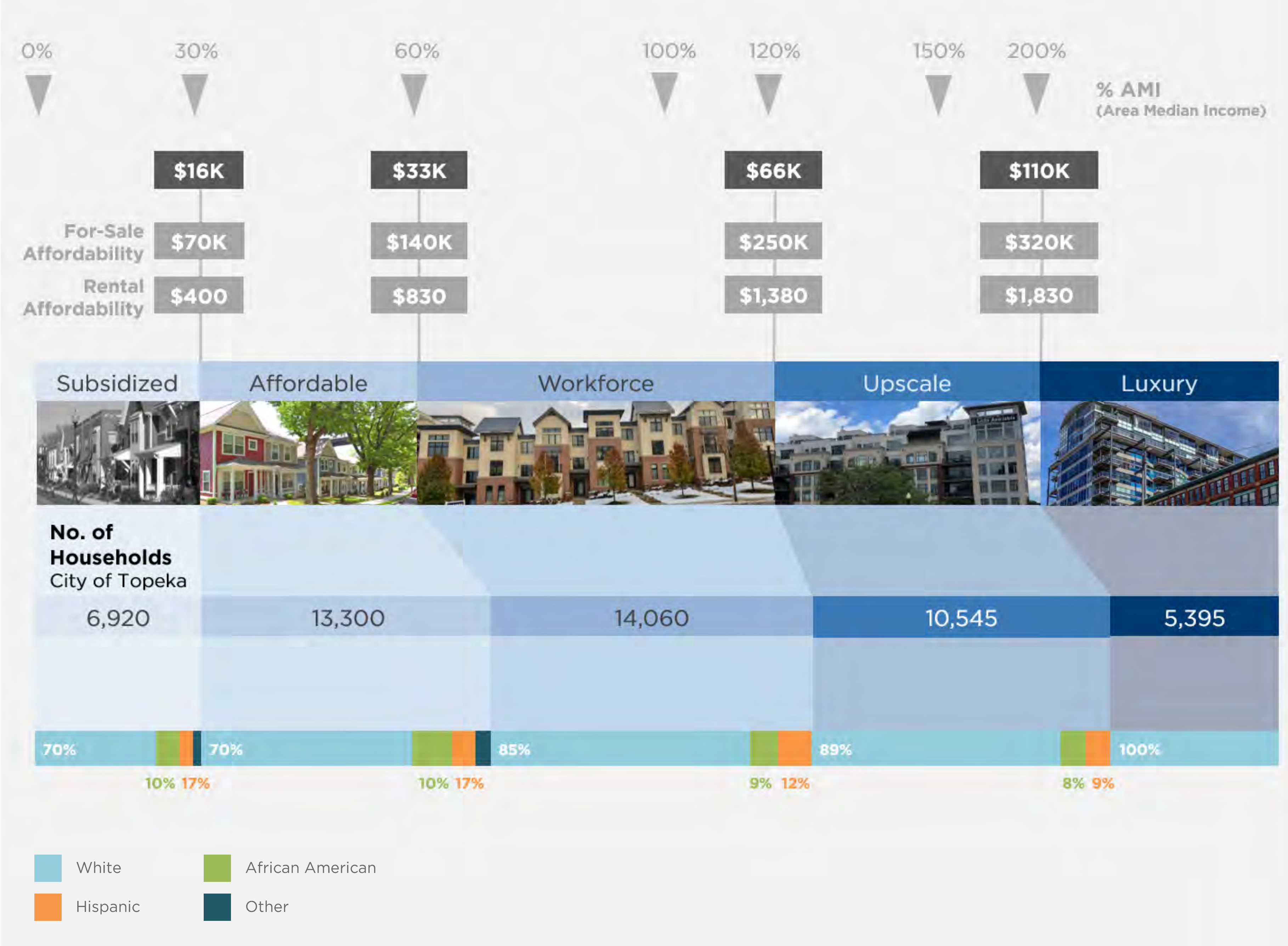
Existing Residents

The goal of any housing study is to address the needs of existing residents. Population loss and slow economic loss, along with suburban development focused outside the city limits, contributed to disinvestment in Topeka's core neighborhoods. From a sheer housing unit perspective, there is excess supply; however, this fact does not address housing conditions and neighborhood marketability. From a housing perspective, quantifying the number of households by affordability levels can inform the price and rent levels needed in the market to address existing demand. As presented previously, income levels are considerably lower in the many opportunity and transitional neighborhoods. Meeting demand for most households will require some level of subsidy, but understanding the number of households by affordability range can help inform the scale of the affordability challenge and amount of potential subsidy needed to provide adequate housing options.

Nearby Residents

With approximately 6,600 vacant units and dozens of vacant lots, there is capacity and a need to attract new residents; therefore, the next tier of the demand analysis was identifying potential households who, assuming an improvement to neighborhood and city marketability, would be interested in moving to the area rather than nearby markets.

INCOME DISTRIBUTION—STUDY AREA RESIDENTS AND THE REGION



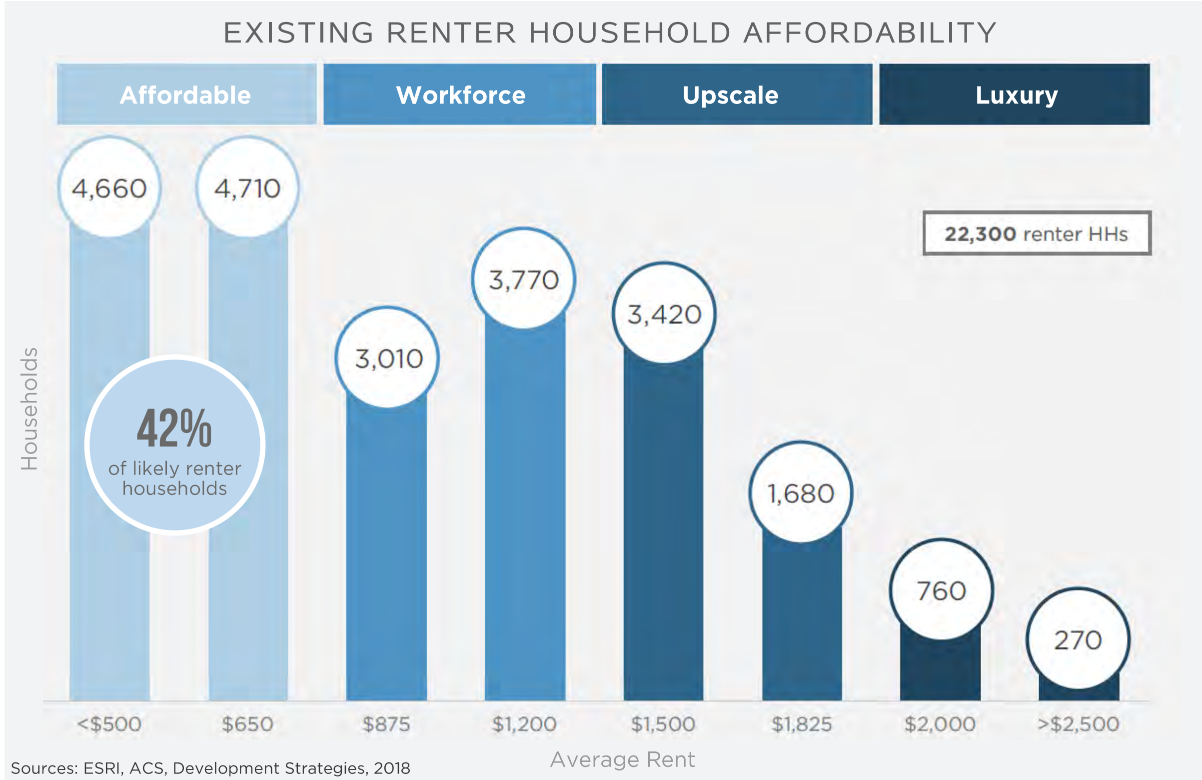
DEMAND OVERVIEW

In the absence of population and household growth, quantifying demand for housing in the near term will be driven by the income and affordability levels of existing Topeka households. Additional demand will be generated by attracting households from the broader metro area with diverse housing products currently absent in the market.

Determining Housing Affordability

Conventional market demand analysis utilizes household income data to determine for-sale and rental price points with the greatest degree of potential market support. Such analysis highlights potential opportunities for development where gaps exist between the existing supply and household affordability. Given Topeka's weak population trends, a target market analysis provides a more nuanced look at how consumer preferences in the study area align with specific housing products.

The American Community Survey provides income distribution data as well as the proportion of income spent on housing for homeowners and renters in Topeka. The following graphs represent the number of households able to afford residential products at various price points. However, this does not represent the existing supply. In some cases, households are spending more than what they actually afford on housing, while others may spend significantly less due to diminishing relative housing costs at higher incomes or the absence of a desired housing typology.



Sources: ESRI, ACS, Development Strategies, 2018

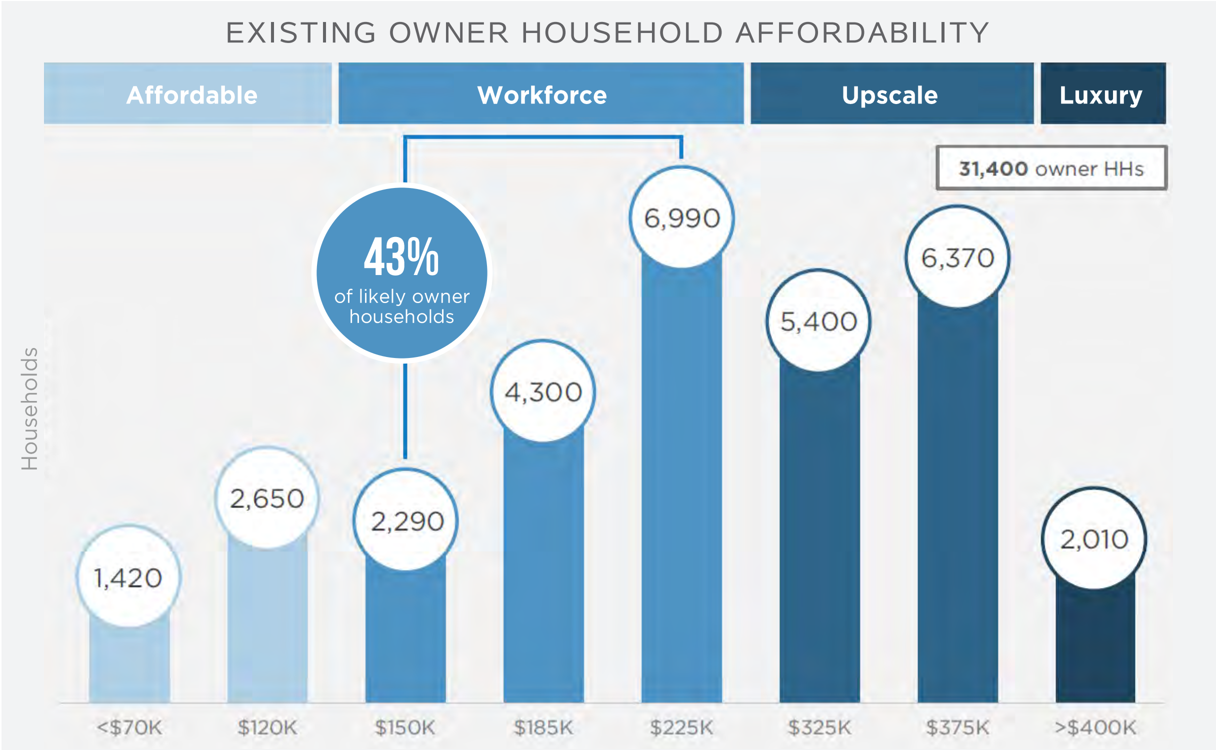
Each rent range is assigned to a housing type to pair product with affordability, ranging from subsidized units to high-end market rate products. The for-sale process is similar, with typologies ranging from substandard options to newly-constructed single-family homes.

Rental Market Demand

There are 22,400 renter households in Topeka and more than 4,600, or 20 percent, can only afford rents of up to $500 per month. Given the relatively limited supply of public housing, Section 8, and supportive rental units, many of these households are rent-burdened or are forced to choose substandard, low-rent options.

This creates a significant supply and demand issue, as there remains a need to invest in the existing housing stock while maintaining affordability.

Just under 30 percent of renter households fall in the affordability range of $500 to $850, which is the core affordable and workforce housing demographics. While there are a number of rental options in this range—including some contemporary LIHTC units—newly-constructed or recently renovated properties would achievable higher rents. There remains significant potential market support in this rent range, and approximately 9,000 Topeka households (40 percent) can afford rents at or



Sources: ESRI, ACS, Development Strategies, 2018

above $1,000. This is representative of a broader national trend of more affluent renters, though the existing supply of upscale units is extremely limited.

For-Sale Market Demand

The largest segment of Topeka homeowners can afford homes ranging from approximately $225,000 to $375,000, with market support decreasing sharply above this level. This range represents a diverse array of housing types. The vast majority of for-sale products are single-family homes—a nominal number of attached townhomes and condos are concentrated in southwest Topeka the Interstate 470 corridor—but quality and age of these homes vary. Properties in this range of affordability are concentrated outside the urban core, with only a handful of historic homes scattered in close-in urban neighborhoods west of downtown such as Westboro and Potwin.

Approximately 30 percent of area homeowners—just over 9,000—can afford homes in the $120,000 to $200,000 range. Homes at these price points are more widespread geographically, though properties at the lower end of this range tend to be older and may require renovations. A more significant obstacle is the limited supply of quality homes available to the 3,000 households with affordability levels below $120,000. This group is significantly smaller than the number of renter households in a comparable affordability range, as lower-income households are much more likely to rent. However, Topeka's relatively broad supply of homes at this level are generally low-quality or obsolete, and significant additional investment will be necessary at the individual property and neighborhood levels to make them marketable.

Conclusions

A community-wide demand analysis highlights gaps in the current housing stock for both renters and homeowners. A general shortage of quality affordable housing options is common in cities across the country, and Topeka is no exception. Many renter households, in particular are currently residing in substandard options, as the number of low-income renters far outpaces the existing supply of public housing, Section 8, and LIHTC units. While low-cost for-sale options are more abundant, they are also low-quality, and concentrated in neighborhoods with fewer services and amenities.

At the opposite end of the income spectrum, Topeka has relatively limited options to meet the demand of a growing number of affluent renter households. Approximately 40 percent of all renter households can affordable monthly rates above $1,000, though this comprises a relatively small proportion of the existing supply. Higher income households are taking advantage of the relative affordability of the community—that is, they could afford more expensive housing products than where they currently live. New single-family construction has been far more robust than multi-family, but nearly all homes have been priced below $300,000.

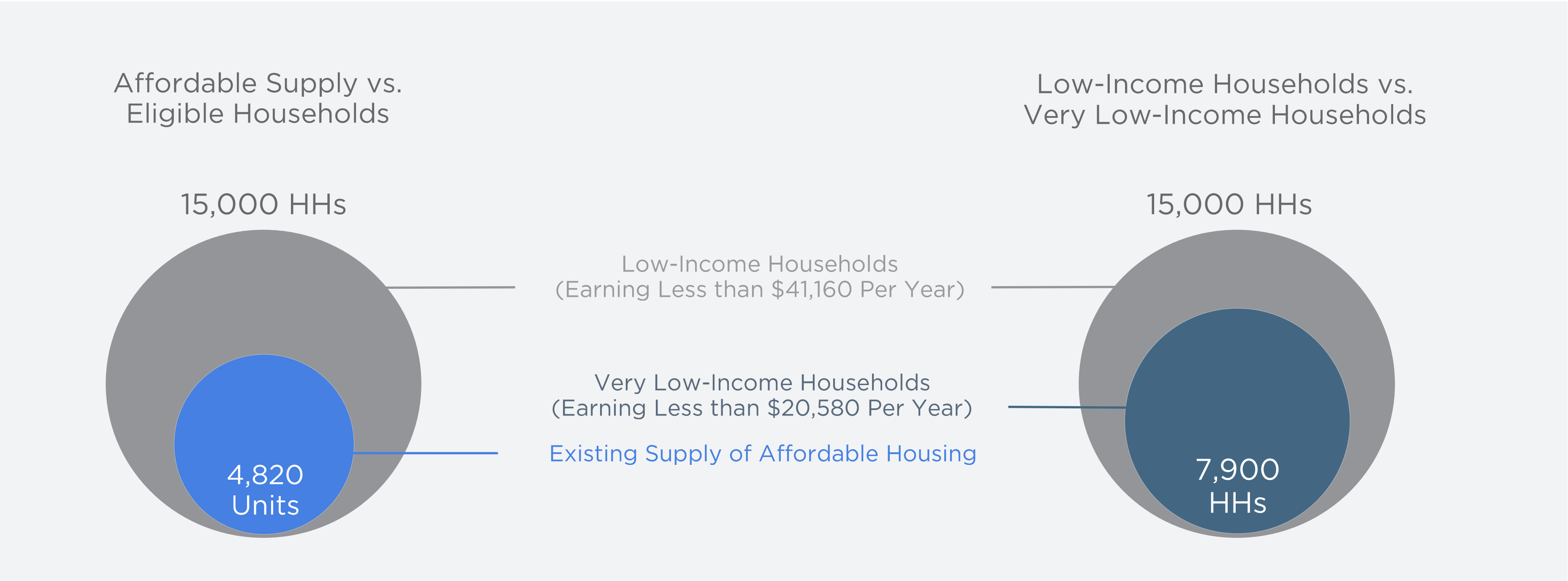
AFFORDABLE DEMAND

Affordable housing is typically developed with tax credits used as equity to help finance the development of a property, while subsidized housing is generally provided through federal programs that provide households a rent subsidy. Increased targeting and usage of these subsidies throughout Topeka could improve housing conditions for a large share of current residents.

The implications of the housing market analysis for affordable housing are significant. Low Income Housing Tax Credit and mixed-income properties help diversity the existing rental housing stock. Such properties provide quality residential options in neighborhoods that cannot support market rate development.

Housing affordability for Shawnee County is based on HUD-published household income limits for households, as well as tenure data from the ACS. Using this data, for a four-person household, there are roughly 15,000 renter households that would be income-eligible for units at 60 percent of Area Median Income (AMI). Of those, 7,900 households are very low-income households at or below 30 percent AMI. This far exceeds the existing supply of about 4,800 low-income affordable units in Topeka. Some portion of this excess demand could be met with a combination of federal programs that include LIHTC, Section 8 subsidies, and other development incentives.

At achievable LIHTC rents, roughly 4,600 renter households in Topeka would be income-qualified for affordable rental housing at 60 percent AMI without additional project-based rental assistance. Applying a capture rate of ten percent indicates that a series of affordable properties containing up to 450 additional units could be added to the market if appropriate sites are available. Section 8 vouchers or a similar form of rental subsidy would provide an additional demand pool of about 10,500 very low-income households.



SENIOR DEMAND

Seniors continue to live longer, yet many prefer to no longer care for a single-family home. New housing typologies will be necessary to allow seniors to remain in current neighborhoods.

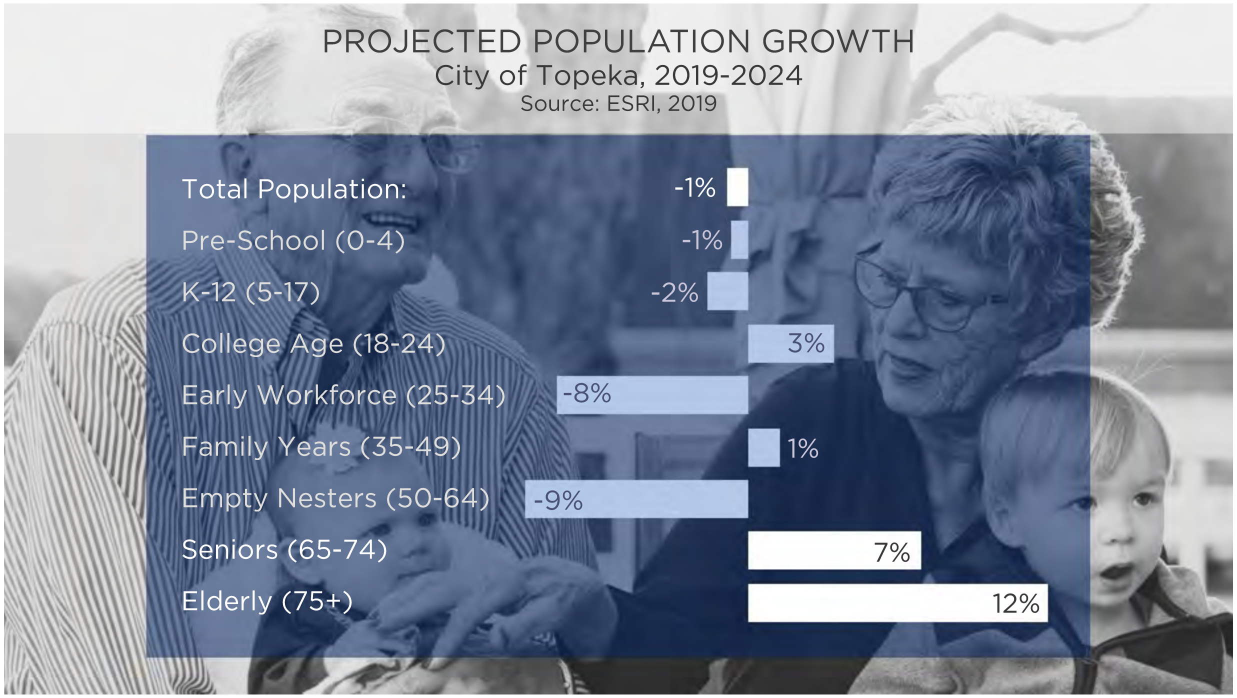
Like many cities in the Midwest—and across the country—the senior population in Topeka is expected to grow at a much faster rate than the population overall over the next several years. While many seniors will choose to stay in their homes as long as possible, alternative housing arrangements may be necessary as care needs change. This often presents a challenge in low-income areas due to the high costs of senior care. Additional senior housing options can accomplish at least two important goals: freeing up existing housing stock for first-time buyers, and providing seniors with a more suitable housing option to meet their lifestyle preferences.

The senior market has moved away from more institutional settings such as nursing and skilled care facilities over the past several decades, with contemporary assisted living, memory care, and independent living communities comprising the bulk of the current supply. However, costs for these properties are often prohibitively expensive for even moderate-income senior households, with monthly rates exceeding $3,000. This is amplified by relatively low housing values in more urban areas of the city, as seniors often rely on selling their home to cover a significant portion of these costs. This effect is apparent in the lack of contemporary senior care facilities near the core of Topeka, as they are simply not feasible without significant subsidy.

Overall, this market is relatively limited, totaling 1,100 senior households qualified for independent living units, and 550 qualified for assisted living units. Applying a somewhat aggressive capture rate of ten percent indicates a single continuum care community containing both typologies may be feasible, though additional market research would be required given the significant development costs associated with these facilities.

Senior-targeted affordable apartments can be an effective tool to bridge a portion of this supply gap. Though apartments do not provide the additional care services and meals associated with assisted or independent living, many offer senior-oriented amenities and programming, while the smaller units are easier to navigate—and can be made accessible—and require significantly less upkeep than a single-family home. Villa-style single-level duplexes and elevator-served buildings are both common, but the overall design is ultimately site-specific.

Assuming a mix of one-bedroom and two-bedroom layouts, there are approximately 3,200 senior households 55 and older in the market area that would be qualified for units restricted at 60 percent of AMI. Similar to the broader affordable housing analysis, a deep pool of approximately 4,000 additional senior households would be eligible with support from additional rental subsidies.



DEMAND GAP ANALYSIS AND CONCLUSIONS

Affordability Gap Analysis: Owner

In the affordability gap analysis, "demand" refers to what existing households can afford assuming that 30 percent of income goes towards housing costs (rent/mortgage payment plus utilities). The graphs to the right summarize this data at different affordability levels.

The demand gap analysis for owners shows that there are many households in Topeka that could afford more expensive homes than they currently live in, specifically homes $250,000 or higher. This data also shows a substantial oversupply of homes $110,000 and below. However, this data does not take into consideration what the current condition of the housing stock is, or the viability of homeownership for many of these households.

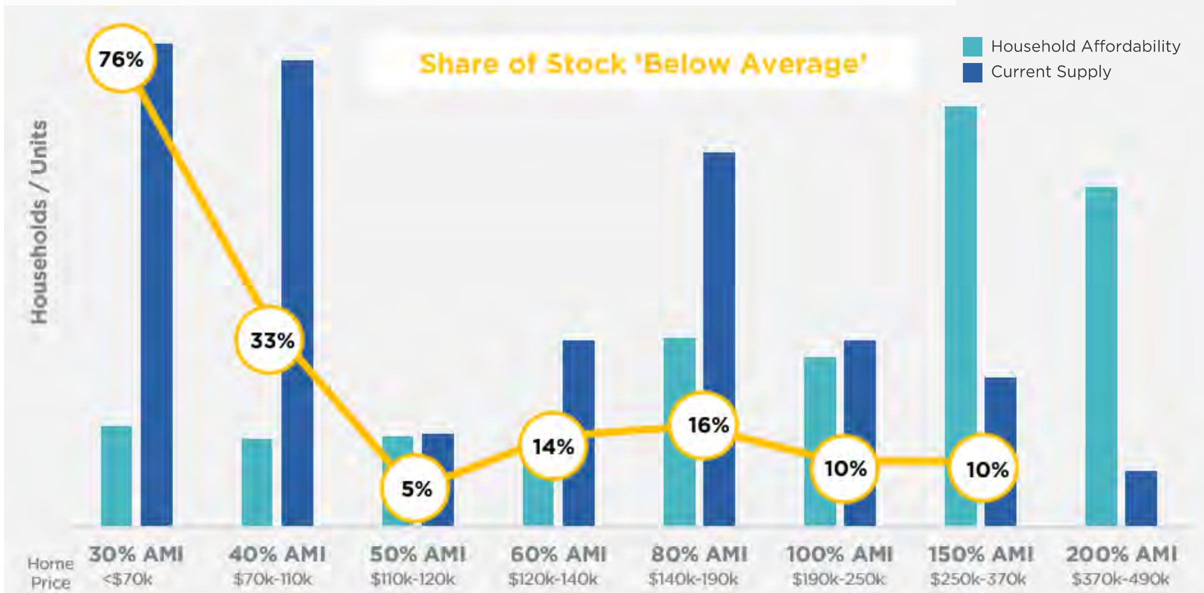
An oversupply for moderately priced homes is also shown—$120,000 to $190,000—yet, based on conversations with realtors and stakeholders, the housing available does not meet market preferences. Thus, a substantial portion of the existing supply is not marketable because of condition, style, location, or a number of other factors.

The graph at the bottom right adds property ratings from the Shawnee County Appraiser's Office to the ownership gap analysis. As indicated, the vast majority (76 percent) of the housing priced $70,000 is in "below average" or worse condition, meaning that it requires significant upgrades and is not likely suitable for habitation. While inexpensive to purchase, this

AFFORDABILITY GAPS: OWNER

Source: Development Strategies, 2019

AFFORDABILITY GAPS: OWNER WITH CONDITION ASSESSMENT



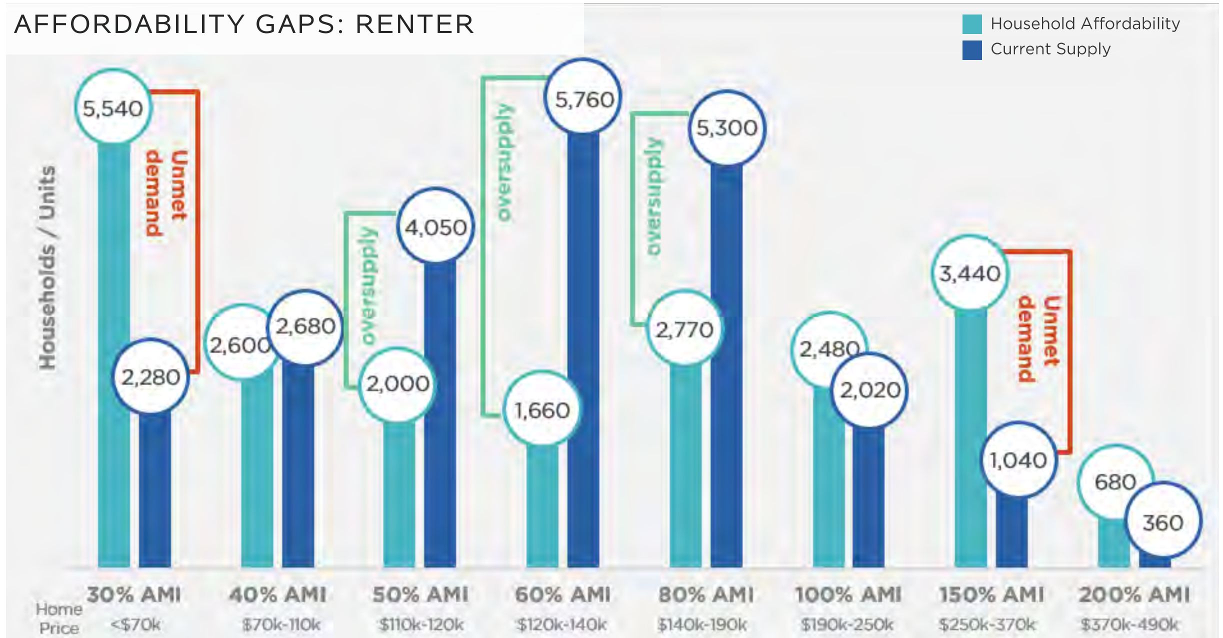
Source: Development Strategies, 2019

housing is typically unaffordable because of the amount of work needed to stabilize it. A significant portion of the housing stock under $190,000 is also rated “below average”—much of this housing is not currently in the form or condition to meet housing needs.

Affordability Gap Analysis: Renter

The affordability gap analysis for renters looks significantly different than for owners. There is considerable unmet demand for very affordable housing—affordable to those earning at or below 30 percent of AMI—at rents $414 and below. There is an oversupply of moderately priced rental housing ($550 to $1,100 per month). However, as with the for-sale housing, a notable percentage of these units are substandard. It also reflects the fact that not much rental housing has been constructed over the past decade.

Finally, there is unmet demand for rental housing at the high end of the market, or $1,380 and up.



Source: Development Strategies, 2019

Conclusions

The affordability gap analysis provides a high-level overview of where there are clear mismatches between supply and demand. However, several other factors are important to consider. For instance, 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 affordability spectrum.

Most low-income households in Topeka are housed, but rent burden is an issue. The “unmet demand” portion of the 30 percent AMI bracket are households burdened by housing costs in the 40% and 50% AMI levels. Housing quality is generally substandard at lower affordability levels. More than half of all units at or below 50 percent 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 in housing stock can fill these gaps and create a pathway to homeownership for a broader range of households. At the same time, renovating and repurposing the existing housing stock will be key to meeting short- and long-term demand and can be used to address a wide range of housing needs.

There is an undersupply of rental units throughout the community. The absence of upscale rental properties—there is very little supply at 150 percent 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.

AFFORDABLE HOUSING DEMAND

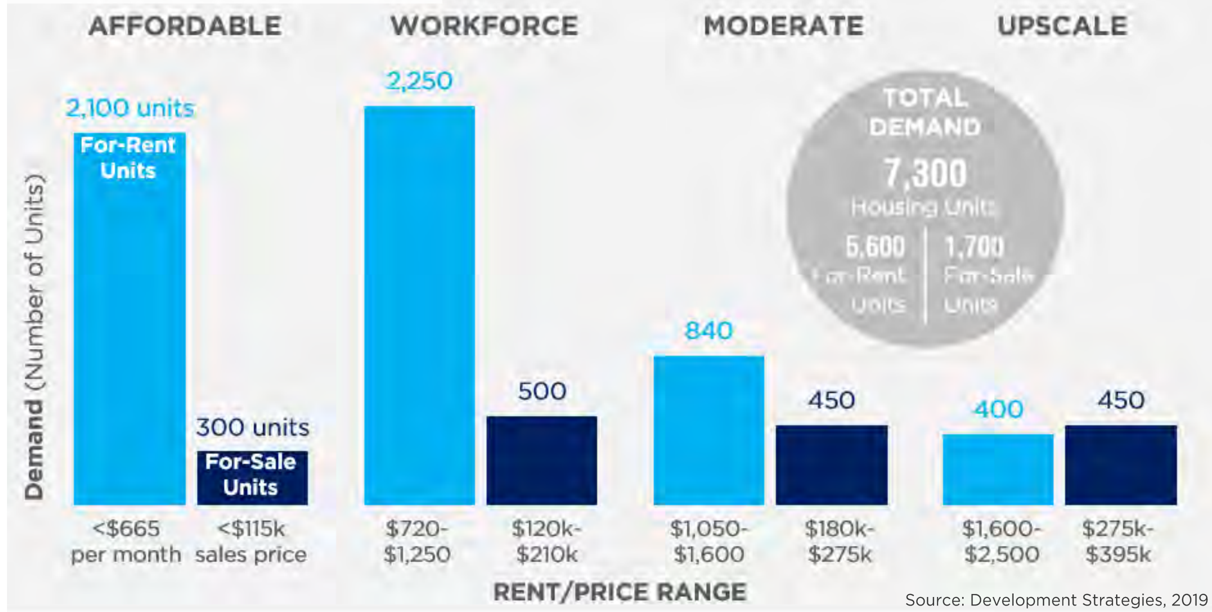
The market analysis raises the awareness of the significant need for quality affordable housing. It is important to more deeply understand the affordable market segment in order to establish clear goals for production and preservation over the next 20 years.

There are plenty of homes and apartments in Topeka that are sold or leased at affordable prices, yet a substantial portion of that housing stock is in fair or worse condition. Additionally, low-income households tend to be cost burdened and live in poor quality housing because they have no other options and lack the funds for adequate home repair. The challenge is particularly great at the 30 percent AMI level—there are not enough units to meet demand.

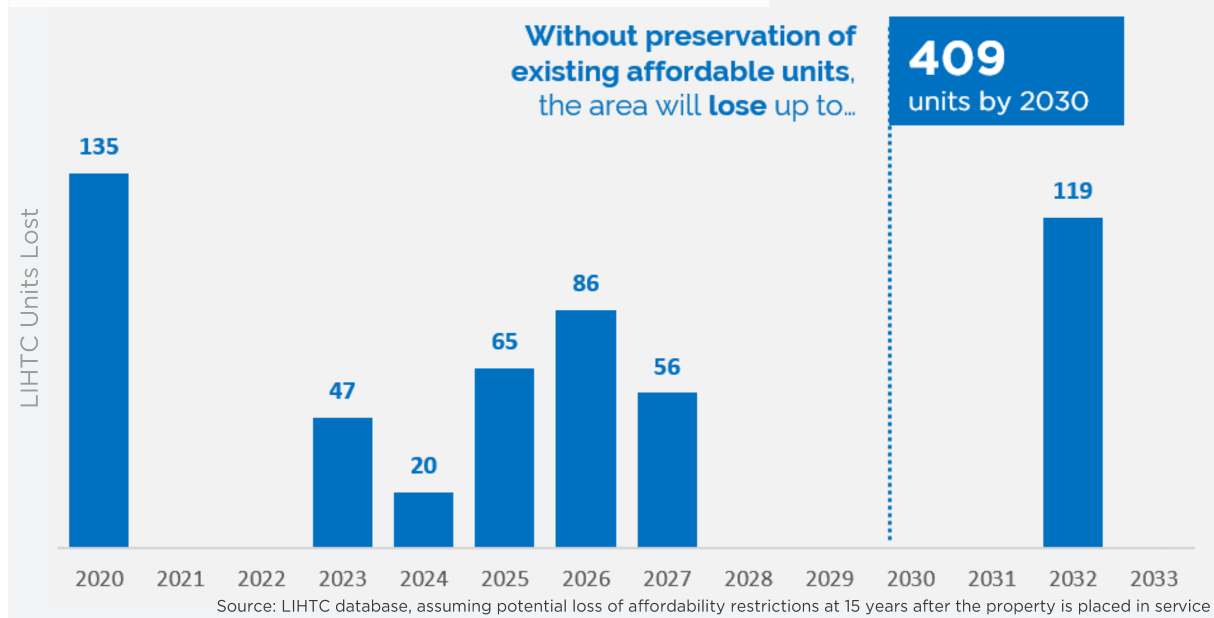
The graph at the top right show current annual demand by income classification—much of this demand is met by existing homes and is attributed to normal turnover. The results show substantial demand for affordable and workforce rental housing, underscoring the importance of meeting this need.

One way to meet the need for affordable and workforce housing is by preserving the subsidized housing stock that exists today. The graphic at the bottom right illustrates the number of units nearing the end of the initial 15-year compliance period for the LIHTC program. Some of these units will likely extend their affordability period for the second 15-year term; however, If nothing is done to preserve the affordability of these units, more than 400 dedicated affordable units would be lost, exacerbating a critical community need.

CURRENT ANNUAL DEMAND



LIHTC UNITS NEAR END OF COMPLIANCE PERIOD



Demand projections were made for affordable housing over the next 20 years and several factors were considered, as summarized in the graphic below.

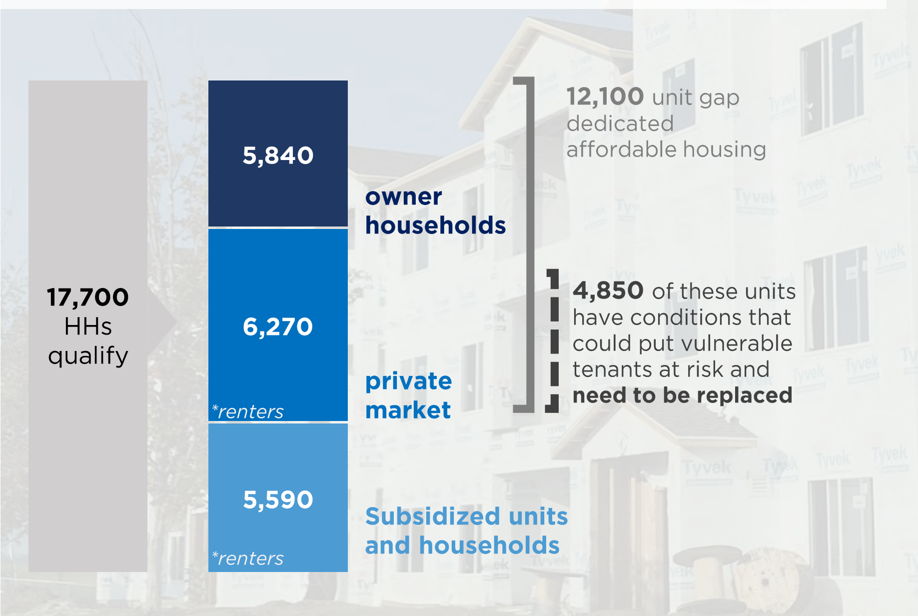
First, a determination of the number of households whose incomes indicate they need affordable housing at or below 60 percent of AMI to not be cost burdened. There are 17,700 of such households. Next, the number of dedicated affordable housing units, or those subsidized through LIHTC, HUD, and other programs, as well as housing choice and Shelter Plus Care vouchers, was identified—5,590 units.

The remaining 12,100 households find their housing in the private market, both as homeowners and renters. Based on the fact that approximately 40 percent of the housing stock is in below average condition or worse, this results in a need for approximately 5,000 units of quality and dedicated affordable housing unit. The remaining 7,000 households live in decent affordable housing provided by the private market.

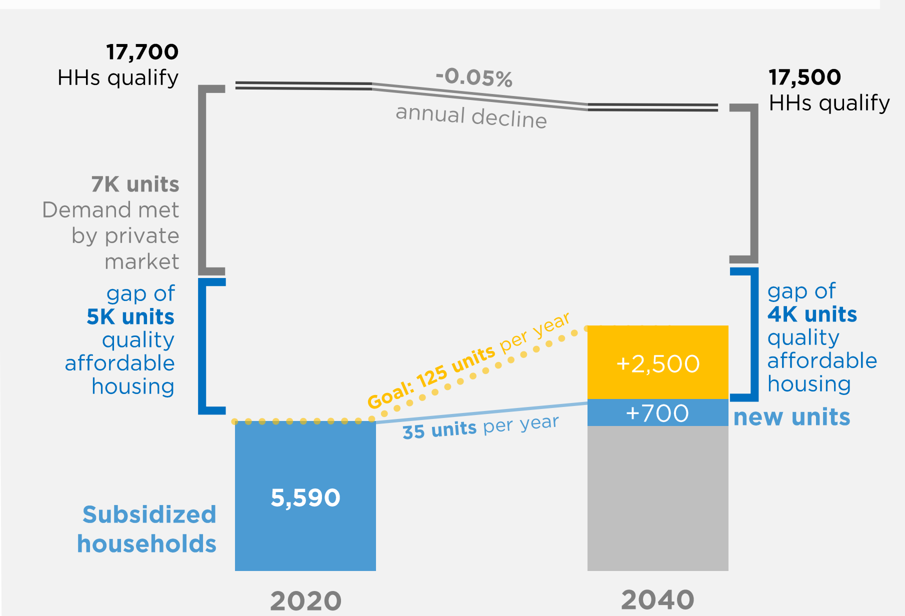
The final step is to project demand over the next 20 years. Current projections suggest a slight decrease in population and households. Based on affordable housing production, primarily through the LIHTC program, approximately 35 units were added each year over the past decade. If these trends persist, about 700 new units would be added to the market, bringing the total gap of dedicated affordable housing down to 4,000 units.

However, if new tools were created and funding sources aligned to support an average of 90 additional units per year—125 units in total—2,500 new dedicated affordable housing units would be constructed over the next 20 years, moving Topeka much closer than many of its peers to meeting the affordable housing need.

DEDICATED AFFORDABLE HOUSING SUPPLY AND DEMAND



DEDICATED AFFORDABLE HOUSING DEMAND PROJECTION



Source: Production based on past 10 years of LIHTC allocations; demand based on estimate of households with incomes below 60% AMI; growth based on Heartland 2050

20-YEAR DEMAND PROJECTIONS

In the medium and long terms, new housing demand will be driven primarily by the replacement of aging housing stock and the capture of a larger proportion of regional growth.

Demand for new housing generally consists of a combination of household growth and the replacement of obsolete residential units, Demographic indicators over the next five years estimate a slight population decline in Topeka, though the overall age of the existing housing stock has presented some opportunities for new construction, as evidenced by the addition of several hundred homes around the city's periphery over the past decade.

While replacement housing provides a baseline for new housing demand, it can result in increased vacancy in the urban core, particularly in cities where vehicular access to Downtown amenities and employment centers remains very good from more suburban areas. Creating new demand—growth without growth—requires the addition of new housing options currently absent from the market.

A mix of smaller, more affordable for-sale typologies such as condos or townhomes can attract urban-minded residents into denser neighborhoods by offering walkable access to various amenities and services. These typologies are currently concentrated almost exclusively in Lawrence and Kansas City, and households are willing to commute from these areas to live in the types of housing they prefer.

Unmet demand also persists for a smaller number of large, upscale single-family homes to accommodate executive-level Topeka workers, which are generally absent from the market.

Demand estimates in the short-term are relatively conservative, and reflect the existing condition and quality of the housing stock. However, as additional improvements are made, Topeka can capture a greater proportion of households currently commuting from metropolitan areas to the east, resulting in growing housing demand over time. The projections summarized in the table below assume that Topeka will begin to capture some of the regional growth in the 15-year and 20-year time periods.

20-year Projections: Demand by Income Level and Housing Tenure

INPUTS						NET DEMAND									
AMI	Income	Households	% Owner	For Sale	For Rent	Current		5 year		10 year		15 year		20 year	
						Sale	Rent	Sale	Rent	Sale	Rent	Sale	Rent	Sale	Rent
30%	-	7,240	23%	1,670	5,570	60	200	60	200	60	200	60	210	70	230
50%	$16,560	7,590	36%	2,730	4,860	100	170	100	170	100	180	100	180	110	200
80%	$27,600	8,850	48%	4,250	4,600	150	200	150	200	150	200	160	210	170	230
120%	$44,160	9,910	63%	6,240	3,670	220	130	220	130	220	130	240	140	250	150
150%	$66,240	5,860	71%	4,160	1,700	146	200	150	200	150	200	160	210	170	230
>150%	$82,800	14,280	88%	12,570	1,710	440	60	440	60	450	60	470	70	510	70
					Units per Period	1,110	940	1,110	940	1,130	970	1,190	1,020	1,280	1,100
					Total Units by Type	1,110	940	2,210	1,890	3,350	2,850	4,540	3,870	5,820	4,970

DEMAND BY HOUSING TYPE

The dominant housing type in Topeka is the single-family home and development over the past decade included a higher proportion of this type that most cities in the Midwest. There is demand for different housing types, and the types of housing available in Topeka are likely to shift over the next 20 years.

As detailed in this study, single-family homes were the primary type of housing built in Topeka over the past decade. Compared to peer cities and the state, single-family homes disproportionately dominated housing development in Topeka. Other markets had more multifamily development, and more missing middle development—duplexes, fourplexes, townhomes, and smaller walk-up multifamily properties.

The market analysis clearly concludes that there is a need to diversify the housing stock to retain and/or attract residents. A shift in development typologies will take time to occur, Therefore, it is important to assess how demand for different housing types will change over the 20-year demand projection period. These projections are summarized in the table below.

The housing stock in Topeka is currently 66 percent single-family, 4 percent duplex, 7 percent fourplex, and 10 percent each for small and large multifamily, respectively. A target of 60 percent single-family, 7 percent each for duplex and fourplex, 14 percent for small multifamily, and 12 percent for large multifamily was established for the 20-year projection This would shift the housing stock to include more missing middle typologies, proving a wider range of housing types. Single-family would remain an important housing type.

Understanding the projected shift in housing type over the next 20 years will allow the city to identify ideal sites, work with land and housing developers, review its zoning code, and assess its comprehensive plan to ensure that these types are adequately supported.

DEMAND SUMMARY

Several different approaches were used to quantify demand for various housing types. The following bullet points reconciles these methodologies. There is a need for the following housing to support demand and provide equitable housing choices over the next 20 years:

- 4,000 units of **affordable housing** (2,800 rental and 1,200 for-sale)
- 3,650 units of **workforce-affordable housing** (1,650 rental and 2,000 for-sale)
- 4,500 units of **market-rate housing** (1,400 rental and 3,100 for-sale)
- 2,250 units of **senior housing** (1,500 affordable rental, 400 for-sale market rate, 200 independent living, and 150, assisted living)

20-year Projections: Demand by Housing Type

DESCRIPTION		NET DEMAND									
Units in Structure	Current Distribution	Current		5 year		10 year		15 year		20 year	
		% Share by Unit Type	# Units	% Share by Unit Type	# Units	% Share by Unit Type	# Units	% Share by Unit Type	# Units	% Share by Unit Type	# Units
Single-Family*	66%	66%	1,353	66%	1,353	64%	1,344	62%	1,370	60%	1,428
Duplex	4%	4%	82	4%	82	6%	126	7%	155	7%	167
Fourplex	7%	7%	144	7%	144	7%	147	5%	111	7%	167
Small Multifamily (5-19 units)	10%	12%	246	12%	246	12%	252	13%	287	14%	333
Large Multifamily (20+ units)	10%	11%	226	11%	226	11%	231	12%	265	12%	286
	Total Unit Demand		2,050		2,050		2,100		2,210		2,380

**A small percentage (<0%) of the existing housing stock is mobile homes, which are anticipated to make up an even smaller proportion in the future and are distributed in the multifamily housing categories..*

CHAPTER 4

DEFINING THE NEED

FEASIBILITY ANALYSIS

The economic feasibility of building, renovating, or rehabilitating different types of housing affects the ability of developers to add these units to the market and meet demand. Understanding the factors that affect feasibility will help to guide the use of incentives and investment tools in the city.

The previous chapters outline the housing needs and goals for the Study Area and identify demand for a broad range of housing types and price points, including those that cannot easily be delivered by the market. Meeting these needs will require some type of incentive, subsidy, or other support.

This chapter evaluates the level of support needed to successfully deliver these different types of housing, which informs the role and potential impact of available tools and resources.

About the Methodology

One must first understand the economic feasibility of building, rehabilitating, or renovating a single housing unit to understand the scale of impact possible through an incentive or subsidy program.

This evaluation—feasibility analysis—seeks to evaluate the two sides of this feasibility equation:

- The typology- and market-specific costs to deliver a single unit of housing, including purchase/acquisition, construction, and soft costs.
- The market value of the housing product, based on target rents or sale prices, standard financing terms, a modest profit, and stabilized occupancy.

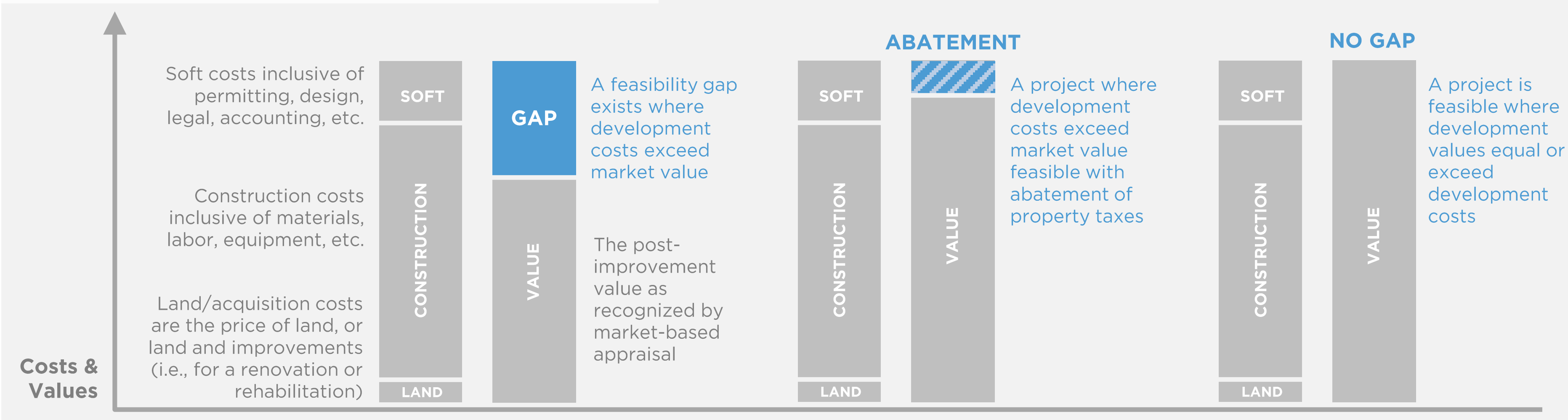
Where development value exceeds development costs, a housing unit can typically be delivered without the support of incentives or subsidy. Where development costs exceed development value, there is a feasibility gap, which incentives or subsidy can help fill.

This methodology was used to analyze the feasibility of six different housing typologies:

- Market-rate multifamily;
- New single-family;
- Rehabilitation and renovation;
- Missing middle infill;
- Affordable housing; and
- Neighborhood Context.

The findings from this analysis are summarized on the opposite page, and the pages that follow.

ILLUSTRATIVE DIAGRAM OF FEASIBILITY ANALYSIS



FEASIBILITY ANALYSIS: SUMMARY & KEY FINDINGS

MARKET-RATE MULTIFAMILY

The economic feasibility of market-rate multifamily projects varies greatly with location due to the disparate conditions of the neighborhoods. Rents range from less than $1.00 in North Topeka to nearly $1.40 per square feet Downtown. High market rents, combined with incentives, can “cross-subsidize” a small number of affordable units within the same building in some locations.

NEW SINGLE-FAMILY

As illustrated by the market analysis, home values vary widely by condition and location. In growing neighborhoods like New Build, home values surpass the development costs despite higher acquisition costs while in transitional neighborhoods like Central and North Topeka where the post-construction appraised value of a home does not fully match the costs of purchase and acquisition.

REHAB & RENOVATION

Topeka’s Core Neighborhoods have a stock of older properties that require rehabilitation or renovation to be marketable. Supports and incentives to renovate these properties will create more affordable homeownership opportunities. A relatively small amount of assistance—ranging from $5,000 to $30,000 per unit combined with the NRP tax rebate—could have a significant impact.

MISSING MIDDLE INFILL

Stakeholder conversations and market analysis reveal an unmet demand for “missing middle” housing typologies such as townhomes, duplexes, quadplexes, and other small multifamily housing types. . These typologies can be difficult to deliver because of economic feasibility.

This type of housing could be delivered in a mixed-income model, but likely only with some significant source of gap financing or other support.

AFFORDABLE HOUSING

No single solution will meet the substantial need for quality affordable housing in Topeka. Affordable housing can be provided in different ways—renovating existing homes or multi-family properties, new construction, reduced unit sizes, and more. The existing housing stock will be an important asset in providing and preserving affordable housing—a modest renovation with minimal subsidy could make many homes a higher quality without making them unaffordable.

NEIGHBORHOOD CONTEXT

Understanding the feasibility at a neighborhood scale enables the city to plan for the long-term as funds become available. Yet, different areas require different approaches because of the condition, age, location, and marketability of the housing stock. Focus areas in neighborhoods like the East Topeka require more substantial renovations, while the scale of the need in Hi-Crest exceeds the other focus areas because of the type of housing in that neighborhood.

MARKET-RATE MULTIFAMILY

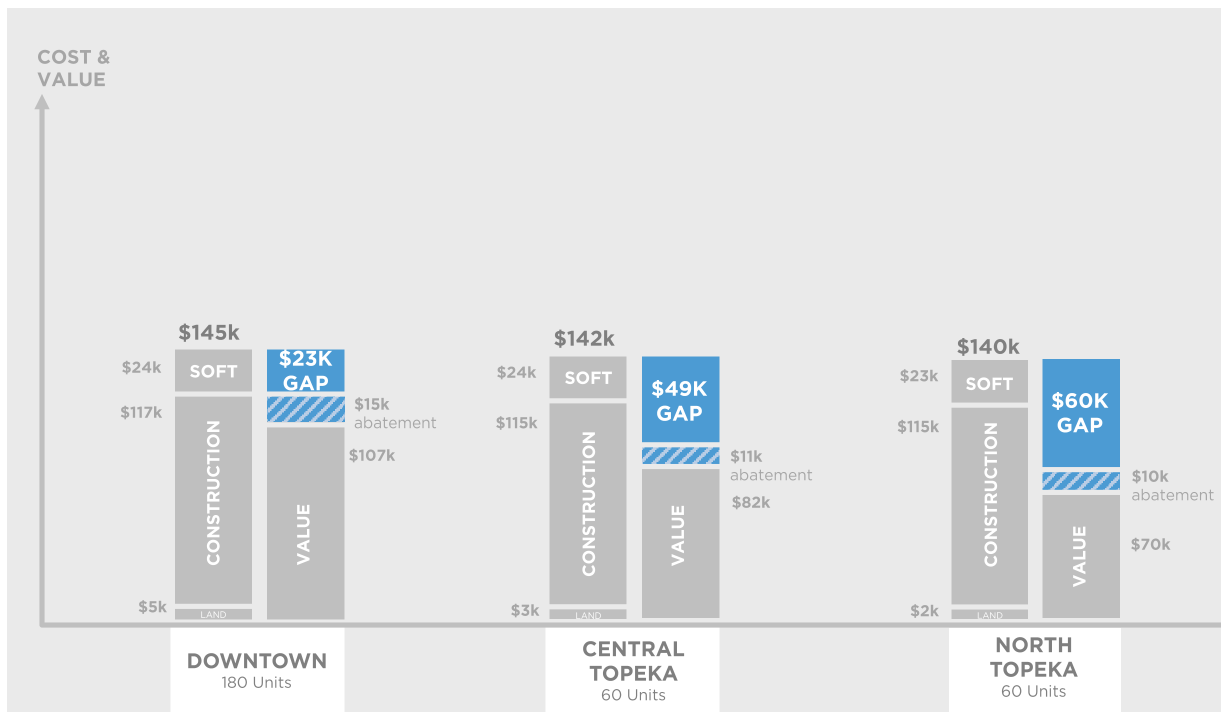
Very little new market-rate multifamily development occurred in Topeka during the past decade. The demand analysis indicates that there is demand for this type of housing, but prevailing market rents do not support new construction without some sort of public subsidy.

While the market analysis concludes that higher rents are achievable in the Topeka market for the right product in the right location, being the first developer to try to prove the market carries added risk. This can make it more difficult to find investors or lending partners, especially when deals are available in stronger, competing markets.

The estimated acquisition, development, and operating costs are based on current market conditions, including recent development projects and prevailing market rents.

Key observations include:

- While the rents and acquisition costs vary significantly across locations in Topeka, increasing rents are insufficient to support overall development costs.
- The feasibility gap ranges from $23,000 per unit Downtown to about $60,000 in North Topeka, after tax abatement.
- Increasing density (number of units per acre) does not significantly impact the overall feasibility of multifamily development. In a Downtown environment, this would require structured parking, thus adding cost.
- At this stage in the market, some sort of public participation in the form of tax abatement or other subsidy will be required to catalyze market rate development that meets the segment of demand.



NEW SINGLE-FAMILY

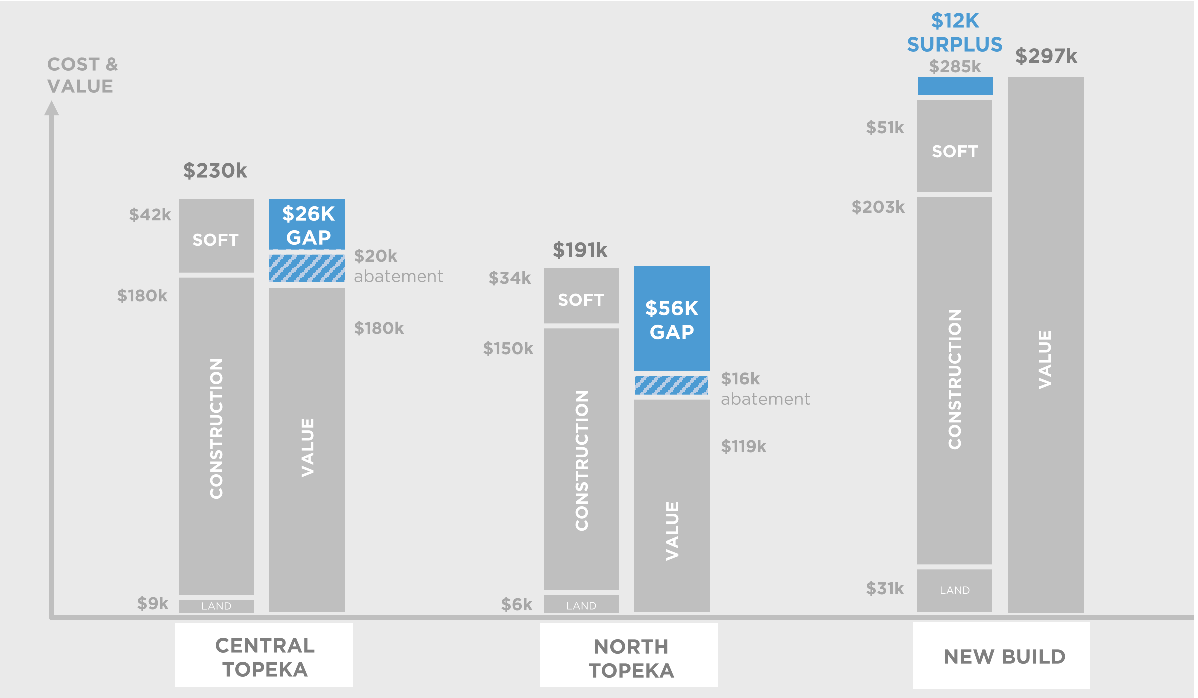
New single-family development has occurred at a relatively low pace in Topeka compared to some of its peers. Most new development occurred in newly platted subdivisions at the periphery of the city or outside of the city in Shawnee County. Yet, there is a market preference for new housing in established neighborhoods and more walkable, urban locations. Such demand can be met by new construction infill development.

Single-family infill development can be more difficult or time consuming than traditional suburban subdivision development because sites can be scattered, contiguous lots may not be available to assemble and build on, and existing lot sizes can require at different type of housing than local developers are accustomed to building. The primary benefits of infill single-family development are providing a new product that is not currently available in the market and stabilizing neighborhoods with reinvestment.

Similar to market-rate multifamily development, the primary barrier to new single-family development in established core neighborhoods is economics—land costs, land assembly, and lack of economies of scale for scattered site development.

Key observations include:

- Market values, even at the top of the market in the core focus areas, are not high enough to support construction costs.
- The feasibility gap ranges from $26,000 per unit in Central Topeka to about $56,000 in North Topeka, after tax abatement.
- New single-family development is feasible in the new-build neighborhoods, evidenced by the $12,000 surplus when comparing cost to value.
- There are core neighborhoods and older neighborhoods in Topeka where new infill development would be feasible; however, there are not many, if any, vacant parcels on which to build new homes.



REHAB & RENOVATION

Topeka has a number of vacant lots or relatively low priced homes that could be reinvested in to meet a significant portion of demand for affordable housing. A rehab and renovation effort would serve to not only improve the condition of the existing stock but also the overall marketability of many of the core neighborhoods.

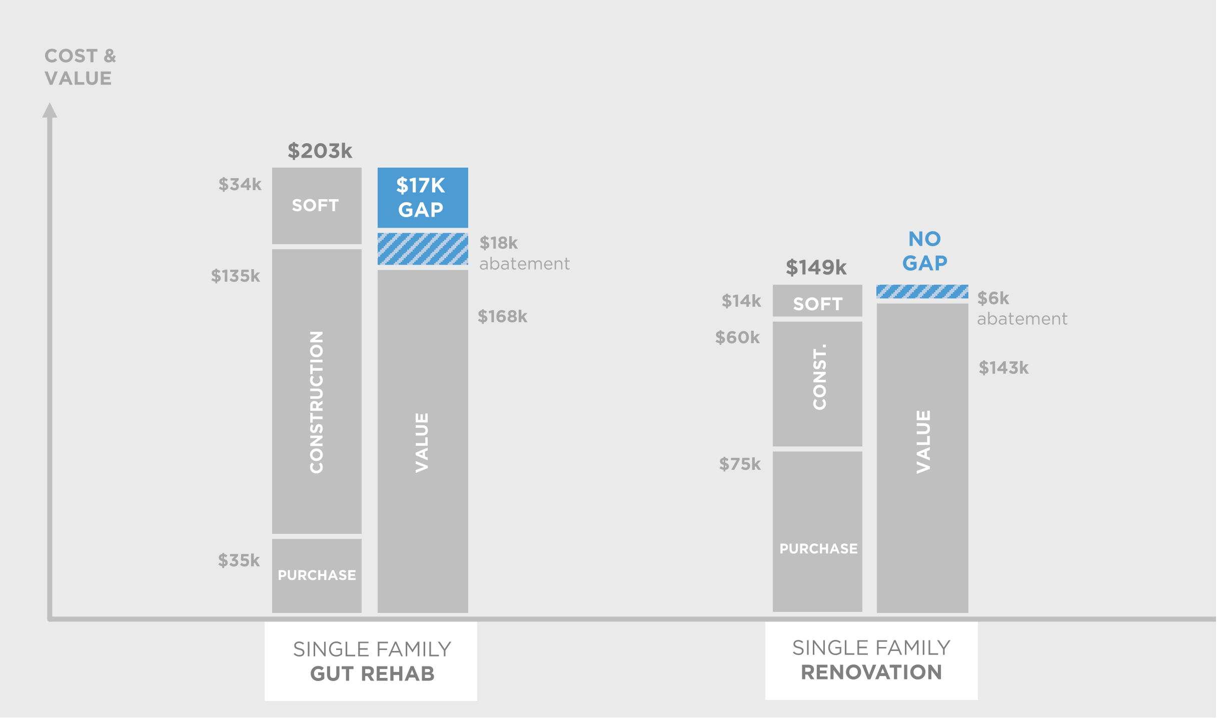
Reinvesting in the existing housing stock would also provide a range of housing types and sizes at a range of different price points. A variety of affordability levels is more difficult to achieve with all new construction without substantial subsidies because of construction costs.

It is important to note that housing rehabilitation and renovation projects can vary considerably in scale and cost. One factor impacting this variability is the underlying condition of the home, and another is the size of the home. For the purposes of this analysis, rehabilitation assumes that the major systems of the home, such as plumbing, heating and air conditioning, and electrical are replaced, as well as windows, roof, and other critical items. This is in addition to what would be covered in a renovation, which is considered to be more cosmetic such as an upgraded kitchen or bathroom, or painting and updating the home to meet modern preferences.

The costs in this scenario include acquisition of existing homes and are based on conditions in Central Topeka.

Key observations include:

- Overall, housing rehabilitation is feasible in several neighborhoods, but not in the core focus areas.
- Housing renovation is feasible in most locations in Topeka.
- The average feasibility gap for rehabilitation is $17,000 per unit, after tax abatement.
- The average renovation project has no gap, after tax abatement.



MISSING MIDDLE INFILL

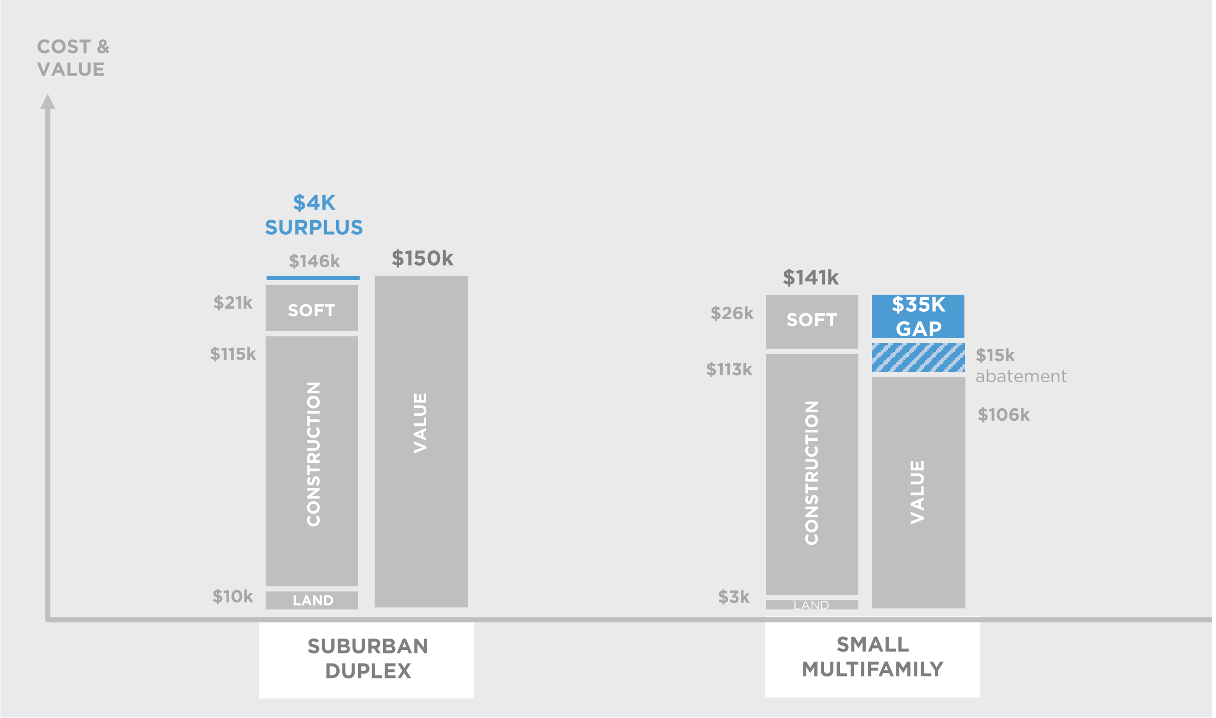
Missing middle housing refers to types of housing situated between traditional single-family homes and larger multifamily properties. These properties are considered to be missing because they are not commonly developed in markets like Topeka.

There can be several reasons why missing middle housing is not developed. One, is the regulatory environment, where existing zoning code or subdivision regulations exclude or make more difficult missing middle typologies which are typically denser than the predominant single -family zoning. Fortunately, Topeka has taken steps to make this less of a barrier than in other cities. The other primary reason for a lack of missing middle housing, especially in Topeka, is simple economics.

For this scenario, suburban duplexes, which could use some of the 800 platted lots currently available (with some replatting needed), and an 8-unit infill multifamily property were tested.

Key observations include:

- An average three-bedroom/two-bathroom duplex should be feasible in certain subdivision in Topeka, with a small surplus on a per unit basis.
- A small infill multifamily development would require sizable incentives to be feasible, with a gap of $35,000 per unit.
- The fact that duplexes are economically feasible should start a discussion about what lot sizes and other subdivision requirements would support duplex development in existing subdivisions, as well as what locations are ideal. This would set the state to engage with developers to build this product.
- Infill development is still needed, but should be part of a neighborhood redevelopment strategy so that appropriate projects are identified, if and when funds become available, or when market conditions improve.



AFFORDABLE HOUSING

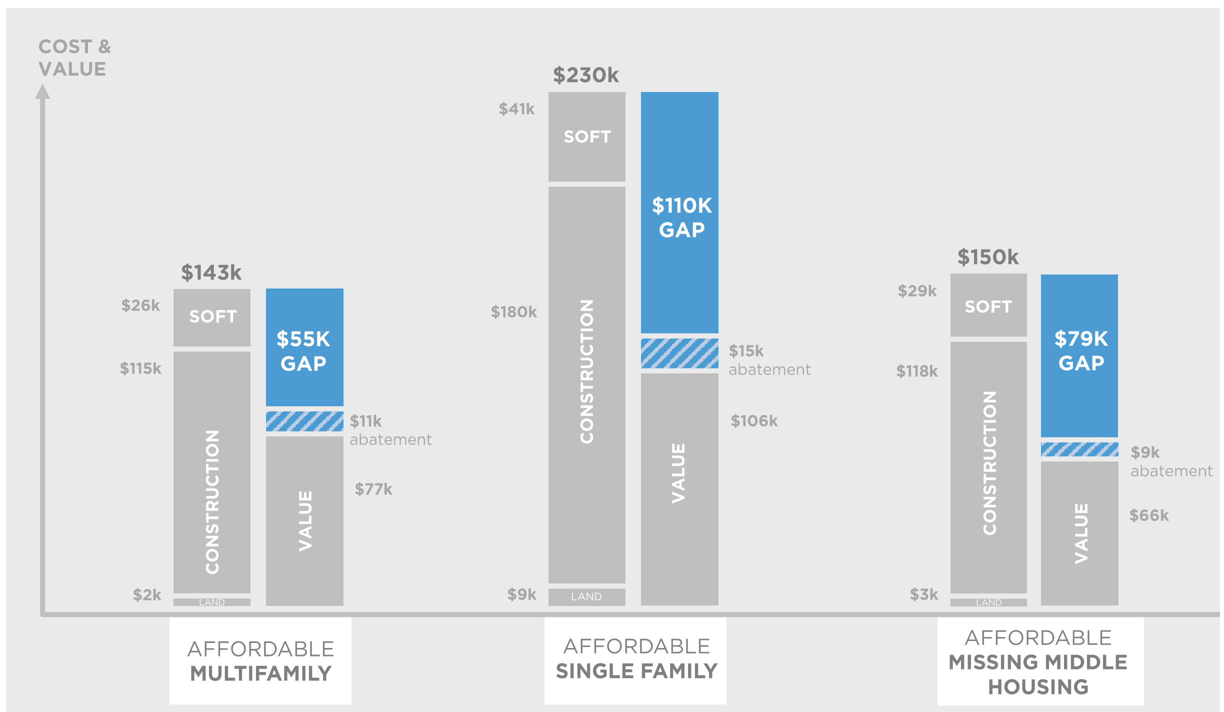
Despite being a relatively affordable city, there are simply not enough quality affordable and workforce units to meet demand in Topeka.

Producing affordable housing at a scale to meet demand is challenging, especially after years for funding reductions for entitlement programs that support affordable housing development. The primary tool for producing affordable housing is the 9 percent LIHTC program, which is highly competitive. The process required to apply for the credits, to find an investor or syndicator to buy the credits, and to meet ongoing compliance requirements has made producing affordable units through this program more expensive than producing comparable market rate units.

The need for affordable housing is not going away, and many existing units that have affordable rents are of poor quality. Many households are forced to make tough decisions, such as choosing to live in an affordable unit in poor condition, or be cost burdened and live in a better quality unit.

For these reasons, finding new ways to produce affordable housing, such as through the Affordable Housing Trust Fund, is critical to producing more units, stretching dollars further, and ultimately meeting a critical housing need.

The feasibility summary shows the gaps associated with developing previously discussed typologies with affordability requirements, which range from $55,000 to $110,000 per unit, after abatement.



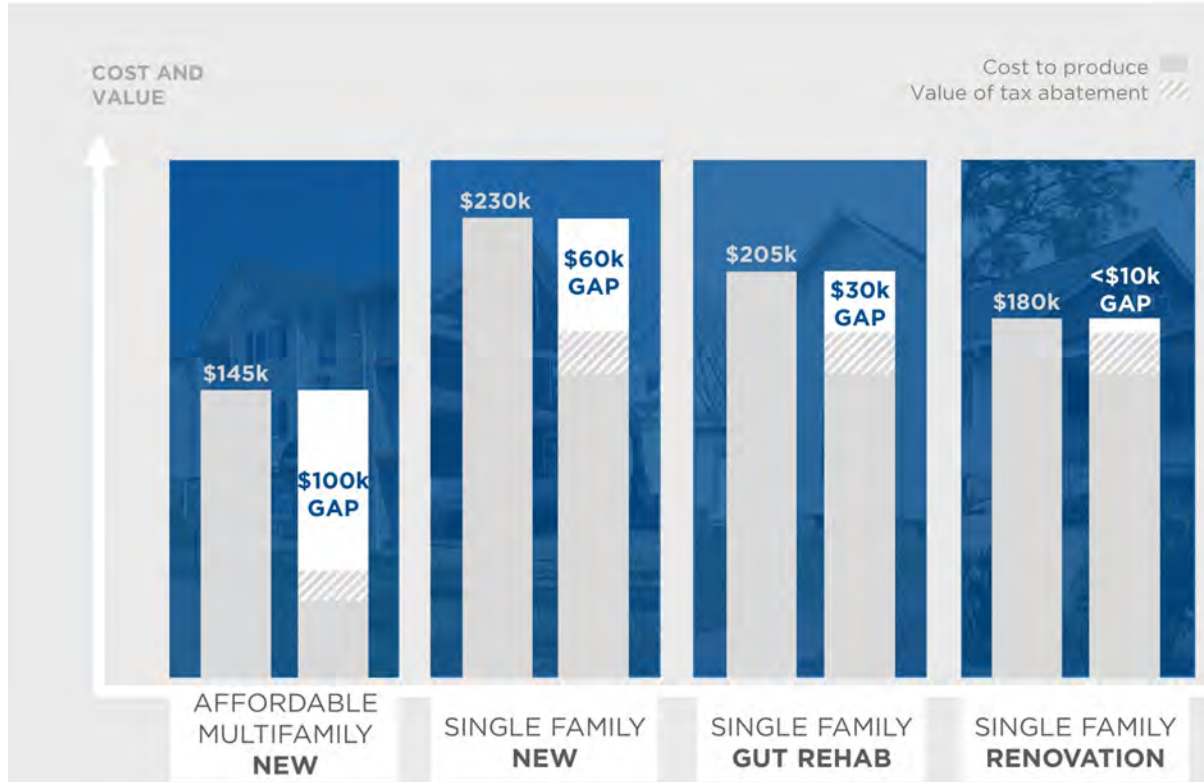
FEASIBILITY SUMMARY

Pairing feasibility analysis with demand projections allows an understanding of the overall scale of the economics of housing development, and the incentive needed to support housing production to meet demand over the next 10 to 15 years.

The graphic to the right summarizes the feasibility gap and demand calculations for housing types that, on average, require public subsidy to support development. The examples on this page are slightly different than those on the previous pages because these are intended to reflect all areas of the city, not just specific focus areas. For instance, the gap for multifamily is larger than on pages 59 and 63 because a substantial portion of the need is for very low income units, which require a larger gap subsidy to produce.

The calculations also assume that, by meeting the demand noted, most households in Topeka would not be cost burdened. Assuming a 10-year production period, a total of $53 million is needed each year to produce an equitable housing stock. The current city budget for housing programs, which include housing production, vouchers, and funding for partners, is nearly $7 million per year. This number does not include what private developers spend to produce housing, or what is raised from other sources for ongoing initiatives from other providers, like Habitat for Humanity, Cornerstone of Topeka, Topeka Housing Authority, Catholic Charities, Community Action, Inc., and others. The combined efforts of the city and these organizations is not enough to meet demand.

This analysis clearly illustrates the need to expand the financial and organization capacity of the city and its partners to provide quality housing.



	AFFORDABLE MULTIFAMILY NEW	SINGLE FAMILY NEW	SINGLE FAMILY GUT REHAB	SINGLE FAMILY RENOVATION
PRICE/ RENT	<$400-$750/mo	$160 - $250k	$120k - $160k	$100 - $120k
DEMAND POOL	4,300 HHs	1,500 HHs	200 HHs	750 HHs
GAP	$100k/unit	$60k	$30k	$5k
IMPLIED SUBSIDY 100% OF POOL	$430m	$90m	$6m	$4m

$53 million needed each year

$6.9 million current City budget for Housing

CATALYST SITES

A catalyst project is a development at a key location that has public, political, and financial support, and is intended to stimulate redevelopment in a neighborhood.

The Client Team provided several sites and locations within the core neighborhoods so that the economic feasibility of potential catalyst projects could be tested. Three of those projects are summarized on the facing page. In this context, a catalyst project is intended to serve as a pilot for redevelopment in a particular location. Catalyst projects can be targeted at publicly-owned, long-time vacant properties, or land situated at a strategic location within the city. A catalytic development would serve community needs while being an important step in supporting the stabilization of surrounding blocks.

The three catalyst sites selected are College Hill Bark Park, College Hill Extension, and Central Park Infill. While each of these is located in the Central Topeka focus area, similar developments can be scaled to reflect the market conditions and sites in other focus areas and neighborhoods.

College Hill Bark Park

The College Hill Bark Park site is located at the southeast corner of SW Lane Street and SW 13th Street, and consists of a 15,000 square foot vacant parcel. The site could accommodate approximately 13 units of apartments or townhomes. It would cost approximately $174,000 per unit to construct and the estimated value is $123,000 per unit. This results in a $51,000 per unit gap, which is reduced to $34,000 per unit after accounting for tax abatement.

College Hill Extension

The College Hill Extension site is at the northeast corner of SW Washburn Avenue and SW 13th Street. It consists of nearly and entire city block. There are existing homes on this site that would need to be acquired and demolished, which impacts development costs. The development concept tested here is a four-story multifamily building with 123 units priced at market rates (107 units) and at affordable rates at 80 percent of AMI (19 units). Development costs are estimated at $18 million, or $146,000 per unit, while the estimated market value is $14.1 million, or $114,000 per unit. The resulting feasibility gap is $32,000 per unit, reduced to $16,000 per unit after tax abatement.

Central Park Infill

The final catalyst site example is Central Park Infill, which is located on both sides of SW Fillmore Street north of SW Douthitt Avenue. This site is located in the middle of residential development, so new infill duplexes were tested. A total of 12 three-bedroom, two-bathroom units containing 1,200 square feet could fit on the site. This project could cost approximately $2.3 million to construct ($195,000 per unit), and have an estimated market value of $1.7 million, or $143,000 per unit. The resulting gap—$53,000 per unit—would be reduced to $33,000 per unit with tax abatement.

STEP 1

College Hill Bark Park

New Multi-family Garden Style Apartments/ Attached Townhomes near College Hill Bark Park at SW Lane St & SW 13th St

Development Area: 15,000 SF

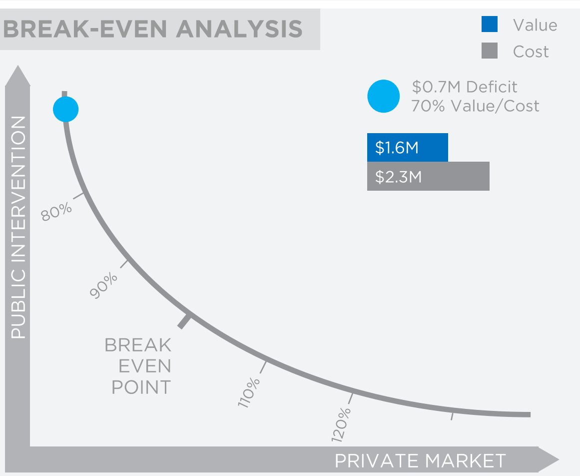
Apartments: 13 units (@1,000 sf/unit, 2 floors)

Parking: 20, surface @1.5 spaces/unit

Average Monthly Rent: $1,100

Gap: $0.7 million

BREAK-EVEN ANALYSIS



STEP 2

College Hill Extension

New Mixed-Income Multi-family Apartments near College Hill Extension Bark Park at SW Washburn Ave & SW 13th St

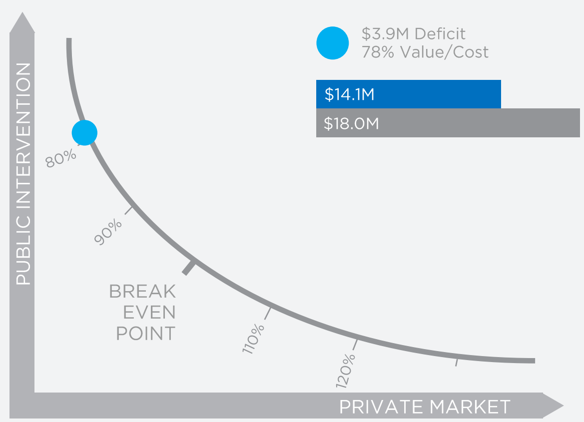
Development Area: 120,000 SF

Apartments: 123 units (@850 sf/unit, 4 floors)

Parking: 123, surface @1 space/unit

Average Monthly Rent: 85% units @ $1,260 (100% AMI), and 15% units @ $830 (60% AMI)

Gap: $3.9 million



STEP 3

Central Park Infill

New Duplex Apartments at two infill sites near Central Park at SW Central Park Ave @ SW Douthitt Ave

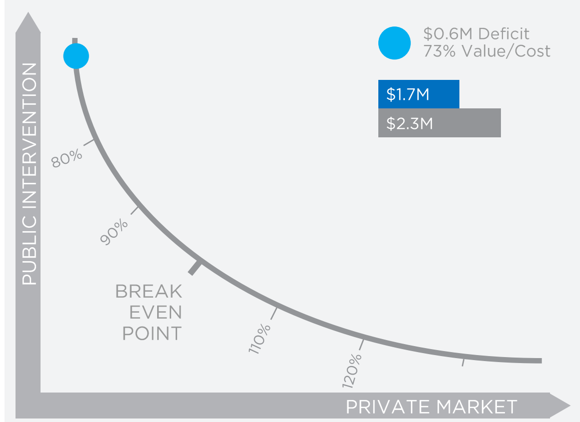
Development Area: 15,000 SF

Apartments: 12 units (@1,200 sf/unit, 2 floors)

Parking: 12, surface @ 1 space/unit

Average Monthly Rent: $1,380

Gap: $0.6 million



NEIGHBORHOOD CONTEXT

Housing conditions vary considerably within the core focus areas. Understanding the scale of investment needed to stabilize the housing stock allows us to calculate what level of investment is needed to support neighborhood-wide improvement.

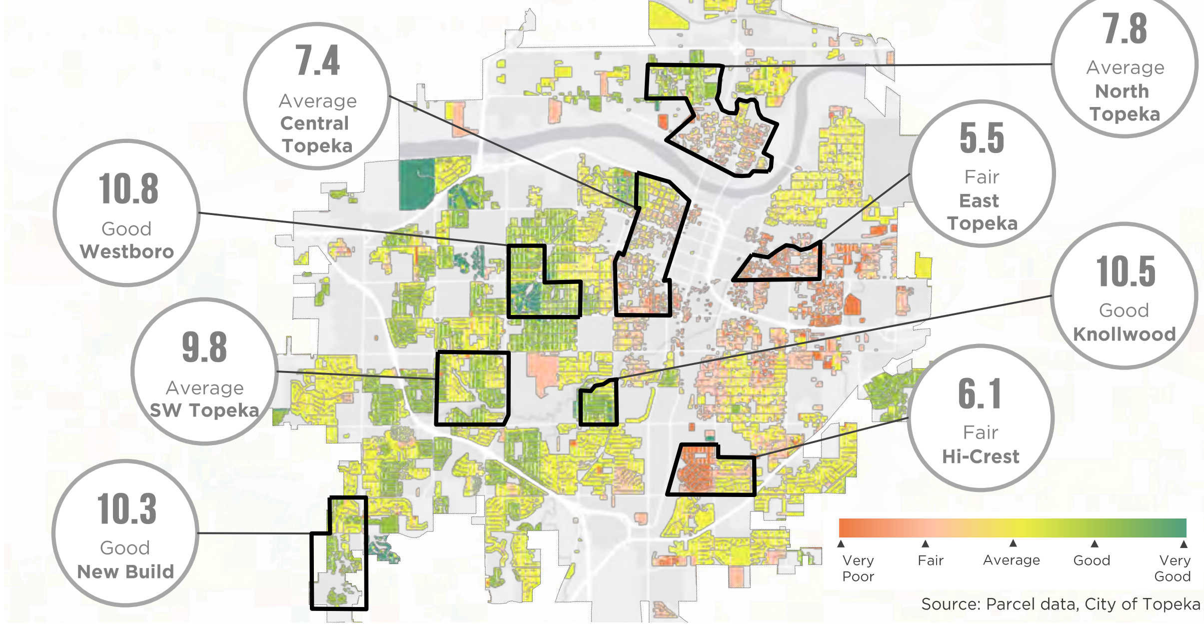
This analysis focuses on opportunity and transitional neighborhoods in the Central Topeka, North Topeka, Hi-Crest, and East Topeka focus areas. The other focus areas do not have the concentration of housing condition challenges that need intervention. A blend of different types of housing investments can utilize finite resources to support housing stabilization at the neighborhood scale.

The intent of this analysis is to quantify the scale of the need, or the cost to stabilize the whole housing stock in each focus area, as well as support new construction on suitable vacant lots. In reality, addressing all of the housing investment needs is a daunting task, yet significant strides can be made by setting more achievable goals, such as on a block-by-block basis, or as a percentage of the total need.

Methodology

Housing investment needs are estimated based on the average per unit costs for renovation, rehabilitation, and new construction, and weatherization costs are estimated at $5,000 per unit[1]. These estimates are paired with "Condition/Desirability/Utility", or CDU, ratings from the Shawnee County Appraiser's Office as follows:

AVERAGE BUILDING CONDITIONS



Source: Parcel data, City of Topeka

- **Weatherization:** Parcels rated as CDU-8, or "average", are assumed to require modest repairs or weatherization to enhance their stability, at an estimated cost of $5,000 per unit.
- **Renovation**: Parcels rated as CDU-6 and CDU -7, or "fair", are assumed to require modest renovation, or primarily cosmetic upgrades, at costs ranging from $21,000 to $60,000 per unit.
- **Rehabilitation**: Parcels rated as CDU-3 to CDU -5, or "very poor" to "poor" are assumed to need extensive rehabilitation, which involves replacing systems, cosmetic upgrades, window replacement, and other work, at costs ranging from $63,000 to $203,000 per unit.
- **New Construction**: Parcels rated as CDU-1 and CDU-2, or "unsound" to "very poor" are assumed to be structurally deficient and candidates for demolition and redevelopment. Vacant parcels with land use classification code 9910 (residential highest and best use) are also included for potential new construction[2]. The estimated cost of each housing unit varies from $152,000 to $230,000.

As summarized in the graphics on the opposite page, results are aggregated by focus area. Generally, Central Topeka and North Topeka have average to fair building conditions, with relatively small pockets of poor housing conditions. The typical building condition in Hi-Crest is fair or worse. East Topeka has the most challenging housing unit conditions, with relatively few units in above average condition.

[1]Office of Energy Efficiency and Renewable Energy, United States Department of Energy, 2018.

[2]It is assumed that 60% of the existing vacant parcels are suitable for development. Some parcels are too small, need to be combined with other parcels, or have other limitations.

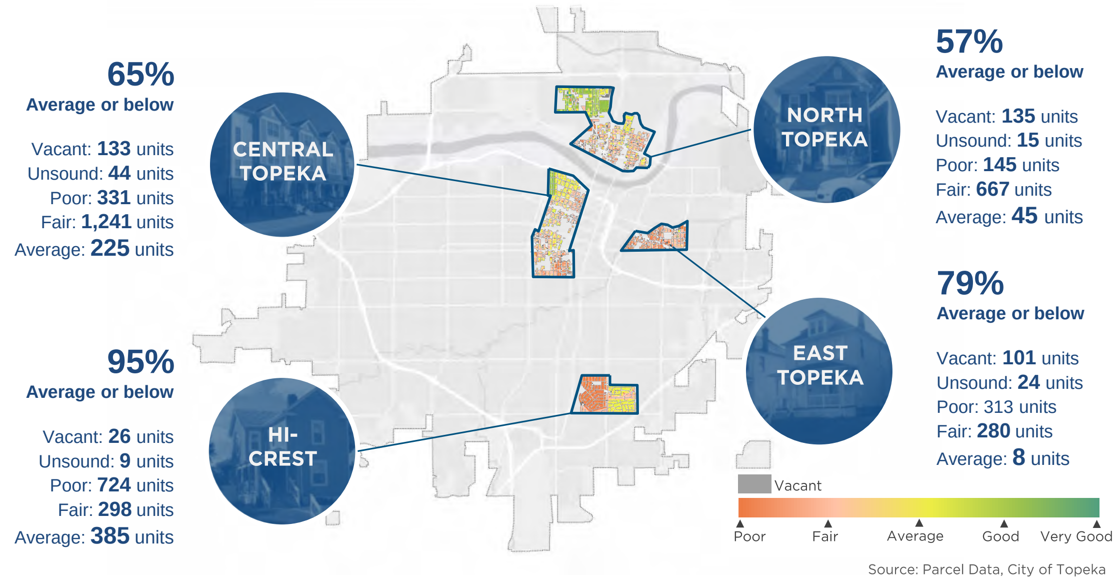
Summary of Results

The analysis produced the following key results:

- Approximately 48 percent of the parcels in the four focus area were rated "fair, suggesting that renovation would be sufficient to increase the quality of the housing stock
- Several of the usable vacant residential lots, and parcels rated "unsound" and "very poor" provide opportunity for construction of up to 500 new units.
- About 60 percent of the properties in Central Topeka and North Topeka are in average or below average condition and need some level of reinvestment to improve their quality. Approximately two-thirds of these units can be improved with renovation.
- Nearly all of the units in East Topeka are in below average condition and require renovation or more significant improvements. New construction will have a relatively more impact to stabilize East Topeka as compared to other focus areas.
- More than half of the housing stock in Hi-Crest is rated at poor or worse and the need for rehabilitation is greater than in the other Focus Areas.

Based on these assumptions, approximately $314 million is needed to substantially improve the condition of the *all housing units* in the focus areas. Central Topeka needs the highest level of investment ($121 million), followed by Hi-Crest ($83 million), North Topeka ($61 million), and East Topeka ($49 million).

VACANT PARCEL AND BUILDING CONDITIONS



Source: Parcel data, City of Topeka

NEIGHBORHOOD ANALYSIS

	NORTH TOPEKA	CENTRAL TOPEKA	EAST TOPEKA	HI-CREST
WEATHERIZE	$225k	$1.1m	$40k	$1.9m
RENOVATION	$19.1m	$46m	$8.6m	$12.4m
REHAB	$13.3m	$33m	$20.9m	$61.6m
NEW CONST.	$28.6m	$40.8m	$19m	$7m

$314 MILLION NEEDED

Source: Parcel data, City of Topeka


905
906

CHAPTER 5

HOUSING & INVESTMENT STRATEGIES

COMMUNITY PRIORITIES

A series of round table discussions and one-on-one interviews were held with stakeholders representing broad interests in housing and community development. These stakeholders—faith leaders, social service providers, and neighborhood leaders; philanthropic organizations; landlords and property managers; university and large employers; brokers and real estate agents; and representatives from the financial sector—provided valuable insight into Topeka's current housing market, the needs of residents, how housing affects employee attraction and retention, the challenges of providing a diverse housing stock, and the role they play in addressing Topeka's housing challenges.

The input received during these conversations helped establish the community's housing and community development priorities. These priorities were synthesized into six themes that form the strategic framework for the Housing Study and Strategy.

Quality

Topeka has a reputation as an affordable place to live. Yet, anecdotally, current and prospective residents say that they have trouble finding quality housing in their price range, particularly for-sale options. One challenge is that much of the city's affordable housing stock is not in quality condition or lacks amenities that modern households look for. Many neighborhoods with affordable stock are similarly undesirable, often lacking assets such as access to transit and parks, and proximity to jobs and shopping.

Reinvest

The city is still feeling the effects of decades-old housing policies that diverted investment away from Topeka's core neighborhoods. The lack of capital to maintain housing over the decades directly led to poor housing conditions and a spiraling effect of neighborhood disinvestment that disproportionally affects today's Hispanic, African American, and low--income white households.

Resources

Topeka's housing and community development "ecosystem" includes partners who provide services and programs to help the city's neediest households attain and remain in quality affordable housing. Yet, the level of need is greater than the resources available for these partners to provide for all households that need assistance.

Opportunity

Housing stability—the ability to find, attain, and retain quality, affordable housing—is a central component of any comprehensive housing strategy. Unfortunately, Topeka ranks disproportionately low on two key indicators of housing stability—evictions and homelessness. With a relatively high eviction rate, and an increase in the number of homeless people counted in the latest point-in-time count, the city and its partners are acutely aware of the need to improve access to housing opportunity. Not having a permanent home disrupts the rest of a person's daily life: it is harder to find a job, private landlords may not rent to prospective tenants who lack a rental history, and children struggle to maintain a quality education.

Access

The mismatch between Topeka's affordable housing stock and its job centers affects both Topeka's workers and its employers. Workers who rely on transit find it difficult to get from their more affordable neighborhoods in the core to jobs that have moved further out. Likewise, some employers are having difficulty getting entry workers to their businesses. While the availability of transit and business location decisions play a role in better access to jobs, so too does providing affordable workforce housing in areas of opportunity throughout Topeka.

Options

While affordable housing is a critical need in Topeka, it is not the only need. Housing of all types and prices is needed to satisfy the current and future housing demand. Limited options at the higher end means greater competition for mid-priced housing, or that high-earning professionals commute from outside Topeka to find housing options that meet their desires. For emerging professionals with smaller households, there is difficulty finding something other than single-family housing or apartments. The so-called "missing middle"—duplexes, fourplexes, row townhouses, to name a few—provides a range of sizes, amenities, and prices, often in in-fill locations, that appeal to a growing segment of the population.

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.**

GOALS & THE CONDITIONS FOR SUCCESS

The community priorities and findings from the analysis inform five goals for housing in Topeka. With the right tools and policy supports in place, the community can make significant progress toward these goals over time.

The five goals outlined to the right seek to honor community priorities, address the full range of housing needs in the area, and offer a strategic direction for organizing the efforts of the city and its partners.

These five over-arching goals include:

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.

GOAL 1: REINVESTMENT

" Reinvestment in housing will stabilize Topeka's core neighborhoods

The age of housing stock, combined with the legacy of disinvestment from red lining policies, has played a significant role in the decline of Topeka's core neighborhoods. While these neighborhoods provide what might be called naturally occurring affordable housing, three-quarters of the most affordable housing stock is rated below average. This impacts a household's ability to maintain the house, as well as the marketability of the house to future potential buyers. This is especially true in neighborhoods like East Topeka, Hi-Crest, North and Central Topeka, where median home values are $75,000 or lower.

Investment in existing housing s critical for improving the safety, quality, and marketability of the housing stock. For some homeowners, it is providing technical and financial assistance for home repair—identifying critical improvements and connecting partners to help get the work done. A weatherization program can be an effective, lower-cost way to improve home health, energy efficiency, and provide cost savings on utility bills. Targeted effectively, such programs can have a profound impact on the quality of core neighborhoods and the quality of life for many Topekans.

GOAL 2: STABILITY

" Improved access to resources and services will stabilize Topeka's vulnerable residents

For a city its size, the number of evictions and homelessness being experienced in Topeka presents a significant challenge. Housing instability affects a household in numerous ways—ability to address chronic health issues, economic mobility, and educational attainment for children, to name a few. Older adults experience housing insecurity as they age, and as physical and financial ability can make it hard to stay in their current home. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing.

Promoting housing stability focuses on eliminating barriers to homeownership, such as access to available credit, savings for down payment, knowledge about the home buying process, and saving for needed home repairs. Efforts to reduce the number of evictions, through emergency rent and utility payment assistance, mediation, and legal representation, can help stem the cycle of housing insecurity that can plague some low-income families. For many, expanding the availability of affordable rental opportunities can provide stable housing that may lead to eventual homeownership.

GOAL 3: AFFORDABILITY & MIXED-INCOME

"Diversity of housing at various price-points will sustain balance between retaining affordability and attracting higher income households

The need for quality housing in Topeka spans the entire spectrum of prices and types of housing. National and local trends are showing smaller household sizes, a desire for quality, amenity-rich neighborhoods, and less home maintenance. The lack of what is commonly referred to as "missing middle housing"—duplexes, fourplexes, row townhouses, small apartments—is limiting the ability of Topekans to find the right size of housing, in the right neighborhood, at the right price to meet their household needs.

Many tools and programs are already in place that could be aligned, leveraged, and targeted in certain neighborhoods to get the greatest impact. Promoting and supporting the use of low-income housing tax credits, leveraging funds from an Affordable Housing Trust Fund, and promoting the building of homes on in-fill lots, can all work together to create affordable housing options. Targeting such investments in neighborhoods where other community improvements to parks, sidewalks, trails, and transit are already happening can go a long way in enhancing the access to employment and quality of life.

GOAL 4: ADDRESS VACANCY

"Addressing vacancy and absent landlords will promote rehabilitation and reinvestment in Topeka's neighborhoods.

Vacant and neglected properties are a challenging and often intractable issue. Absentee owners are not invested in their communities and see rental properties as an income stream that can be maximized by reducing spending on maintenance. Housing that remains vacant due to neglect or when they become in such disrepair that they need to be demolished, that further impacts property values, neighborhood safety, and quality of life for neighbors, and further strains the city's ability to address negative impacts.

Addressing absentee and problem landlords requires a targeted approach, one that is aimed at improving the quality of housing while not impeding the many quality landlords from renting their stock. Licensing, certification, and inspection programs should be focused on meeting housing goals. Properties approaching severe disrepair should be identified and fixed before being demolished. Vacant properties should be actively acquired, managed, and put back into production through active land banking and partnerships with developers who can access resources to provide needed affordable housing stock.

GOAL 5: HOUSING ECOSYSTEM

"A comprehensive housing ecosystem will provide tools and partnerships to advance Topeka's housing goals

There are many partners working in Topeka to provide quality affordable housing, but they collectively lack the capacity to provide all of the affordable and workforce housing needed. The lack of capacity is in all facets of the community development ecosystem—builders to build the stock, financial institutions to provide capital, philanthropic and private equity to leverage public dollars. The resources that are available in Topeka are in many ways spread too thin throughout the city, or in other ways too small scale and targeted to small areas, to truly have a collective impact to address the broad range of housing needs.

Expanding the capacity of the housing ecosystem must happen on several fronts. Building new partnerships, between the public, private and philanthropic sectors, is needed to adequately fund the affordable housing trust fund. Promoting the creation of a community development financial institution (CDFI) dedicated to providing affordable housing, and a community development corporation (CDC) that can scale up and work in specific, targeted neighborhoods, can help leverage other public funds, programs, and strategies to expand the overall supply of affordable housing.

STRATEGIES SUMMARY

This strategic framework outlines six complementary strategies to meet the broad range of housing needs in Topeka. No single strategy on its own will be sufficient; a holistic approach based on collaboration, coordination, and partnership is needed to advance the housing goals in an equitable and balanced way.

This chapter outlines a strategic framework that identifies and organizes a broad array of actions that can be taken by the city and its partners to meet the city's housing needs. This framework offers a means by which the city and its partners can coordinate their efforts, plan ahead, and identify opportunities for collaboration around a shared goal.

S1 Improve the quality of existing housing

Quality of housing stock is central to the stability of neighborhoods. Improving the quality and availability of affordable housing will require a range of ambitious strategies designed to support high standards for existing housing. Expanding access to weatherization programs for homeowners and landlords and providing financial and technical assistance for home repair can help elevate disrepair and maintain the housing stock quality.

In addition, mechanisms such as a landlord licensing program and continuing robust code enforcement can be extremely effective in keeping quality affordable housing within reach for all Topekans.

S2 Address abandoned and vacant properties

Vacant and neglected properties are a multifaceted issue—they contribute to crime, erode community confidence, drain city resources, stall reinvestment, and leave buildings that could otherwise serve as quality housing on the sidelines. With a citywide vacancy rate of 11 percent (and rates as high as 21 percent in Central Topeka and 17 percent in East Topeka), responding to this challenge is a clear priority.

Multiple recommendations such as creating a land bank, continuing consistent code enforcement efforts, expanding vacant property registry, and adopting a 'demolition as a last resort' policy will be used to address vacancy citywide.

S3 Expand resources to encourage housing stability and homeownership

Improving housing stability involves efforts to prevent housing insecurity and displacement in all of its forms. For a city its size, the number of evictions and homelessness being experienced in Topeka presents a big challenge. Eviction can trigger a cycle of instability and displacement that leads to homelessness, is a barrier to maintaining employment, and disrupts childhood learning by forcing children to switch schools, miss class, and adjust to new surroundings. Older adults or individuals with mobility challenges may be unable to find homes with the accessibility features they need to stay in their current neighborhood. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing.

Through focus groups and interviews with City staff and stakeholders, the need to support homeownership as a key component to reinvestment and stabilization in Topeka was a consistent theme. Strategies must ensure that supports—for current and potential homeowners—extend opportunity to those who might otherwise be left behind as neighborhoods improve: long-time homeowners, and low- and moderate-income households who are eager to be an active part of the city's future.

S4 Support development of a diverse mix of housing types

The projected housing demand and vacant land together create significant opportunities for infill development in some neighborhoods of Topeka. However, it will take coordination and support to ensure that this infill complements neighborhood character and creates housing opportunities for households with a range of incomes.

The city and its partners must play an active role in marketing Topeka's housing needs to developers active in nearby cities and provide them with incentives that will encourage the desired housing development throughout the city. Financial

S5 Expand production of affordable housing to enhance economic mobility

Market analysis and stakeholder conversations both underscore the importance of affordable housing. Quality affordable housing—the largest segment of future housing demand in the city—typically requires some form of policy support, incentive, or subsidy to develop. While much of the city's existing housing stock is low-cost relative to other cities, there are not enough quality options to meet the demand. Strategies to expand production are needed to compliment programs aimed at improving the existing stock.

S6 Expand financial and organizational capacity

The city and its partners have several tools and resources at their disposal to address the spectrum of housing needs throughout Topeka. Some are actively used and are very successful. Others are less successful or remain untested in Topeka due to a lack of capacity to carry them out. Making strategic use of funds, for existing and new programs, will be critical. To compliment any efforts to expand existing funding and programs, the city should strategically support broadening and strengthening the organizational capacity of its partners to fully meet the city's housing needs. This is true for every type of demand, from affordable and workforce housing all the way to upscale and luxury housing.

S1

IMPROVE THE QUALITY OF EXISTING HOUSING STOCK

Quality of housing stock is central to the stability of neighborhoods. Improving the quality and availability of affordable housing will require a range of ambitious strategies designed to support high standards for existing housing. Expanding access to weatherization programs for homeowners and landlords and providing financial and technical assistance for home repair can help elevate disrepair and maintain the housing stock quality.

In addition, mechanisms such as a landlord licensing program and continuing robust code enforcement can be extremely effective in keeping quality affordable housing within reach for all Topekans.

Expand financial and technical assistance for home repair

Home repair programs are a powerful tool to assist homeowners with basic repairs, thereby improving their housing stability and improving housing and neighborhood conditions. The city of Topeka and its partners already have some home repair resources in the Property Maintenance Repair and Emergency Home Repair programs. However, a significant portion of the housing stock, particularly in the core neighborhoods, have housing condition challenges, including housing vacancy.

Expanding home repair programs and funding, especially in targeted geographies with other strategic efforts, will support meeting a portion of housing demand with the existing housing stock.

Home repair programs could be structured as grant, or forgivable loan, for income-qualifying homeowners. Additionally, the city should consider waiving permitting fees for low- and moderate-income homeowners to invest in their homes.

Having a database of qualified contractors can ease the process of entering home renovation for a lot of homeowners. The city could also partner with home supply stores, local contractors, and other organizations to conduct regular repair training classes.

Leverage historic districts and community anchors to identify targeted investment areas

The city and its partners need to be strategic with where to focus residential development. Identifying and planning catalytic residential projects that leverage existing community anchors and historic districts can help promote stability and connectedness in the community.

Historic districts are particularly valuable because of the potential to use Historic Tax Credits to cover a portion of renovation costs. Key sites and existing properties in historic districts should be mapped and renovations using historic tax credits should be promoted.

Expand weatherization programs to help lower utility costs for low-income homeowners

Weatherization programs can help low-income families reduce their energy costs by making their homes more energy efficient. Based on the research by Green and Healthy Homes Initiative, these programs return $2.78 in non-energy benefits for every dollar invested. Additionally, weatherization programs save an average of $514 in out-of-pocket medical expenses and $583 per day due to fewer missed days of work.[1]

Expanding weatherization programs is an important effort toward improving the overall health and job stability for Topekans. It is recommended that the city leverage a portion of its entitlement funds to a permanent funding source for home weatherization programs. Such a program could be expanded to rental properties owned by responsible landlords. Along with providing benefits to the renters like lowering their utility bills, this would also be a source for providing non-subsidized affordable units.

[1]Green & Healthy Homes Initiative, "Weatherization and its Impact on Occupant Health Outcomes".

WEATHERIZATION ASSISTANCE PROGRAMS

Weatherization Assistance Programs are designed to reduce the impact of high home energy costs for income eligible residents by implementing energy-efficient measures that may include reducing air infiltration, installing insulation, heating system repair or replacement, and air quality assessment.

At the same time these multicomponent weatherization services also produce non-energy benefits that address many health issues by remediating the hazardous environmental conditions that cause or are associated with negative health outcomes. International Energy Agency defines non-energy benefits, or multiple benefits, as "the wider socio-economic outcomes that can arise from energy efficiency improvement, aside from energy savings.

Investments in community-based programs that provide energy efficiency, weatherization or other integrated housing interventions generate non-energy benefits related to improvements in housing stability, affordability and quality of low income housing.

Create a Landlord Licensing program to address landlords with persistent code violations and excessive evictions

Owners and managers of existing rental properties are important partners in the provision of quality housing. Many landlords in the city do an excellent job of maintaining their properties and serving their tenants; however, the landlords who do not proactively address maintenance, health, and safety issues create a number of challenges for their tenants and for the neighborhoods in which their units are located. In too many cases, substandard rental housing puts already-vulnerable households at greater risk of health problems and housing insecurity.

Landlord licensing programs have been a useful tool in many cities for addressing these problem properties by ensuring that all rental property businesses meet baseline standards for property maintenance.

This system should be created in a manner that does not penalize or require unnecessary inspections of properties that are well-maintained and operated, but only requires inspection and occupancy permits for properties that meet a set criterion for non-compliance. Owners of problem properties that routinely fail to comply with standards and put tenants at risk should be required to participate in various measures to ensure their compliance, such as property inspections prior to being granted an occupancy permit.

A landlord licensing system would be a valuable tool and should be implemented citywide. The city could also explore self-certification and a framework that assumes initial compliance, phasing inspections over time.

Current Kansas law prohibits cities from adopting, enforcing, or maintaining a residential property licensing ordinance that includes a requirement for periodic interior inspections of privately-owned rental property for code violations unless the lawful tenant has consented to such interior inspections. This requirement places an administrative burden on cities, which typically do not have the staffing to obtain permission from tenants in advance. Changes in state law that allow for routine inspections tied to occupancy permits, or other flexible options would improve the efficacy of this type of program.

The intent is to create a system that allows interior inspections to prevent unsafe living conditions, particularly in cases where tenants are not comfortable reporting issues to the city.

Fund adequate staff to support consistent code enforcement

Quality property maintenance and repair is essential to preventing vacancy and to providing safe and healthy housing. Housing that is well-maintained is more likely to remain occupied, hold its value, and encourage investment in surrounding housing. Conversely, overgrown properties and buildings in disrepair can attract nuisances and crime.

The city should consider funding adequate staff to continue and strengthen code enforcement practices that actively identify and resolve code compliance issues in problem areas of the city. By providing necessary support and funding for code enforcement, the city can sustain and enhance property maintenance standards in the city, thereby improving the quality of the housing stock and promoting neighborhood stability.

CASE STUDY
LANDLORD LICENSING PROGRAM
Lawrence, KS

The Rental Licensing and Inspection Program in Lawrence, KS, which went into effect on January 1, 2015, requires all rental properties within the city to maintain a valid rental license. The program calls for interior and exterior inspections of dwelling units every three years to ensure minimum code standards are met to protect the life, health, safety and the general welfare of occupants.

The program is administered through an annual licensing fee of $17 per dwelling unit (for a building having 1-50 units), varying as the number of units increases.

Between inspections by the city, tenants are encouraged to work with their landlord to address maintenance issues that need to be corrected.

Tenants can also request an inspection of their dwelling unit at any time if they believe that the unit is not maintained to meet the minimum property maintenance standards as set forth in the city's Property Maintenance Code.

S2

ADDRESS ABANDONED AND VACANT PROPERTIES

Vacant and neglected properties are a multifaceted issue—they contribute to crime, erode community confidence, drain city resources, stall reinvestment, and leave buildings that could otherwise serve as quality housing on the sidelines. With a citywide vacancy rate of 11 percent (and rates as high as 21 percent in Central Topeka and 17 percent in East Topeka), responding to this challenge is a clear priority.

Multiple recommendations such as creating a land bank, continuing consistent code enforcement efforts, expanding vacant property registry, and adopting a 'demolition as a last resort' policy will be used to address vacancy citywide.

Create a Land Bank to return vacant properties to productive use

One of the greatest barriers to addressing vacancy and dilapidated properties is the lack of a straightforward mechanism to strategically acquire, address title issues, and eliminate past due taxes and liens from these properties prior to transferring them to a new owner.

Vacant properties fall into further disrepair without a strategy for how and where these properties will be acquired and reintroduced into the market.

Land banks are entities established to provide this focused capacity and work with community organizations, developers, and others to align their work with rehabilitation interest and community priorities. They have the authority to acquire and clean title, and transfer properties to new owners in a strategic manner that advances community priorities, including the creation and preservation of quality affordable housing.

The city should create or identify public or nonprofit entities to strategically acquire vacant / problem properties and convert them to productive use. The city can explore working with Shawnee County to establish ability to view, strategically purchase available vacant properties prior to their sale at the Judicial Tax Foreclosure Sale.

Land banks are most successful when paired with resources to renovate and rehabilitate properties, actively returning them to productive use. The city should consider aligning the land bank activities with active and future SORT projects to maximize potential impact.

Additionally, partnering with quality developers and contractors can build capacity to rehabilitate acquired properties to a move-in ready condition.

CASE STUDY

LAND BANK PROGRAMS

Kansas City, KS & Pittsburg, KS

KANSAS CITY, KS

PITTSBURG, KS

Land Banks are known to work best with a predictable, recurring source of funding such as a portion of the Local Use taxes. Additionally, establishing partnerships with community and economic development organizations can help provide critical gap funding to operate land banks.

The goal of the **Kansas City Land Bank Rehab Program** is to rehabilitate neglected and abandoned homes in Wyandotte County and rejuvenate neighborhoods within the city. The program works with contractors, real estate investors, and experienced rehabbers to develop and rehabilitate vacant land as well as structures that are acquired by the Kansas City Land Bank.

Interested contractors and developers must apply to be in the program, and once approved, are provided with a listing of land bank houses, have the opportunity to attend open houses, and make offers on properties.

The **Pittsburg Land Bank** has the primary responsibility and authority to efficiently acquire, hold, manage, transform, and convey abandoned, tax-foreclosed, or otherwise under-utilized or distressed properties into productive use.

The Pittsburg Land Bank acquires property through purchase, owner donation, or tax foreclosure. This land bank is divided into three types of parcels:

- **Parcels with a Structure**: Parcels of land with existing structures, including homes, garages, and businesses.
- **Buildable Parcels**: Parcels of land without any free-standing structures before purchase, where structures such as houses or other large buildings can be built.
- **Non-Buildable Parcels**: Parcels where houses or other large buildings cannot be built, but garages, fencing, paving, or other similar structures can be built.

Properties in the Pittsburg Land Bank are priced at 75 percent of the appraisal price, as determined by the Crawford County Appraiser's Office.

Continue consistent code enforcement efforts

Efforts to prioritize code enforcement have led to a more proactive approach over the past five years in the City of Topeka. Municipal Court, City Prosecution and Property Maintenance Division have worked together to increase voluntary compliance and prosecution of parties who refuse to voluntarily comply dramatically in the past 5 years with increases from 6 cases a year to multiple dockets each week dedicated to Property Maintenance cases. Any code violation notices sent to property owners include a list of resources and potential contractors aimed at assisting the owner with resolving the violation.

Also, the City Prosecutor meets regularly with City of Topeka Property Maintenance Code Division staff for training on the legal application of the city's International Property Maintenance Code, as well as meeting in preparation for each week's Code Dockets in Municipal Court.

It is important to continue this momentum by securing funding to add adequate staff to enhance quick response and follow-up actions to code violations.

Expand the foreclosure and vacant property registry to support other initiatives

The city recently created a foreclosure and vacant property registry to assist in locating owners of such properties should a need to contact arise. Creating and maintaining a database of vacant and abandoned properties can help identify areas where vacancy is problematic. This information can help the city take a strategic approach to code enforcement and focus its resources where they will have the greatest impact.

The city can also use this database to analyze ownership patterns, add data to track properties with recurring code violations and nuisance complaints. This can help the city proactively manage problem landlords and prevent properties from being abandoned.

Adopt demolition as a last resort policy

Preservation of old, abandoned or dilapidated homes encourages cities to build on the assets they already have and capitalizes on the potential of older homes to improve health, affordability, prosperity, and well-being. The city should consider adopting 'demolition as a last resort' policy to promote renovation and preservation in the neighborhoods of Topeka.

Renovating older homes raises the value of neighboring properties while also increasing the marketability of the neighborhood to outside home buyers. The city and taxpayers also benefit by the city not having to take care of the property, insurance costs, code enforcement check-ups and demolition costs when the house is city owned. Renovating abandoned housing in considerably decent condition is also, for the majority cases, more cost effective than building new housing on vacant land.

S3

EXPAND RESOURCE TO ENCOURAGE HOUSING STABILITY AND PROMOTE HOMEOWNERSHIP

Improving housing stability involves efforts to prevent housing insecurity and displacement in all of its forms. For a city its size, the number of evictions and homelessness being experienced in Topeka presents a big challenge.

Eviction can trigger a cycle of instability and displacement that leads to homelessness, is a barrier to maintaining employment, and disrupts childhood learning by forcing children to switch schools, miss class, and adjust to new surroundings. Older adults or individuals with mobility challenges may be unable to find homes with the accessibility features they need to stay in their current neighborhood. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing.

Through focus groups and interviews with City staff and stakeholders, the need to support homeownership as a key component to reinvestment and stabilization in Topeka was a consistent theme. Strategies must ensure that supports—for current and potential homeowners—extend opportunity to those who might otherwise be left behind as neighborhoods improve: long-time homeowners, and low- and moderate-income households who are eager to be an active part of the city's future.

Expand financial assistance for low-moderate income homeowners and homebuyers

Many current and would-be homeowners face significant barriers to sustainable homeownership, which continues to be a path for building wealth and economic mobility. Barriers include credit, savings for a down payment, knowledge about the home buying process, and home repair needs.

Several lenders and nonprofits already offer products and programs that address this need in the city. Topeka Opportunity to Own (TOTO) is a great resource for prospective homeowners to gain education and finance counselling that can aid their journey to homeownership. First-time homebuyer loans and down payment assistance are other critical elements of a homebuyer support system. Ensuring the strength of this network, coordinating across organizations, and connecting them to households in the city are important first steps.

A second step is to explore the creation of a mortgage-lending Community Development Financial Institution (CDFI). CDFIs are entities that offer tailor-made products and programs, investing federal dollars alongside private-sector and philanthropic capital. Creating a new CDFI would expand the availability and flexibility of capital to support homeownership. They are typically able to make loans and other investments in emerging neighborhoods that do not have access to capital from traditional financial institutions.

Depressed appraisal values, in some parts of the city, can cause financial hardships for most low-and moderate income households interested in buying or renovating homes in these areas. Appraisals do not support the loan amount needed to cover the full cost of that investment even when to prospective buyer is well-qualified to purchase and renovate a home. This is a barrier especially for prospective buyers who do not have extra cash available to cover this "appraisal gap." The City can explore creation of an appraisal gap mortgage program that offers a mortgage on the gap between appraised value and the full cost of purchase and repair to support homebuyers interested in purchasing or renovating homes in neighborhoods where market values are depressed.

Additionally, the City can partner with THA to expand the Family Self Sufficiency program and assist families reach their homeownership goals. Existing organizations such as Habitat for Humanity and Housing and Credit Counselling, among others, can be potential partners in expanding financial assistance to homeowners and homebuyers in Topeka.

Support residents working towards homeownership with affordable rental opportunities

In the context of homeownership, affordable rental housing is critical for households working toward homeownership. Stable, affordable housing creates a necessary foundation for households to save for a down payment, improve their credit, or obtain a stable, well-paying job—all key milestones on the path toward homeownership. Lease-to-own models are one mechanism for tying affordable rental housing to homeownership. In a lease-to-own program, households are offered affordable rents, savings supports, and homebuyer education during their tenure as renters, then given the option to purchase the property at the end of an agreed-upon time period.

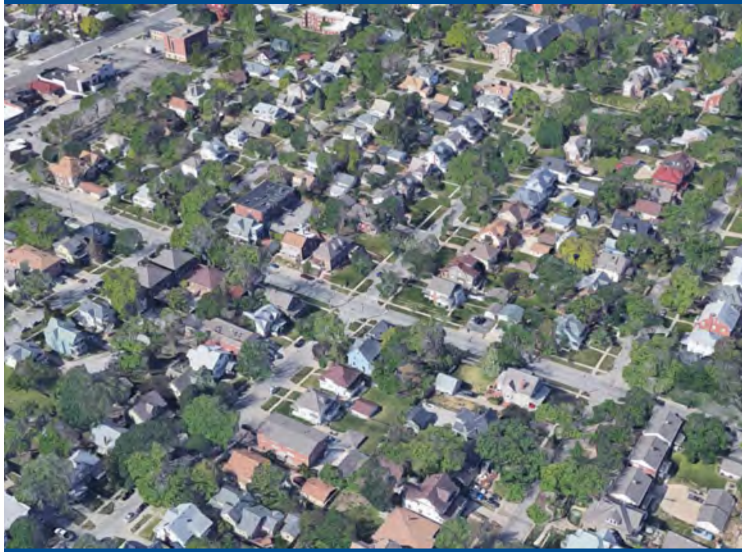
Additionally, the City can identify partner developers to utilize Low Income Housing Tax Credits (LIHTCs) to build affordable units that would convert to homeownership units after the compliance period. Some developers, like the CROWN program in Omaha, NE, utilize LIHTC program to build quality rental units that, at the end of their initial 15-year compliance period, are converted to affordable homeownership opportunities.

The City, in partnership with THA, can explore the possibility of utilizing Housing Choice Vouchers to support homeownership. This could involve allowing first-time, qualified home buyers (currently assisted under the HCV program) to use their voucher towards monthly assistance in meeting homeownership expenses such as mortgage payments and property taxes.

CASE STUDY

CROWN PROGRAM

Omaha, NE



The Douglas County Housing Authority's CROWN program provides participants an opportunity to become homeowners. It is a credit-to-own program where the participants rent a house, develop home ownership skills, and build an escrow to use for the purchase of a home at the end of the participation period. Participants are offered homeownership/financial educational assistance that help them overcome obstacles to buying their own home. Ideally, tenants would move from renting to homeownership within 3-5 years of beginning the program, and then the rental housing becomes available for another family to enter the program.

The Housing Authority works with developers to construct single family homes that are eventually rented through the CROWN program to families whose incomes do not exceed 60% of the area median income. The three, four and five-bedroom homes with full basements and garages are located on scattered sites throughout Omaha.

Expand financial and technical assistance for rehabilitation

There is a wide range of options for supporting rehabilitation and renovation. Rebating permitting fees for homeowners in targeted geographies, creating neighborhood tool-sharing programs, and providing lists of qualified contractors could all reduce barriers to reinvesting in the housing stock.

Provide housing options that support aging in place

One in every six residents in the city is aged 65 years or older. Ensuring the availability of appropriate housing options will create opportunities for seniors to age in place, and also attract seniors from other parts of the region.

Allowing for housing typologies that build in affordability (such as accessory dwelling units) can provide the needed housing support for seniors to age in place. Accessibility modifications to existing rental and owner-occupied housing—such as doorway widening and grab bar installation—can help mobility-challenged individuals comfortably and safely stay in their current homes.

New infill development can also include some number of accessible units, with features such as zero step entries and wheelchair-friendly interiors. Senior villages, which include support services and activities for individuals in a neighborhood, are an emerging model to expand holistic support and reduce isolation for seniors in their homes. One such community – Villages OKC, Oklahoma City – that provides the needed support services for seniors to have a sense of community and comfortably age in place is discussed on the facing page.

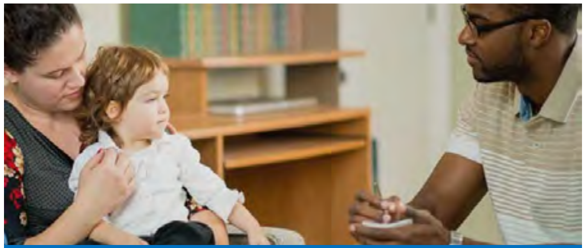
Expand supports to prevent and address eviction and homelessness

Topeka has a high rate of homelessness for a city of its size. It is a similar situation when it comes to evictions - one of every twenty-three renter households were evicted in 2016. Both eviction and homelessness are multifaceted challenges that must be addressed at many levels.

Safe, stable, and affordable housing; expanded resources to help tenants prevent eviction and homelessness; and robust assistance for people experiencing homelessness are all part of a system to solutions to address this issue. Expanding tenant education can help vulnerable renters learn to be stable tenants and avoid future issues.

Resources that help divert tenants from eviction—such as emergency rent and utility assistance— can stop an eviction filing before it starts. The City can coordinate with utility providers to identify tenants with delinquent bills, ultimately partnering with social service providers to create an outreach system to connect vulnerable tenants to assistance that can keep them housed.

For tenants who are faced with formal eviction proceedings, expanding access to legal counsel can make an enormous difference in the likelihood that they can stay in their homes. This can reduce some incidences of eviction and the resulting cycle of housing insecurity caused by it.



Support a Second Chance Tenancy program

Many households with a past eviction have difficulty finding and qualifying for quality rental housing. In the course of normal due diligence, prospective landlords conduct background checks, contact previous landlords, and/or check legal records to determine applicant's rental history. An eviction history is a common cause for a rental application to be denied, although some landlords have policies in place to work with tenants with a past eviction.

A Second Chance Tenancy Program can remove many of the barriers that prevent households from finding safe and stable housing. The program would provide tenant counseling to promote budgeting, credit improvement, and other factors that help prevent eviction, similar to what Housing and Credit Counseling, Inc., provides today. The lead organization would work with landlords that are willing to work with tenants with eviction history that complete the program.

Another element to this type of program is to advocate for state legislative change that allows District Court judges to seal or expunge an eviction record if a tenant meets certain requirements, such as completing a Second Chance Tenancy Program. For instance, Minnesota statutes allow an eviction to be expunged if a case is without basis, is in the interests of justice, and if there is no solid basis for public knowledge of an eviction case. [Minn. Stat. Ann. § 484-014 (2019)]

TENANT RIGHT TO COUNSEL

In eviction cases nationwide, an estimated 90 percent of landlords have legal representation, compared to only 10 percent of tenants. This unequal representation can lead to tenants not knowing and taking advantage of their rights and accessing resources that may help them stay in their home. Guaranteeing legal counsel for tenants in eviction cases is shown to significantly reduce the number of cases that result in a warrant for eviction.

Tenant right to counsel laws correct this imbalance by ensuring the availability of legal counsel for all tenants facing an eviction. These policies are shown to be cost-effective, saving many times more than the costs associated with homelessness, education, and courts. In addition, a right to counsel offers several secondary benefits to defendants who are sued for eviction. Attorneys may be able to keep eviction filings off tenants' records, arrange for alternative housing, negotiate a reasonable timeframe for tenants to move out, or help tenants apply for rental assistance.

S4

SUPPORT DEVELOPMENT OF A DIVERSE MIX OF HOUSING TYPES

The projected housing demand and vacant land together create significant opportunities for infill development in some neighborhoods of Topeka. However, it will take coordination and support to ensure that this infill complements neighborhood character and creates housing opportunities for households with a range of incomes.

The city and its partners must play an active role in marketing Topeka's housing needs to developers active in nearby cities and provide them with incentives that will encourage the desired housing development throughout the city.

Market housing needs and development opportunities to new developers

The developer community in Topeka is relatively small and existing developers generally operate at their desired capacity. Also, some may not be interested in building "missing middle" typologies or doing infill development. Further, current development activity does not occur at a pace that will fill the platted lots in a timeframe comparable to other cities. For these reasons, it is prudent to recruit new builders/developers to the city.

This would involve identifying developers active in nearby cities, like Lawrence, Manhattan, and the Kansas City area, that specialize in the development types desired in Topeka. Then, partner with The Greater Topeka Chamber to reach out to the developers, let them know what opportunities exist, and clearly define what tools and/or incentives may be offered for development types that require them and meet city goals.

Support a diverse range of infill housing typologies and price points

The City of Topeka has done a generally good job in updating its zoning code and regulations as it works through its neighborhood plans to allow for a variety of infill housing types, where appropriate. It is important to continue to identify regulatory barriers to infill development as challenges arise. One element missing that would be helpful is to allow accessory dwelling units by right in certain districts and clearly stipulate under what conditions a property owner can build one.

This serves multiple goals—it can help stabilize neighborhoods with new investment, it can improve the financial position of homeowners by allowing for additional income, it can add accessible units to existing homes, and allow homeowner to expand the available living space on their property, supporting intergenerational families.

Mixed-income housing, which includes a variety of price points within a single development project, will also help to ensure that new development creates affordable housing opportunities. These projects; however, will need some level of public support or incentives to be feasible. The City can consider creating a gap financing source to encourage new infill typologies by lowering the risk for participating developers. Additionally, the financing could offer a bridge loan which could be used for predevelopment costs such as acquisition, design, and securing financing.

Support market-rate housing Downtown to bolster economic development

Development of housing Downtown supports talent attraction and retention, strengthens economic development, and enhances livability. Downtown housing will continue to be an important component of Topeka's housing stock. The Downtown Topeka Market Strategy estimated demand for up to 900 units over the next 10-15 years in Downtown, ranging from new construction multi-family to townhomes.

Most of the housing currently downtown is affordable and, while many of the units need reinvestment, it is important to balance the market by encouraging market-rate development. It is also important to be strategic with where to focus residential development so that it can benefit from anchors and amenities already present in Downtown.

Downtown housing is an important component of the overall housing picture and will serve to complement the broader market, while more directly supporting economic development goals.

Leverage ongoing or planned public investments

For diverse infill housing to be successfully implemented, it must be coordinated with public projects so that new housing is supported by new infrastructure— water, parks, sidewalks, sewer, etc. Continuing to align capital planning, budgeting, and community planning efforts will help ensure that housing development is feasible, marketable, and mitigates the risk of unexpected construction or permitting and approval costs.

Planned public projects should be mapped along with publicly-owned sites to identify potential catalyst projects that could leverage these already-planned investments. The City and its partners should use the Request for Proposals process for publicly-owned sites to attract development at strategic locations that leverage planned public projects. The City can define acceptable development alternatives and the available incentives for this development.

CASE STUDY
MISSING MIDDLE HOUSING PILOT PROGRAM Minneapolis, MN

The City of Minneapolis' Missing Middle Housing Pilot Program aims to promote mid-sized (3-20 units) housing developments to encourage diversity and affordability of the city's housing stock. The pilot program is a partnership between the City of Minneapolis Community Planning and Economic Development department and the Minnesota Housing and Land Bank Twin Cities. The program provides funds to develop homes for rental or ownership on either city-owned or privately-owned land.

The City has allocated $500,000 from its 2019 budget towards this program, and will give up to $95,000 per housing unit to developers. The program will incentivize missing middle housing and make building and renting housing units more affordable and equitable for developers and tenants. The program began accepting program applications in the summer of 2019, with the first missing middle construction expected to begin in 2020.

S5

EXPAND PRODUCTION OF AFFORDABLE HOUSING TO ENHANCE ECONOMIC MOBILITY

Market analysis and stakeholder conversations both underscore the importance of affordable housing. Quality affordable housing—the largest segment of future housing demand in the City—typically requires some form of policy support, incentive, or subsidy to develop. While much of the City's existing housing stock is low-cost relative to other cities, there are not enough quality options to meet the demand.

Strategies to expand production are needed to compliment programs aimed at improving the existing stock.

Identify locations for affordable housing with convenient access to employers and amenities

A key challenge in Topeka, communicated by various groups, is the lack of transportation options to major employers. Many workers without access to a car spend hours on multiple buses traveling to remote work places; some are unable to get to these jobs at all. Low-income people who do have access to cars spend a large percentage of their household resources on transportation at the expense of other necessities.

One way to address this issue is to promote and facilitate workforce and affordable housing development/renovation within walking or biking distance to employers. Identifying potential development partners and funding sources, including KHRC programs (4% or 9% LIHTCs, Trust Fund, etc.), AHTF, HOME funds, NRP, etc. can help make such projects feasible. Additionally, use of software such as GIS can help identify buildable sites, ascertain ownership, and assessed values to approximate acquisition costs.

The City can also identify existing multi-family developments which, with the help of modest renovations, could support affordable or workforce housing.

Coordinate with employers to provide alternative transportation options

Employers can play a big role in facilitating improved access to work for their employees. Identifying potential funding sources and support grant applications can provide the necessary resources to offer alternative modes of transportation for commuters and eliminate accessibility barriers. Topeka Transit can be a potential partner in rolling out such an initiative.

Coordinate with employers, institutions to provide support services

Stable housing is a key component contributing to economic mobility. It is known that many households, including low-moderate income and single-parent households often have to choose between maintaining stable housing while also pursuing their education or career goals due to a lack of support services. Access to services like child care, mentoring, tutoring, educational, and similar programs, can free up individuals to take steps to move up the "economic ladder"

Programs such as the Family Scholar House, Louisville, KY serve families in need with a comprehensive, holistic continuum of care that meets them where they are and empowers them toward their educational, career and family goals. Such a model could be implemented in Topeka in coordination with Washburn University, key employers, and experienced developer such as Cornerstone of Topeka or Pioneer Group.

Leverage existing programs, such as the 4% LIHTCs, to produce more affordable housing

Increasing and preserving the supply of quality affordable housing through the use of incentives and subsidies is the most direct way to impact the availability of affordable housing. Helping community development organizations and other development entities identify quality projects and successfully compete for Low-Income Housing Tax Credit (LIHTC) allocations is a key element of this strategy.

LIHTC is a powerful tool for providing quality affordable housing, and the more projects in the city receive allocations, the better-positioned the community will be to meet the affordable housing need.

Another option is to identify properties, such as Class C apartments that are in need of renovation and recruit developers to use 4% LIHTCs to upgrade the properties and convert at least a portion of them to affordable housing.

CASE STUDY
FAMILY SCHOLAR HOUSE
Louisville, KY

Family Scholar House is a nonprofit organization based in Louisville, Kentucky with a mission to end the cycle of poverty and transform the community by empowering families and youth to succeed in education and achieve lifelong self-sufficiency. Family Scholar House provides a comprehensive continuum of services for single parents, their children, and foster alumni that includes academic coaching, family counseling, affordable supportive housing, career and workforce development, childcare and connection to basic and emergency needs. Participants meet regularly with family services advocates for guidance, counseling, goal-setting and coaching. The development of life skills complements formal education so that families may attain life-long self-sufficiency.

Family Scholar House participants in need of stable housing may apply for the residential program, which includes housing on one of the four Family Scholar Houses campuses. In accordance with HUD guidelines, participants are responsible for their portion of their rent based on 30% of their gross annual income and their own utilities.

S6

EXPAND ORGANIZATIONAL AND FINANCIAL CAPACITY

The City and its partners have several tools and resources at their disposal to address the spectrum of housing needs throughout Topeka. Some are actively used and are very successful. Others are less successful or remain untested in Topeka due to a lack of capacity to carry them out. Making strategic use of funds, for existing and new programs, will be critical.

To compliment any efforts to expand existing funding and programs, the City should strategically support broadening and strengthening the organizational capacity of its partners to fully meet the City's housing needs. This is true for every type of demand, from affordable and workforce housing all the way to upscale and luxury housing.

Target incentives to support quality housing development

The City of Topeka took an important first step toward supplementing existing affordable housing development tools in 2019 when it pass an ordinance creating the Affordable Housing Trust Fund (Ordinance #20194). The structure is in place—it is now important to fund the Affordable Housing Trust Fund (AHTF), pooling philanthropic capital and a dedicated source of public revenue.

AHTFs are flexible sources of funding that leverage state and federal programs to further support the provision of quality housing for low - and very low-income housing. To maximize the impact of the AHTF in Topeka, it is recommended that the preservation of existing affordable housing and renovation of existing housing stock are prioritized to stretch funds further. New construction should be supported as well, as a supplement to other tools and programs, such as LIHTCs, that fill most of the feasibility gap. The AHTF would then be used to fill any remaining gap to make needed projects viable.

AHTFs can be funded by a number of sources and can align existing programs with new ones. Cities often seed the fund, create a target fund amount, and leverage this seed to ask partners to match those funds to reach the target amount. Additional detail regarding next steps are included in Chapter 6: Prioritization & Implementation.

The City has, in many ways, "set the table" to allow for quality housing development, whether it be infill, redevelopment, or new subdivision development. It revised the zoning code in core areas to allow appropriate housing types and created the NRP to incentivize development in targeted areas. Yet, these measures have yet to stimulate much development, primarily because the economics of infill development in particular are challenging. Nonetheless, it is important to maintain these efforts so that potential developers are aware of what is in place as they become more familiar with opportunities in the city.

Market Topeka, its housing options and development opportunities

Many stakeholders interviewed during the course of this study indicated that Topeka has a negative perception from "outsiders". One way to counter this, is to market many of Topeka's assets—its relatively low cost of living, housing options, neighborhoods, Downtown revitalization, NOTO, The Topeka Zoo, nearby recreational opportunities, and others—as part of GoTopeka's ongoing campaigns. This would work in concert with marketing development opportunities.

CASE STUDY

AFFORDABLE HOUSING TRUST FUND

St. Louis, MO

Affordable housing trust funds (AHTF) are funds established by city, county or state governments to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes.

Such trust funds are powerful tools that are highly flexible and can be used to fund a mix of programs tailored to specific local contexts. Trust funds allow local governments to amplify the impact of their local dollars, often leveraging competitive state and federal sources, as well as private and philanthropic funds.

The City of St. Louis' Affordable Housing Trust Fund, administered by the city's Affordable Housing Commission, supports the housing needs of St. Louis' most vulnerable residents. All AHTF funds benefit families and individuals with incomes at or below 80 percent of the Area Median Income (AMI) and 40 percent of funds awarded benefit those with extreme needs earning 20 percent or less of the AMI.

Every $1 the AHTF spends on home construction and major rehab is matched by $17 in public and private funds. Most AHTF loans to developers and homebuyers are repayable, which allows these resources to be reinvested in the community over time. Since 2003, the St. Louis AHTF has funded 1,583 rental units and 184 homes for sale.

Enhance the city's ability for strategic land control (not eminent domain)

Investing in Topeka's ability for strategic land control can advance affordability, reduce vacancy, and improve housing conditions. Establishing a land bank, as discussed in Strategy 2, is one of the ways to advance this ability and clean title of vacant properties so they can be returned to active use.

Community Development Corporations (CDCs) can be another mechanism to expand strategic land acquisition. CDCs are involved in revitalizing and supporting community needs, including development of affordable housing. The City should consider supporting the development of a CDC that will expand capacity to redevelop vacant and underutilized property in support of housing goals.

Leverage city resources to create a more robust community development ecosystem

The City of Topeka has many community-based efforts underway, and a number of partners employing best practices that should be celebrated. In fact, the efforts of some organizations like Habitat for Humanity of Topeka and Cornerstone of Topeka, include important community development components. However, there are no Community Development Corporations (CDCs) in Topeka, serving specific neighborhoods or geographies with a holistic approach and long-term mission.

CDCs are nonprofit, community-based organizations focused on revitalizing the areas in which they are located, typically low-income, underserved neighborhoods that have experienced significant disinvestment. While they are most commonly celebrated for developing affordable housing, they are usually involved in a range of initiatives critical to community health such as economic development, sanitation, streetscaping, and neighborhood planning projects, and oftentimes even provide education and social services to neighborhood residents.

The City can participate in this effort by directly supporting capacity-building, which includes identifying leaders with a business and/or development background and strong interest in community improvement. Then, the City should consider using existing entitlement funds (CDBG) to partner with a national organization like Local Initiatives Support Coalition (LISC) or NeighborWorks to providing training and ongoing support. Additional discussion about next steps is included in Chapter 6: Prioritization & Implementation.

Once a pilot CDC is established, another initiative is to create a housing-focused Community Development Finance Institution (CDFI), which typically operates as part of or in cooperation with an AHTF, and provides more flexible financing options for first-time homebuyers and neighborhood-focused development projects.

CASE STUDY
COMMUNITY HOUSING OF WYANDOTTE COUNTY (CHWC)

COMMUNITY ALLEY RENOVATION, CHWC

Community Housing of Wyandotte County's (CHWC) mission is to stabilize, revitalize, and reinvest in Kansas City, Kansas neighborhoods through improved housing and other quality of life initiatives. CHWC uses three programmatic strategies—Housing & Real Estate Development, Homeownership and Financial Capacity Promotion, and Community Building & Engagement—to form healthy and resilient neighborhoods

CHWC builds market rate and affordable homes for sale and for rent, and operates a construction company, real estate brokerage, arts studio, community design center, and urban teaching farm. Since 2002, CHWC has built, renovated or repaired over 500 homes and generated over $90,000,000 of capital investment in Wyandotte County neighborhoods.

In 2018, CHWC created 75 new homeowners and 69 rental homes (owned/ managed), They received approximately $12.5M in private, philanthropic, and public investment and $300k in grants from NeighborWorks America.


VISIONBANK
CLAYTON FINANCIAL SERVICES, INC.

CHAPTER 6

PRIORITIZATION & IMPLEMENTATION

PRIORITY RECOMMENDATIONS

The strategies and tactics discussed in Chapter 5 are meant to be holistic and to meet Topeka's housing needs over the next 10 to 20 years. There is a need to prioritize actions in the short term and plan for future actions as conditions change.

The City of Topeka cannot implement all six strategies and 27 tactics at once, and it is not prudent to do so. A more systematic approach will lead to better long-term results.

There are clear and urgent needs in the city that can be addressed right away through strategic focus. Four priority efforts were identified through understanding Topeka's most critical housing needs, and discussions with the Steering Committee, Client Team, and Governing Body.

The four priority recommendations are:

1. Fund the Affordable Housing Trust Fund
2. Establish a strategic land bank
3. Support the development of community development corporations (CDCs)
4. Expand weatherization and home repair programs

These priorities are aimed at addressing the critical needs of providing more quality affordable housing, improving neighborhoods through housing reinvestment, and expanding the capacity of the community to address housing and related needs.



PRIORITY STRATEGY #1: AFFORDABLE HOUSING TRUST FUND (AHTF)

The City of Topeka established broad goals when it established the AHTF in July 2019, focusing on encouraging the rehabilitation and development of affordable housing, emergency shelter, and supportive services. It formed the Affordable Housing Review Committee to provide oversight, and established criteria for evaluating potential projects, It did not, however, fund the program. The following actions steps are recommended to fund and activate the AHTF:

1. Set a target fund amount.
2. Seed the fund with city dollars, such as from CDBG or the general fund.
3. Seek matching funds from local, regional, and national foundations; area employers; financial institutions, and other organizations.
4. Identify pilot projects for the first year of funding, so that it is clear what programs and developments will be supported initially. Pilot projects also help generate future support by showing the successful application of the concept.
5. Establish a clear focus of what the AHTF will do and fund:
   a. Eligible Projects:
      i. Renovation and/or rehabilitation projects in the Focus Areas.
      ii. New construction projects that have additional sources, such as LIHTC, HOME, CDBG, or similar funds.
      iii. Home repair and weatherization programs sponsored by the city.
      iv. Predevelopment loans, with a preference for non-profit developers and CDCs.
   b. Set targets for affordability, such as:
      i. 50% of funds will go toward 30% AMI units
      ii. 30% will fund 30% to 60% AMI units
      iii. 20% will fund 50% to 80% AMI units
   c. Set parameters for distributing the funds:
      i. Offer a low-interest or zero-interest loan.
         - For LIHTC projects, a zero-interest loan with a balloon payment due after the 15-year compliance period is an option. This loan would roll into a second compliance period if that is exercised, and would be forgiven at the end of the second period.
         - For non-LIHTC projects, the loan could charge below-market interest and the developer/owner would have interest-only payments, with a balloon principal payment at the end of the agreed upon term. This would serve to create a revolving loan.
      ii. Weatherization funds would primarily be grants, while home repair funds could be loans with a forgivable option.
      iii. Predevelopment loans would serve as a bridge loan from concept to groundbreaking and would be repaid with project financing.
   d. Finally, after the fund is seeded and successful projects are completed, it is important to secure a permanent, on-going funding source.

An Incremental Approach

We recommend a target fund amount of $3 million, which would support the creation of 80 to 100 units of affordable housing each year. This would effectively increase affordable housing production from the historic average of 35 units per year to the goal of 125 units per year discussed on page 52.

However, many AHTFs approach a funding goal incrementally because funding availability changes regularly and new state or federal sources could become available over time. The graphics to the right summarize the potential impacts of an incremental approach.

- It is important to start somewhere, even with a modest seed amount, to address the critical affordable housing need.
- As an example, a $50,000 seed investment from the city could leverage $300,000 in funding from community partners if six entities match that amount. With an initial focus on weatherization, minor renovations, and supporting small infill developments, this would preserve or add 15 to 20 affordable units.
- Over time, as additional funds are available and partners emerge, the focus of the fund should include more cost-intensive projects like rehabs and larger new construction projects. A $1.5 million fund could affect 50 to 60 units..
- The $3 million goal is ambitious, and not reaching that funding level should not be perceived as a failure because lesser amounts still support significant affordable housing gains.

FUNDING SOURCES AND PROJECT PRIORITIES

INCREMENTAL ANNUAL UNIT PRODUCTION IMPACT

PRIORITY STRATEGY #2: LAND BANK

The City of Topeka researched land banks in the past and the Department of Neighborhood Relations prepared a draft ordinance, though it was never formalized. It is recommended that steps be taken in the next two years to create a land bank, including:

1. Establish the core functions of the land bank.
2. Revise the prior draft land bank ordinance to ensure current applicability.
3. Use GIS to map:
    a. Existing publicly-owned residential properties
    b. Property conditions
    c. Properties that would serve goals of neighborhood plans if redeveloped
    d. Properties suitable for development
    e. Properties suitable for redevelopment ("Rehab-ready" properties)
    f. Properties ideal for land bank acquisition
4. Partner with the Greater Topeka Chamber to facilitate conversations with Shawnee County officials to draft a Memorandum of Understanding or similar agreement to give the land bank first right of refusal of properties that are eligible for tax sale and meet strategic objectives.
5. Identify qualified developers to partner with to rehab and sell properties.
6. Establish a goal of not holding properties for more than three to five years.

PRIORITY STRATEGY #3: COMMUNITY DEVELOPMENT CORPORATIONS (CDCs)

The city would have a smaller role in establishing CDCs because they are typically non-profit entities that operate outside of city government. Cities primarily support CDCs by funding capacity building, and partner with CDCs to streamline the development process and enhance city services.

The primary actions that the city would take to implement this strategy are:

1. Identify individuals and groups in the community with the skill set to lead an organization, including business experience, exposure to the development process, and a passion for serving the community.
2. Coordinate with a national organization, such as LISC or NeighborWorks, to conduct training for the individuals and groups to develop knowledge, skills, and relationships necessary to form a CDC, select board members, identify the area they will serve, create a business/organization plan, and devise a funding strategy.
3. Identify partner organizations or community anchors, such as Stormont-Vale and Washburn University, that would support a CDC or similar efforts in the Central Topeka focus area.

PRIORITY STRATEGY #4: EXPAND WEATHERIZATION & REPAIR PROGRAMS

There is considerable data from weatherization programs that shows their positive impacts to the health and wellbeing of citizens, and their positive economic impact to households and cities. Renovation and rehabilitation programs can also have significant impact by helping keep households in safe, habitable homes, preventing vacancies by fixing homes before they become uninhabitable, and returning vacant properties to productive use.

The city of Topeka is already taking actions to utilize CDBG funds to fund weatherization efforts that would greatly expand what some community partners are able to do today.

The AHTF will be a powerful tool to raise additional funds to support weatherization and expand repair programs.

ADDITIONAL PRIORITIZATION RECOMMENDATIONS

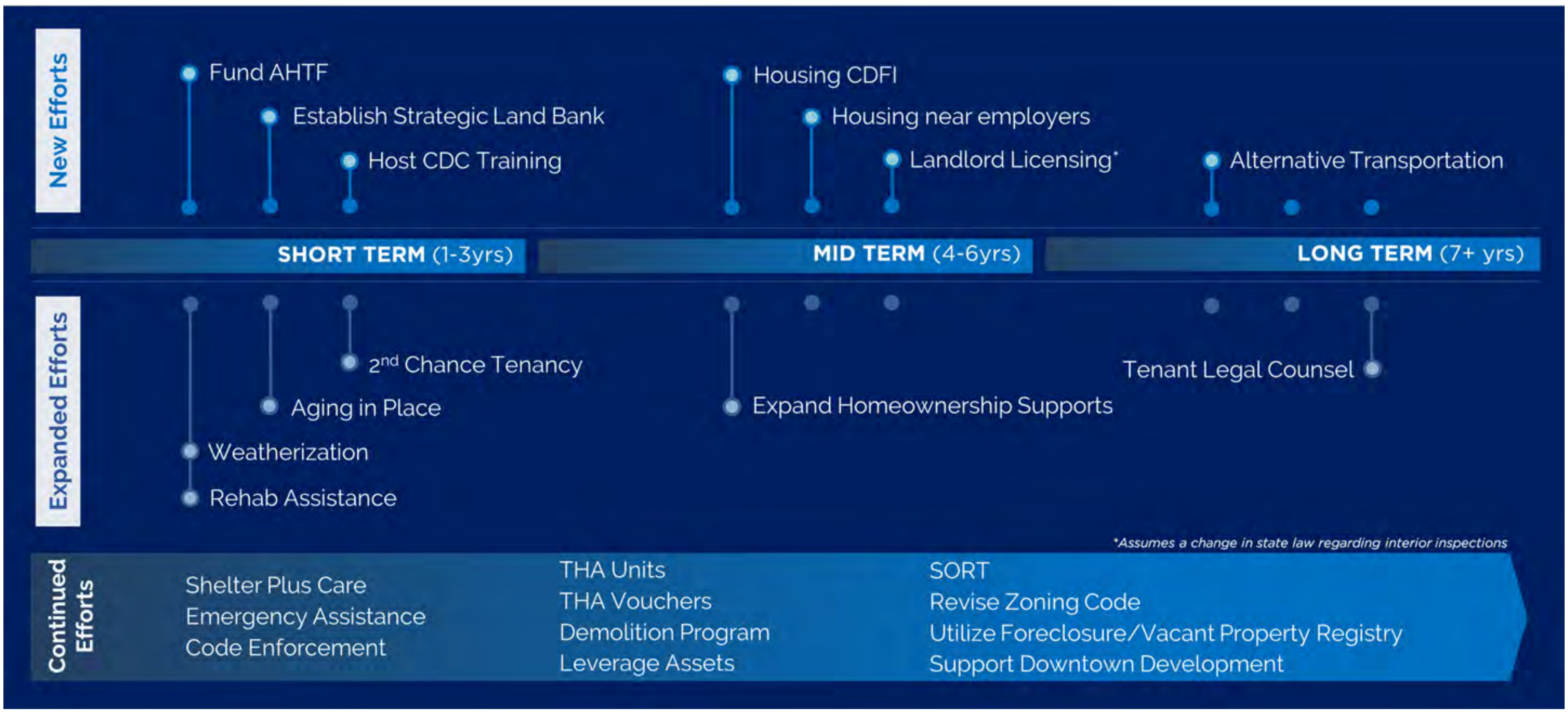
Not everything can be accomplished at once, so it is important to set expectations for the timing of all recommended housing initiatives. Positive change will require incremental and sustained interventions over the long term.

The graphic below summarizes the recommended timing of initiating the recommended strategies and tactics.

Certain tasks are spread out over time to allow for the identification, acquisition, and allocation of resources to set the tactics up for long-term success.

Many recommended strategies currently underway in some form are noted under "Continued Efforts". It is critical that these efforts continued and expanded if possible—their continued implementation is part of the holistic approach needed to meet Topeka's housing needs for many years into the future.

PRIORITIZATION AND TIMING DIAGRAM



ROLES AND RESPONSIBILITIES

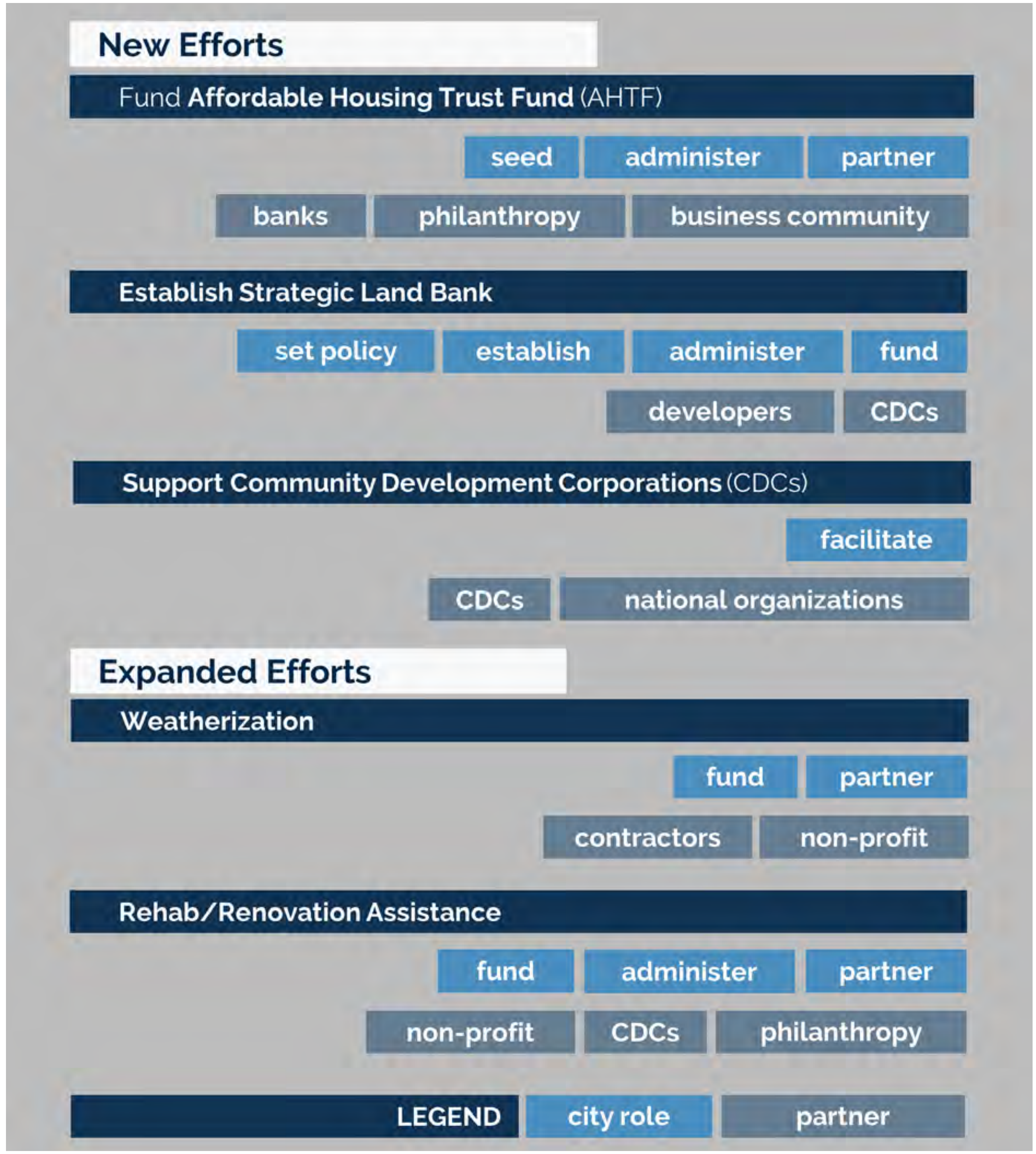
A consistent theme of this study is that the City cannot do everything needed to have a successful housing strategy. Clearly defining the role of the city and its many partners is necessary to align resources for collective impact and set the strategy on a path for long-term success.

The graphic on the next page summarizes the city's primary roles for the priority recommendations, as well as partners that will be needed to successfully implement the individual programs. In some cases, such as establishing (and operating) the strategic land bank, the city will have primary responsibility in setting it up and administering the program.

In other cases, like supporting CDCs, the city should take on the role of facilitator by utilizing funds and networks to build community capacity, then work with organizations to accomplish shared goals over time.

Some efforts, like funding the AHTF, will take joint leadership from the city and its partners. The city has established the structure and, with this study, the understanding of the need and recommended focus of the AHTF. It should also find ways to seed the fund so that community partners see the city's commitment and have something to react to and support. However, to make the AHTF a long-term success, community partners such as philanthropy, the business community, and financial institutions, must support and champion the effort. This includes recognizing that housing is a critical component of Topeka's long-term success.

ROLES AND RESPONSIBILITIES



IMPLEMENTATION MATRIX OF STRATEGIC RECOMMENDATIONS

Each strategy has a different focus, a different timeframe for implementation, and different partners involved. An implementation matrix serves as a resource for aligning resources and efforts, and is a reference tool for all partners.

The matrix on the following pages is a tool that the City and its partners can use to understand how various strategies fit together, which types of housing need they address, the City departments and public agencies involved, and where the strategies can be focused.

While all strategies are focused on housing, some are targeted to for-sale and owner-occupied housing, and others to rental.

Different strategies are also designed to affect housing at different demand levels, with some designed to address the need for affordable and workforce housing and others focused on housing at moderate, upscale, or luxury price points.

The **target housing demand type** highlights the relevant details related to tenure and price point. Other strategies marked with a "-" do not have a target demand type, but are needed to address systemic barriers to quality housing production.

The City has many departments and public agency partners that touch on some facet of housing. Just as the City works to collaborate with outside partners, it also must coordinate internally across its many departments. The **City Resources and Partners** column lists the departments and agencies that would assist with implementation of a given strategy. The partner listed in **bold** indicates a likely lead implementer and facilitator for the coordinated effort.

As this chapter has detailed, no community can implement all strategies at once. The **Implementation Timeframe** column indicates roughly when efforts may begin. Some strategies are already in progress, some will be initiated in the near future, and others are medium-term priorities.

Stakeholder conversation and the analysis highlighted many ways in which neighborhood conditions and needs are different. The strategic framework was designed with this in mind, and it identifies tools targeted to different issues and different market contexts. The **Neighborhood Cycle Applicability** column indicates where strategies are relevant, and highlights where different efforts should be focused. This allows for tactics to be strategically applied throughout the city.

IMPLEMENTION MATRIX

Strategic Recommendations	Target Housing Demand Type: Owner	Target Housing Demand Type: Renter	Target Housing Demand Type: Price Point (Affordable, Workforce, Moderate, Upscale)	Resources and Partners	Implementation Timeframe: Short-Term 1-3 years	Implementation Timeframe: Mid-Term 4-6 years	Implementation Timeframe: Long-Term 7+ years	Neighborhood Cycle Applicability: Opportunity	Neighborhood Cycle Applicability: Transitioning	Neighborhood Cycle Applicability: Stable	Neighborhood Cycle Applicability: Growing
Strategy 1: Improve the quality of the existing housing stock to provide non-subsidized affordable housing and stabilize neighborhoods											
Expand weatherization programs to help lower utility costs for low-income homeowners.	x	-	Affordable; Workforce	Housing Division, Utilities, Utility Companies, Community Partners	O	O	O				
Expand financial and technical assistance for home repair.	x	x	Affordable; Workforce	Community Housing Partners, Housing Division, Financial Institutions	O						
Consider a landlord licensing program to address landlords with persistent code violations and excessive evictions.	-	x	Affordable; Workforce; Moderate	Housing Division, Property Maintenance Development Services, Municipal Court, City Council		O					
Leverage historic districts and community anchors to identify targeted investment areas.	-		n/a	Planning, Kansas Historical Society, Developers, Other Community Partners		O					
Fund adequate staff to support consistent code enforcement.	-		n/a	City Council		O					
Strategy 2: Address abandoned and vacant properties											
Create a land bank to return vacant properties to productive use.	-		n/a	City Council, Legal Department, Planning, County, Non-Profit Partners	O						
Continue consistent code enforcement efforts.	-		n/a	Property Maintenance, Municipal Court, Landlords & Property Owners	O						
Expand the foreclosure and vacant property registry to support other initiatives.	-		n/a	City	O						
Adopt a "demolition as a last resort" policy to promote renovation and preservation.	-		n/a	Housing Division, Planning	O						

Strategic Recommendations	Target Housing Demand Type: Owner	Target Housing Demand Type: Renter	Price Point (Affordable, Workforce, Moderate, Upscale)	Resources and Partners	Implementation Timeframe: Short-Term 1-3 years	Mid-Term 4-6 years	Long-Term 7+ years	Neighborhood Cycle Applicability: Opportunity	Transitioning	Stable	Growing
Strategy 3: Expand resource to encourage housing stability and support homeownership											
Expand financial assistance for low- and moderate-income homebuyers and homeowners.	x	-	Affordable; Workforce	Community Partners		O					
Support residents working toward homeownership with affordable rental opportunities.	-	x	Affordable; Workforce	Housing Division, Community Partners, THA, Developers		O					
Expand financial and technical assistance for rehabilitation.	x	-	Affordable; Workforce	Planning, Housing Division, City Council, THA, Community Partners	O						
Provide housing options that support aging in place.	x	x	All	Planning, Developers	O						
Expand supports to prevent and address eviction and homelessness.	x	x	Affordable; Workforce	Housing Division, Community Partners,		O					
Support a 2nd chance tenancy program	-		Affordable; Workforce	Community Partners, Municipal Court	O						
Strategy 4: Support development of a diverse mix of housing types											
Market housing needs and development opportunities to new developers.	-		n/a	Topeka Builder's Association, Planning, Greater Topeka Partnership, Community Partners	O	O					
Support a diverse range of infill housing typologies and price points.	x	x	all	Planning, Development Services, Developers	O	O	O				
Support market-rate housing Downtown to bolster economic development.	x	x	Workforce, Moderate, Upscale	Downtown Topeka, Inc., Planning, Greater Topeka Partnership, Developers	O	O	O				
Leverage ongoing or planned public investments.	x	x	all	Planning, Development Services, Public Works	O	O	O				

IMPLEMENTION MATRIX (CONTINUED)

Strategic Recommendations	Target Housing Demand Type			Resources and Partners	Implementation Timeframe			Neighborhood Cycle Applicability			
	Owner	Renter	Price Point (Affordable, Workforce, Moderate, Upscale)		Short-Term 1-3 years	Mid-Term 4-6 years	Long-Term 7+ years	Opportunity	Transitioning	Stable	Growing
Strategy 5: Expand production of affordable housing to enhance economic mobility											
Identify locations for affordable housing with convenient access to employers and amenities.	x	x	Affordable; Workforce	Community Partners, Neighborhood Services, Planning, Developers		O					
Coordinate with employers to provide alternative transportation options.	-		all	Planning, TMTA, Greater Topeka Partnership, Employers			O				
Coordinate with employers, institutions, and social service agencies to provide support services.	-		Affordable; Workforce	Community Partners, Housing Division, Employers	O	O	O				
Leverage existing programs, such as the 4% LIHTCs, to produce more affordable housing.	x	x	Affordable; Workforce	Developers, Financial Institutions, Investors	O	O					
Strategy 6: Expand financial and organizational capacity											
Market Topeka, its housing options, and development opportunities.	-		n/a	Greater Topeka Partnership & GoTopeka, Topeka Builder's Association, Planning, Communications, Sunflower Association of Realtors	O	O					
Enhance the city's ability for strategic land control (not eminent domain).	-	x	all	Planning, City Council, Legal Department	O						
Target incentives to support quality housing development.	-		all	Planning, City Council, Community Partners, Developers	O	O	O				
Leverage city resources to create a more robust community development ecosystem.	-		n/a	Community Partners, Housing Division, Greater Topeka Partnership	O	O					

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APPENDICES

- **COMMUNITY STAKEHOLDERS**
- DETAILED DATA TABLES
- ADDITIONAL DEMAND SUMMARIES
- FEASIBILITY ANALYSIS ASSUMPTIONS
- ORGANIZATIONAL REVIEW SUMMARY
- CASE STUDY SUMMARY

Community Stakeholders

Lindsay Freeman, Advisors Excel Community Engagement

TD Hicks, Antioch Missionary Baptist Church

Fred Owens, Attorney at Law

Mary Beth, Balanced Property Management

Marlou Wegener, BCBS KS Foundation

Doug Bassett, Berkshire Hathaway Homes First

Rick Nesbitt, Berkshire Hathaway Homes First

Abbey Wostal, Better Homes & Gardens

Nikki Ramirez-Jennings, Boys & Girls Clubs of Topeka

Dawn McWilliams, Boys & Girls Clubs of Topeka

Lloyd Rainge, Capital Federal VP Community Development

Mark Burenheide, Capitol Federal Foundation

Tammy Dishman, Capitol Federal Foundation

Kristine Hammes, Catholic Charities

Linda Jones-Giltner, Cedar Ridge Apartments

Eric Tyszko, Central Park

Don Perkins, Central Park

Bryon Schlosser, Coldwell Banker Griffith & Blair

Ardith Smith-Woertz, College Hill

Christi Stewart, College Hill

Tawny Stottlemeier, Community Action

Gary Cushinberry, Core First

Chris Palmer, Cornerstone of Topeka

Mike Feiden, Crestview NA

Lisa Cain, Doorstep

Chuck Dultmeier, Dultmeier Homes

Lalo Munoz, El Centro of Topeka

Derek Hodam, Farm Bureau

Tobias Schlingensiepen, First Congregational Church

Sandra Brown, First Presbyterian Church of Topeka

Doug Penner, Former President of Bethel College

Nickie Roberts, Fox Run Cooperative

Doug Smith, Gethsemane Worship Center/JUMP Co-Chair

Molly Howey, GoTopeka

Alice Weingartner, GraceMed

Vince Frye, Greater Topeka Partnership

Curtis Sneden, Greater Topeka Partnership

Janice Watkins, Habitat for Humanity

Tricia McCort, Heartland RADAC

Erma Forbes, Highland Acres

Manny Herron, Infinite Properties Group, LLC

Susan Harris, Jayhawk Area on Aging

Joe Ledbetter, Joseph Ledbetter Law

Toby Gallegos, Keller Williams

Del-Metrius Miller, Keller Williams Realty One Legacy Partners, LLC

Helen Crow, Kirk & Cobb Inc. Realtors

Steve Kirk, Kirk & Cobb Inc. Realtors

Mark Rezak, KS Commercial

Jim Clark, Landlord

Lynda Hilderman, Landlord

Tom Benaka, Landlord

Richard White, Landlord

Mark Bohling, Mark Boling Construction Inc

Floyd McMillin, Mc Millin Construction

Greg Hammes, Most Pure Heart of Mary Catholic Church

Mary Froese, Next Home Professionals

Emil Spaeth, Oakland

Jerri White, Oakland

Michael Jacobs, PepsiCo

Kathleen Link, Positive Connections

Jim Hood, Re/Maxx Associates of Topeka

Kevin Swift, Re/Maxx Associates of Topeka

Doug Barrington, Realty Professionals

Kennee Betz, ReMax

Karyn Barrett, Reser's Fine Foods

Fred Martinze, Rolling Meadows NA

Ray Thurlo, RT Builders

Kristy Druse, Security Benefit

Connie Rasmussen, Shawnee Management

Bette Allen, SNCO Landlord Association

Steve Vogle, SNCO Landlord Association

Mike Beene, State of Kansas

Susan Thompson, Stormont Vail Hospital

Kent Pope, Strengthening & Equipping Neighborhoods Together (SENT)

Billie Hall, Sunflower Foundation

Debbie Stiel, Temple Beth Sholom

Rene Tinajero, Tinajero Group

Rodney Harmon, TopCity Costumes

Arnold Downing, Topeka Housing Authority

Imam Omar Jaleel Hazim, Topeka Islamic Center

Shanae' Holman, Topeka JUMP

Wendy Wells, U.S. Bank

Larry Robbins, USD 501

Ashley Arganbright, Valeo

Valerie Mize, Valeo

Lisa Hastings, Valeo

Molly Kemper, Valeo

Bill Persinger, Valeo

Susan McClacherty, Valley Park NIA/Woodside HOA

Cheyenne Bertrand, Vecino Group

Deirdre Fitch, Veteran's Administration

Dawn Downing, Ward Meade

Mike Amos, Ward Meade

Eric Grospitch, Washburn University

Bill Welch, WCW Property Management

APPENDICES

〉 COMMUNITY STAKEHOLDERS

〉 **DETAILED DATA TABLES**

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POPULATION OVERVIEW

City, County, MSA, Kansas, USA

Population Overview

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
Population					
2024 Projection	125,900	177,500	233,600	3,014,400	345,487,600
2019 Estimate	127,000	178,600	234,900	2,966,500	332,417,800
2010 Census	127,500	177,900	233,900	2,853,100	308,745,500
2000 Census	125,000	170,000	225,000	2,688,000	281,422,000
Projected Change (2019-2024)	-0.2%	-0.1%	-0.1%	0.3%	0.8%
Annual Change (2000-2010)	2.0%	4.6%	4.0%	6.1%	9.7%
Annual Change (2010-2019)	-0.1%	0.0%	0.1%	0.4%	0.8%
Total Change (2010-2019)	-0.4%	0.4%	0.4%	4.0%	7.7%
Net Change (2010-2019)	-500	700	1,000	113,400	23,672,300

Source: ESRI 2019

Focus Areas

Population Overview

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
Population								
2024 Projection	8,463	1,864	3,800	3,669	3,600	3,400	700	1,600
2019 Estimate	8,521	1,859	3,858	3,706	3,621	3,470	719	1,529
2010 Census	8,461	1,787	3,975	3,755	3,722	3,595	745	1,228
2000 Census	8,832	1,627	3,897	3,831	3,849	3,772	837	1,109
Projected Change (2019-2024)	-0.1%	0.1%	-0.3%	-0.2%	-0.1%	-0.4%	-0.5%	0.9%
Annual Change (2000-2010)	-4.2%	9.8%	2.0%	-2.0%	-3.3%	-4.7%	-11.0%	10.7%
Annual Change (2010-2019)	0.1%	0.4%	-0.3%	-0.1%	-0.3%	-0.4%	-0.4%	2.4%
Total Change (2010-2019)	0.7%	4.0%	-2.9%	-1.3%	-2.7%	-3.5%	-3.5%	24.5%
Net Change (2010-2019)	60	72	-117	-49	-101	-125	-26	301

Source: ESRI 2019

HOUSEHOLD OVERVIEW

City, County, MSA, Kansas, USA

Household Overview

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
2024 Projection	53,266	72,569	94,609	1,172,237	129,922,162
2019 Estimate	53,720	72,970	95,109	1,154,432	125,168,557
2010 Census	53,949	72,600	94,483	1,112,096	116,716,292
2000 Census	53,003	68,920	89,600	1,037,891	105,480,101
Projected Growth (2019-2024)	-0.2%	-0.1%	-0.1%	0.3%	0.8%
Annual Growth (2010-2019)	-0.1%	0.1%	0.1%	0.4%	0.8%
Households by Size (2013 - 2017)					
One-Person	37%	32%	30%	29%	28%
Two-Person	32%	35%	36%	35%	34%
Three-Person	13%	13%	13%	14%	16%
Four-Person	10%	12%	12%	12%	13%
Five-Person	5%	5%	5%	6%	6%
Six-Person	2%	2%	2%	2%	2%
Seven-Person +	1%	1%	1%	1%	1%
Average Household Size					
2024 Projection	2.29	2.39	2.42	2.50	2.60
2019 Estimate	2.29	2.39	2.42	2.50	2.59
2010 Census	2.29	2.39	2.42	2.49	2.58

Source: ESRI 2019

Focus Areas

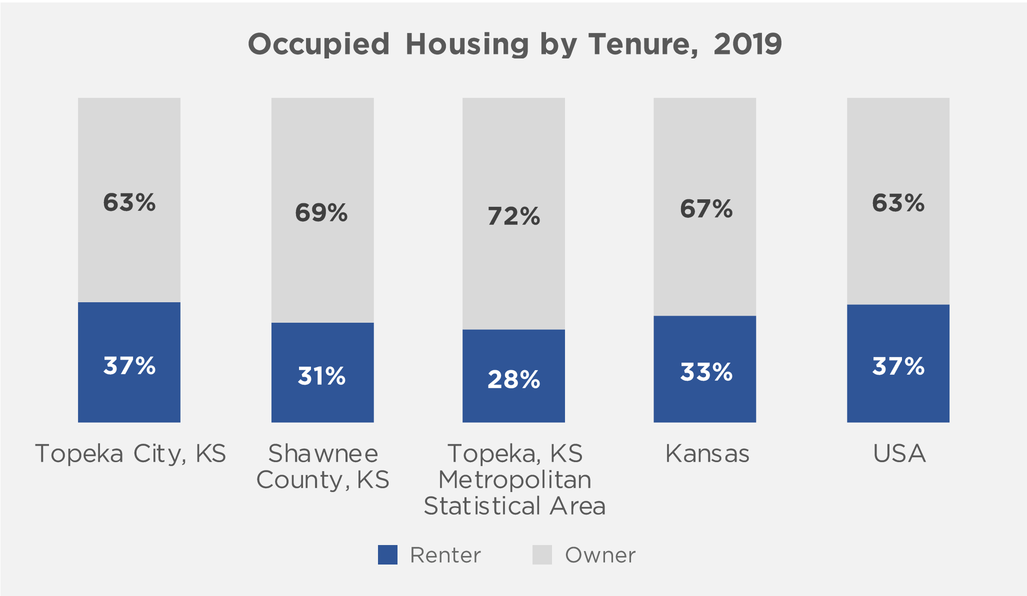
Household Overview

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
2024 Projection	3,628	525	1,587	1,593	1,609	1,149	320	590
2019 Estimate	3,656	526	1,613	1,608	1,627	1,172	324	578
2010 Census	3,657	520	1,662	1,621	1,657	1,224	333	471
2000 Census	3,993	558	1,694	1,654	1,694	1,327	354	372
Projected Growth (2019-2024)	-0.2%	0.0%	-0.3%	-0.2%	-0.2%	-0.4%	-0.3%	0.4%
Annual Growth (2010-2019)	0.0%	0.1%	-0.3%	-0.1%	-0.2%	-0.5%	-0.3%	2.2%
Households by Size (2013 - 2017)								
One-Person	47%	29%	41%	37%	28%	24%	30%	22%
Two-Person	28%	27%	34%	37%	38%	29%	40%	44%
Three-Person	10%	20%	4%	12%	12%	19%	18%	13%
Four-Person	5%	10%	10%	9%	16%	15%	6%	9%
Five-Person	6%	14%	5%	2%	3%	10%	6%	6%
Six-Person	3%	0%	4%	1%	1%	2%	0%	4%
Seven-Person +	1%	0%	2%	0%	2%	1%	0%	2%
Average Household Size								
2024 Projection	2.31	3.34	2.18	2.28	2.22	2.96	2.21	2.65
2019 Estimate	2.31	3.33	2.18	2.28	2.23	2.96	2.22	2.65
2010 Census	2.30	3.23	2.19	2.30	2.25	2.94	2.24	2.61

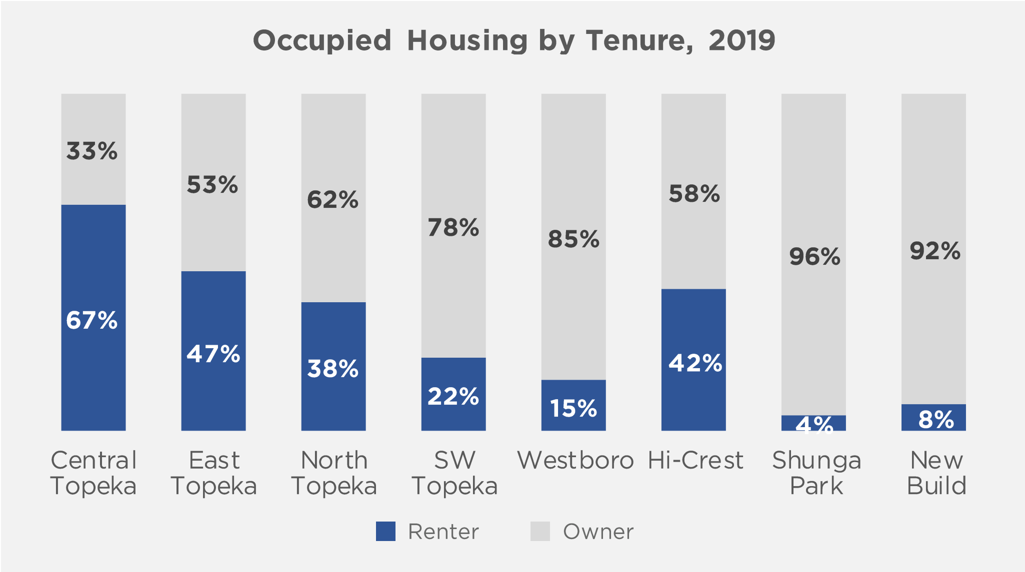
Source: ESRI 2019

HOUSING TENURE

City, County, MSA, Kansas, USA



Focus Areas



INCOME DISTRIBUTION

City, County, MSA, Kansas, USA

Income Distribution

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
Total households:	53,720	72,970	95,109	1,154,432	125,168,557
<$15,000	11%	9%	9%	10%	11%
$15,000 - $24,999	14%	11%	11%	9%	9%
$25,000 - $34,999	10%	9%	9%	10%	9%
$35,000 - $49,999	15%	14%	14%	15%	12%
$50,000 - $74,999	19%	20%	20%	19%	18%
$75,000 - $99,999	13%	15%	15%	13%	13%
$100,000 - $149,999	13%	17%	16%	15%	15%
$150,000 - $199,999	2%	3%	3%	5%	7%
$200,000 +	2%	2%	2%	5%	7%

Source: ESRI 2019

Focus Areas

Income Distribution

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
Total households:	3,656	526	1,613	1,608	1,627	1,172	324	578
<$15,000	24%	28%	53%	6%	13%	37%	1%	2%
$15,000 - $24,999	23%	13%	63%	15%	25%	47%	3%	6%
$25,000 - $34,999	12%	24%	32%	7%	19%	36%	1%	3%
$35,000 - $49,999	13%	13%	63%	17%	41%	41%	7%	5%
$50,000 - $74,999	16%	12%	40%	29%	76%	32%	9%	16%
$75,000 - $99,999	5%	7%	37%	17%	51%	20%	17%	19%
$100,000 - $149,999	6%	0%	17%	9%	52%	10%	12%	34%
$150,000 - $199,999	1%	0%	0%	0%	18%	0%	6%	10%
$200,000 +	0%	2%	0%	1%	13%	0%	5%	15%

Source: ESRI 2019

AGE COMPARISON

City, County, MSA, Kansas, USA

Age Comparison, 2019

Age	Cohort	Topeka, KS	Shawnee County	MSA	Kansas	USA
0 - 4	(Pre-school)	7%	6%	6%	7%	6%
5 - 17	(K-12)	17%	17%	17%	17%	16%
18 - 24	(College Age)	9%	9%	8%	10%	9%
25 - 34	(Early Workforce)	14%	13%	12%	14%	14%
35 - 49	(Family Years)	18%	17%	17%	18%	19%
50 - 64	(Empty Nesters)	18%	19%	20%	19%	19%
65 - 74	(Seniors)	10%	10%	11%	9%	10%
75+	(Elderly)	8%	8%	8%	7%	7%

Source: ESRI 2019

Focus Areas

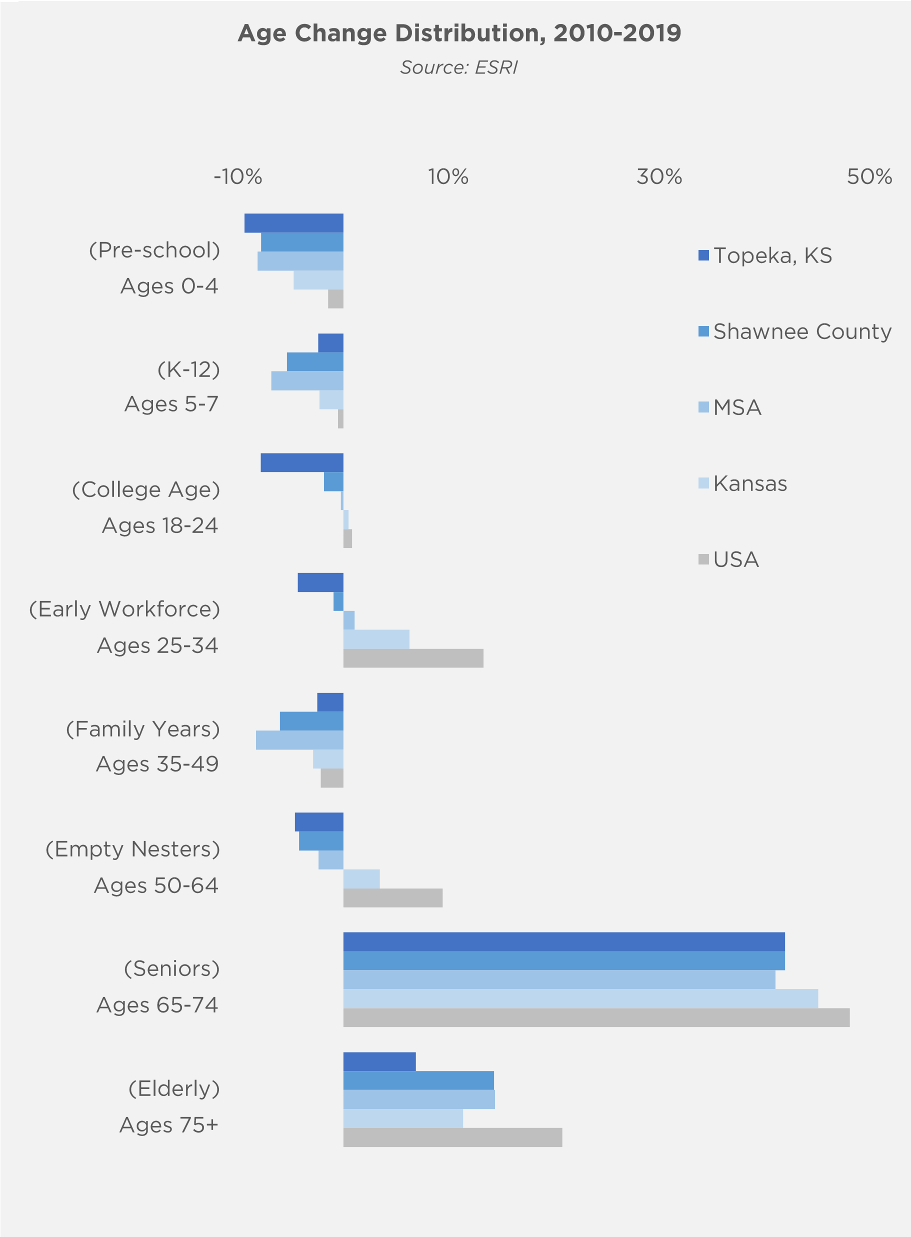
Age Comparison, 2019

Age	Cohort	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
0 - 4	(Pre-school)	8%	12%	6%	7%	6%	10%	4%	3%
5 - 17	(K-12)	18%	25%	17%	17%	17%	22%	12%	16%
18 - 24	(College Age)	13%	10%	10%	7%	6%	10%	5%	6%
25 - 34	(Early Workforce)	16%	15%	14%	14%	12%	15%	7%	7%
35 - 49	(Family Years)	17%	18%	18%	20%	21%	18%	15%	16%
50 - 64	(Empty Nesters)	18%	12%	21%	18%	19%	14%	21%	28%
65 - 74	(Seniors)	7%	5%	9%	10%	12%	6%	20%	15%
75+	(Elderly)	3%	3%	6%	8%	7%	4%	16%	10%

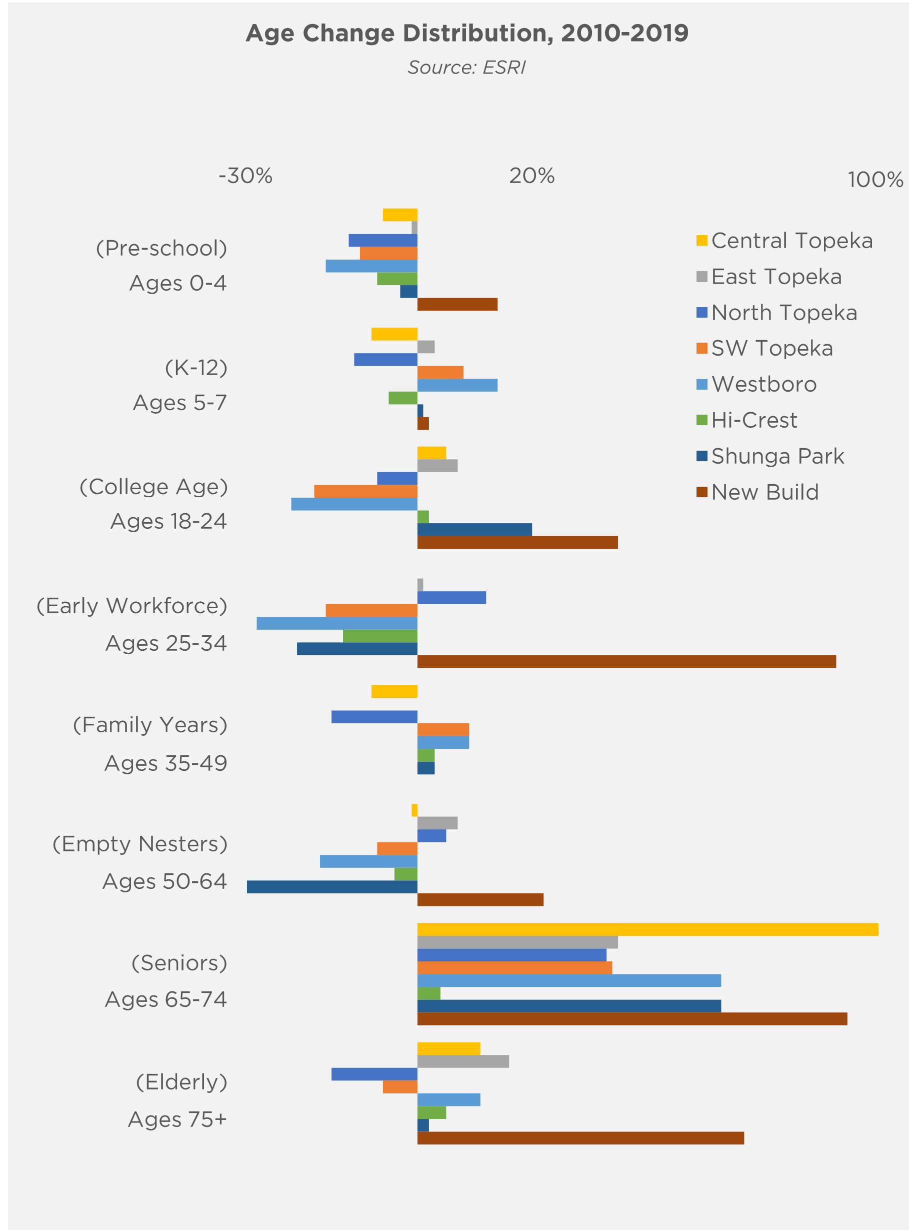
Source: ESRI 2019

AGE TREND

City, County, MSA, Kansas, USA



Focus Areas



AGE CHANGE DISTRIBUTION

City, County, MSA, Kansas, USA

Projected Age Change Distribution, 2019-2024

Age	Cohort	Topeka, KS	Shawnee County	MSA	Kansas	USA
0 - 4	(Pre-school)	-1%	0%	-1%	2%	4%
5 - 17	(K-12)	-2%	-2%	-2%	1%	2%
18 - 24	(College Age)	3%	0%	-2%	-2%	-1%
25 - 34	(Early Workforce)	-8%	-4%	-4%	-1%	1%
35 - 49	(Family Years)	1%	0%	0%	3%	5%
50 - 64	(Empty Nesters)	-9%	-9%	-9%	-7%	-2%
65 - 74	(Seniors)	7%	8%	9%	13%	13%
75+	(Elderly)	12%	16%	17%	16%	21%

Source: ESRI 2019

Focus Areas

Projected Age Change Distribution, 2019-2024

Age	Cohort	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
0 - 4	(Pre-school)	0%	1%	-1%	0%	0%	-3%	3%	4%
5 - 17	(K-12)	-7%	3%	-3%	3%	2%	0%	4%	-6%
18 - 24	(College Age)	3%	5%	1%	11%	14%	3%	-12%	-7%
25 - 34	(Early Workforce)	1%	-12%	-7%	-16%	-18%	-10%	0%	18%
35 - 49	(Family Years)	-4%	2%	1%	6%	-1%	2%	8%	-3%
50 - 64	(Empty Nesters)	-11%	0%	-9%	-11%	-11%	-8%	-20%	-4%
65 - 74	(Seniors)	23%	3%	16%	9%	4%	10%	-3%	11%
75+	(Elderly)	31%	2%	6%	-2%	20%	-4%	8%	23%

Source: ESRI 2019

DISTRIBUTION OF POPULATION BY RACE

City, County, MSA, Kansas, USA

Distribution of Population by Race, 2019

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
White	65%	71%	75%	73%	59%
Black or African American	9%	7%	6%	5%	11%
American Indian and Alaska Native	1%	1%	1%	1%	1%
Asian	1%	1%	1%	3%	5%
Pacific Islander	0%	0%	0%	0%	0%
Other Race	5%	4%	3%	4%	6%
Two or More Races	5%	4%	4%	3%	3%
Hispanic or Latino	14%	11%	10%	11%	16%

Source: ESRI 2019

Focus Areas

Distribution of Population by Race, 2019

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
White	50%	33%	73%	74%	84%	40%	87%	87%
Black or African American	15%	8%	5%	5%	3%	19%	4%	2%
American Indian and Alaska Native	1%	1%	3%	1%	1%	1%	1%	0%
Asian	0%	0%	1%	1%	1%	0%	3%	4%
Pacific Islander	0%	0%	0%	0%	0%	0%	0%	0%
Other Race	8%	15%	3%	3%	1%	10%	1%	1%
Two or More Races	7%	4%	5%	6%	3%	8%	1%	2%
Hispanic or Latino	18%	40%	11%	10%	7%	21%	4%	4%

Source: ESRI 2019

COMMUTING PATTERNS

City, County, MSA, Kansas, USA

Commuting Patterns - Average Travel Time and Mode of Commute

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
Workers 16 and older	58,529	83,219	109,117	1,414,974	148,432,042
Mode of Commute					
Drove alone	81%	83%	83%	82%	76%
Carpooled	11%	10%	10%	9%	9%
Used public transportation	1%	1%	1%	0%	5%
Walked	2%	2%	2%	2%	3%
Other means	1%	1%	1%	1%	1%
Worked at home	2%	3%	3%	4%	5%
Mean Travel Time to Work (Minutes)	17.0	18.0	20.4	19.2	26.4

Source: ESRI 2019

Focus Areas

Commuting Patterns - Average Travel Time and Mode of Commute

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
Workers 16 and older	3,405	394	1,312	1,960	2,146	1,331	422	663
Mode of Commute								
Drove alone	70%	53%	255%	83%	481%	246%	82%	151%
Carpooled	17%	38%	51%	10%	31%	40%	21%	8%
Used public transportation	6%	0%	7%	0%	0%	9%	0%	1%
Walked	5%	1%	5%	1%	7%	15%	0%	1%
Other means	1%	1%	1%	0%	6%	7%	0%	1%
Worked at home	2%	2%	5%	5%	19%	16%	4%	5%
Mean Travel Time to Work (Minutes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: ESRI 2019

CAR OWNERSHIP

City, County, MSA, Kansas, USA

Car Ownership

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
Households with No Vehicles (2013 - 2017)	5,241	5,571	6,353	60,956	10,468,418
Households with No Vehicles (2013 - 2017)	10%	8%	7%	5%	9%

Source: ESRI 2019

Focus Areas

Car Ownership

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
Households with No Vehicles (2013 - 2017)	979	78	188	25	22	116	0	31
Households with No Vehicles (2013 - 2017)	27%	15%	12%	2%	1%	10%	0%	6%

Source: ESRI 2019

DISABILITY DATA

City of Topeka

Disability Characterstics, 2018

Description	Topeka, KS	
		% of total in the category
With a Disability	18,058	15%
Under 19 years	1,026	4%
18-64 years	8,529	12%
Above 65 years	8,503	37%
Disability by Type		
With a Hearing Disability	5,752	5%
Under 19 years	151	1%
18-64 years	1,335	2%
Above 65 years	4,266	19%
With a Vision Disability	2,605	2%
Under 19 years	224	1%
18-64 years	1,213	2%
Above 65 years	1,168	5%
With a Cognitive Disability	6,953	6%
Under 19 years	875	4%
18-64 years	4,513	6%
Above 65 years	1,565	7%
With a Ambulatory Disability	9,022	8%
Under 19 years	130	1%
18-64 years	3,607	5%
Above 65 years	5,285	23%
With a Self-Care Disability	3,449	3%
Under 19 years	223	1%
18-64 years	1,647	2%
Above 65 years	1,579	7%
With a Independent Living Disability	5,946	6%
Under 19 years	n/a	n/a
18-64 years	2,851	4%
Above 65 years	3,095	13%

Source: ACS S1810

HOUSING PROBLEM

City of Topeka

Housing Issues Data

Description	Owner	Renter	Total
Topeka Income Distribution Overview			
Household Income <=30% HAMFI	2,150	6,090	8,240
Household Income >30% to <=50% HAMFI	2,865	4,720	7,585
Household Income >50% to <=80% HAMFI	5,165	5,250	10,415
Household Income >80% to <=100% HAMFI	3,775	2,455	6,230
Household Income >100% HAMFI	15,705	4,545	20,250
Total	29,660	23,065	52,725
Topeka Housing Problems Overview			
Household has at least 1 of 4 housing problems	5,370	10,825	16,195
Household has none of 4 housing problems	24,165	11,850	36,015
Cost Burden not available - no other problems	130	385	515
Total	29,660	23,065	52,725
Topeka Severe Housing Problems Overview			
Household has at least 1 of 4 severe housing problems	2,325	5,725	8,050
Household has none of 4 severe housing problems	27,210	16,955	44,165
Cost Burden not available - no other problems	130	385	515
Total	29,660	23,065	52,725
Topeka Housing Cost Burden Overview			
Cost Burden <=30%	24,615	12,490	37,105
Cost Burden >30% to <=50%	3,160	5,290	8,450
Cost Burden >50%	1,750	4,890	6,640
Cost Burden not available	130	385	515
Total	29,660	23,065	52,725

Source: CHAS Data - ACS 2012-2016

1. The four housing problems are: incomplete kitchen facilities; incomplete plumbing facilities more than 1 person per room; and cost burden greater than 30%.

2. The four severe housing problems are: incomplete kitchen facilities; incomplete plumbing facilities; more than 1 person per room; and cost burden greater than 50%.

3. Cost burden is the ratio of housing costs to household income. For renters- housing cost is gross rent (contract rent plus utilities). For owners- housing cost is "select monthly owner costs" which includes mortgage payment; utilities; association fees; insurance; and real estate taxes.

HOUSING UNIT OVERVIEW

City, County, MSA, Kansas, USA

Housing Unit Overview

Description	Topeka, KS	Shawnee County	MSA	Kansas	USA
Total Housing Units (2019)	60,336	80,444	105,707	1,290,185	140,954,564
Total Housing Units (2010)	59,583	79,140	103,809	1,233,215	131,704,730
Net Change	753	1,304	1,898	56,970	9,249,834
% Change	1.3%	1.6%	1.8%	4.6%	7.0%
Occupied Housing Units (2019)	53,720	72,970	95,109	1,154,432	125,168,557
Occupancy Rate	89%	91%	90%	89%	89%
Vacancy Rate	11%	9%	10%	11%	11%
Total Vacant Units	5,891	6,780	9,535	121,469	14,018,075
Housing Units by Units in Structure (2013-2017)					
1, Detached	66%	72%	74%	73%	62%
1, Attached	4%	4%	3%	5%	6%
2 to 4 Unit	7%	6%	5%	6%	8%
Smaller-scale Multi-family (5-19 units)	10%	8%	7%	8%	9%
Larger-scale Multi-family (20+ units)	10%	8%	7%	5%	9%
Households by Household Type (2013 - 2017)					
Family Households	57%	62%	64%	65%	66%
Non-Family Households	43%	38%	36%	35%	34%
Median Housing Value (2019)	$117,000	$146,000	$146,000	$159,000	$234,000

Source: ESRI 2019

HOUSING UNIT OVERVIEW (cont.)

Focus Areas

Housing Unit Overview

Description	Central Topeka	East Topeka	North Topeka	SW Topeka	Westboro	Hi-Crest	Shunga Park	New Build
Total Housing Units (2019)	4,601	634	1,895	1,726	1,777	1,400	346	595
Total Housing Units (2010)	4,507	626	1,891	1,715	1,774	1,400	346	485
Net Change	94	8	4	11	3	0	0	110
% Change	2.1%	1.3%	0.2%	0.6%	0.2%	0.0%	0.0%	22.7%
Occupied Housing Units (2019)	3,656	526	1,613	1,608	1,627	1,172	324	578
Occupancy Rate	79%	83%	85%	93%	92%	84%	94%	97%
Vacancy Rate	21%	17%	15%	7%	8%	16%	6%	3%
Total Vacant Units	751	90	240	110	137	191	21	17
Housing Units by Units in Structure (2013-2017)								
1, Detached	48%	81%	72%	94%	97%	93%	98%	85%
1, Attached	1%	1%	1%	1%	0%	1%	0%	7%
2 to 4 Unit	15%	5%	4%	1%	2%	0%	2%	0%
Smaller-scale Multi-family (5-19 units)	14%	11%	5%	3%	1%	0%	0%	0%
Larger-scale Multi-family (20+ units)	23%	2%	2%	1%	0%	0%	0%	7%
Households by Household Type (2013 - 2017)								
Family Households	44%	72%	55%	59%	59%	72%	70%	81%
Non-Family Households	56%	28%	45%	41%	41%	28%	30%	19%
Median Housing Value (2019)	$75,000	$34,000	$69,000	$102,000	$139,000	$63,000	$195,000	$279,000

Source: ESRI 2019

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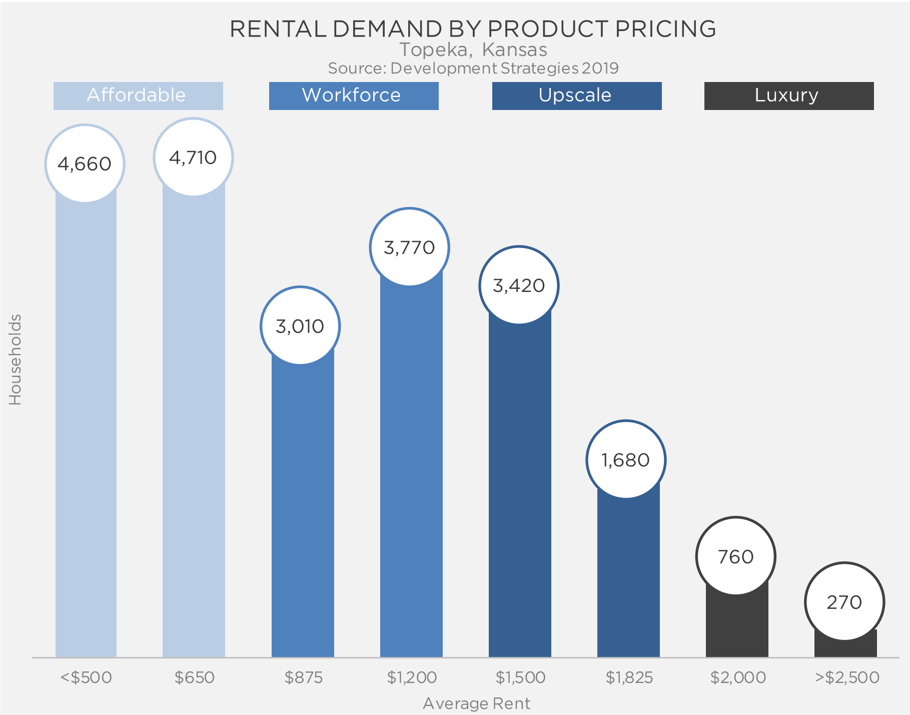
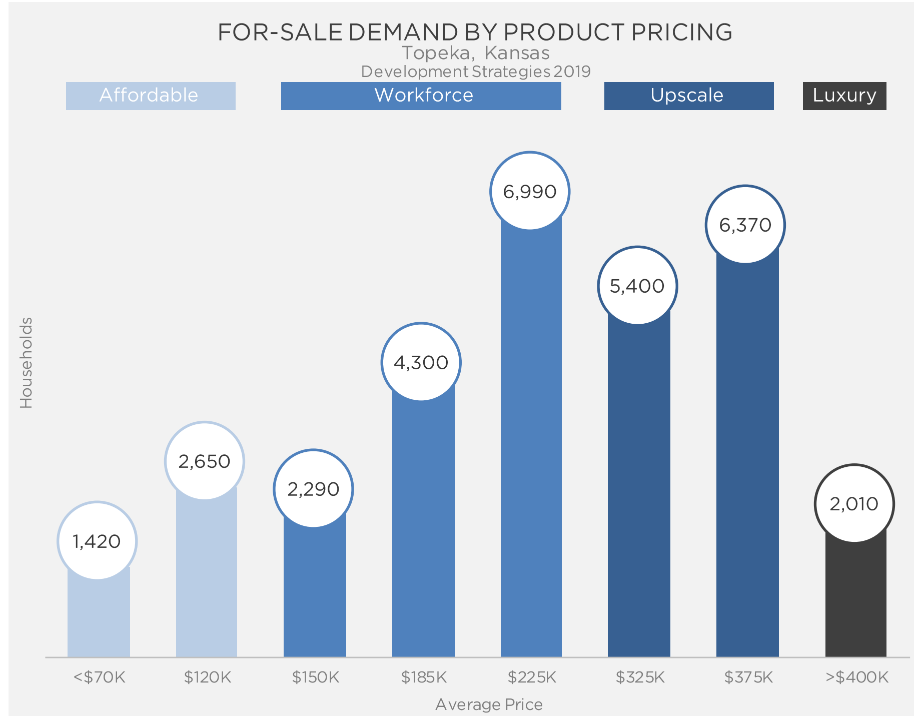
CONVENTIONAL RENTAL & FOR-SALE DEMAND





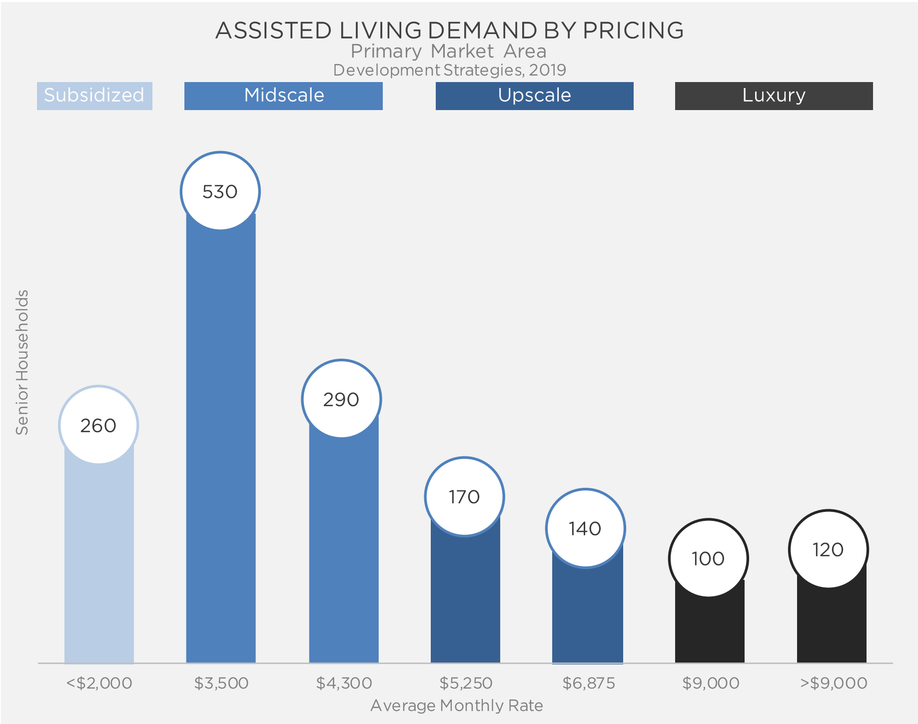
TAPESTRY DEMAND

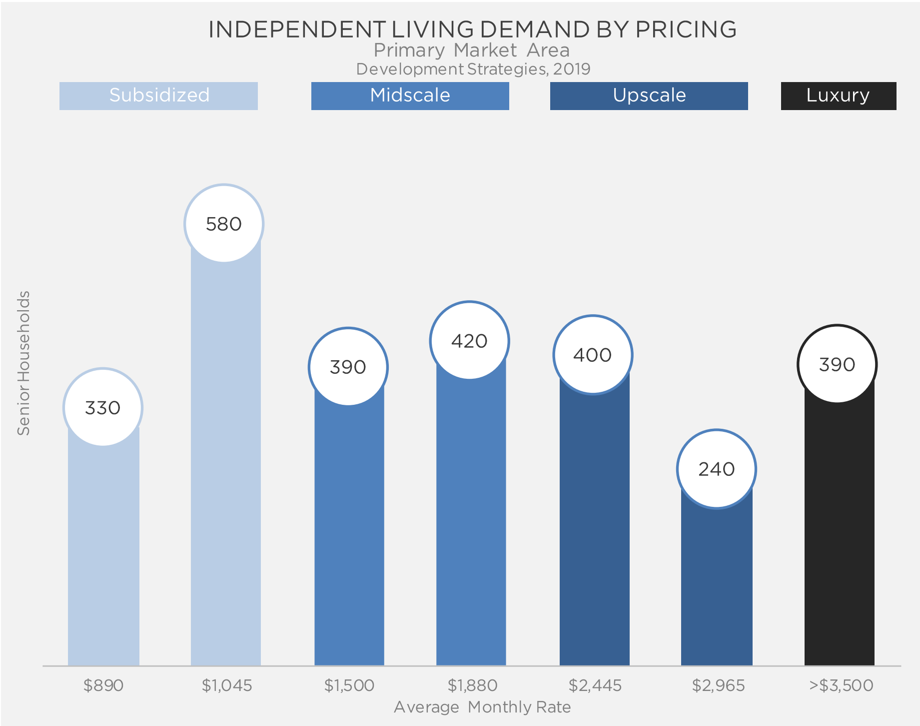
Target Market Segment Methodology - Implied Product Pricing (City of Topeka)

Tapestry Group/Segment	Total Households	Implied Owner Households	Units Captured	Implied Average Price	Implied Renter Households	Units Captured	Implied Average Rent
	19,886	12,379		$110,000	7,507		$1,360
Old & Newcomers	9,856	4,435	44	$170,000	5,421	54	$1,120
Traditional Living	5,498	3,244	162	$130,000	2,254	113	$850
Hardscrabble Road	4,532	1,813	544	$120,000	2,719	816	$820
Rustbelt Traditions	4,066	2,887	87	$200,000	1,179	35	$1,300

Sources: ESRI, Development Strategies 2016

SENIOR DEMAND



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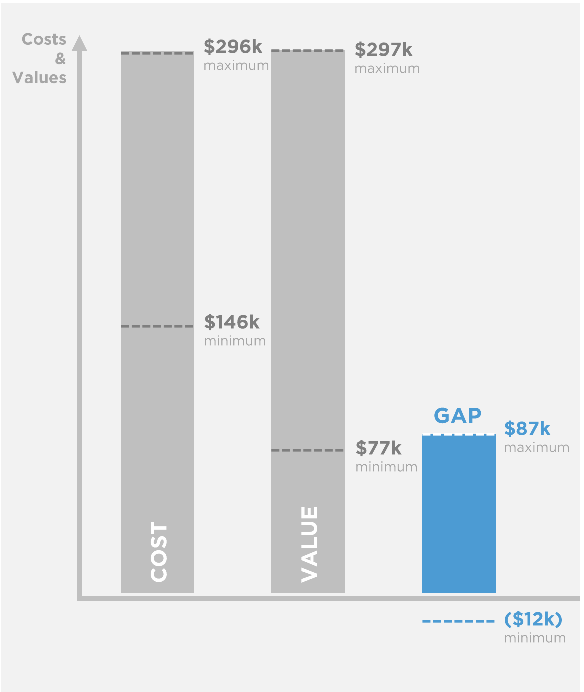
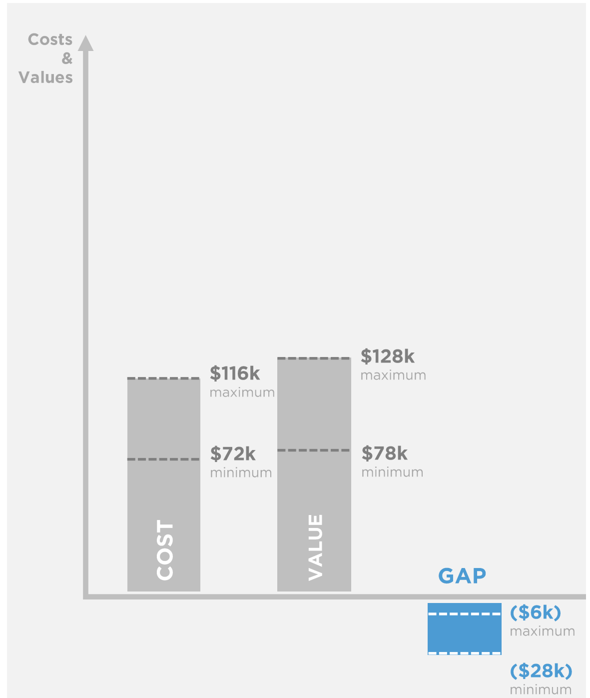
SINGLE-FAMILY FEASIBILITY



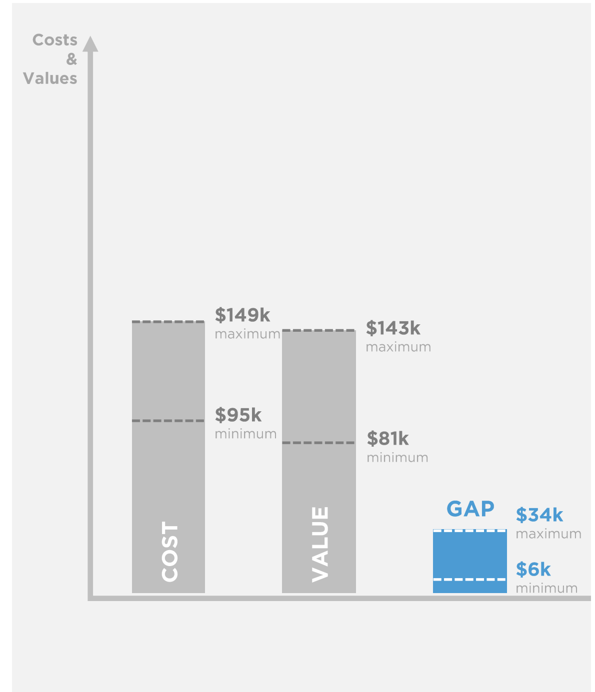
New Construction

	Cost	Value	Gap/ (Equity)
North Topeka	$190,600	$118,800	$71,900
Central Topeka	$230,800	$180,000	$50,800
East Topeka	$152,400	$77,800	$74,600
Hi-Crest	$145,900	$77,000	$68,900
Westboro	$286,200	$212,900	$73,300
SW Topeka	$159,100	$121,700	$37,500
Knollwood	$296,100	$209,000	$87,100
New Build	$284,600	$297,000	($12,400)



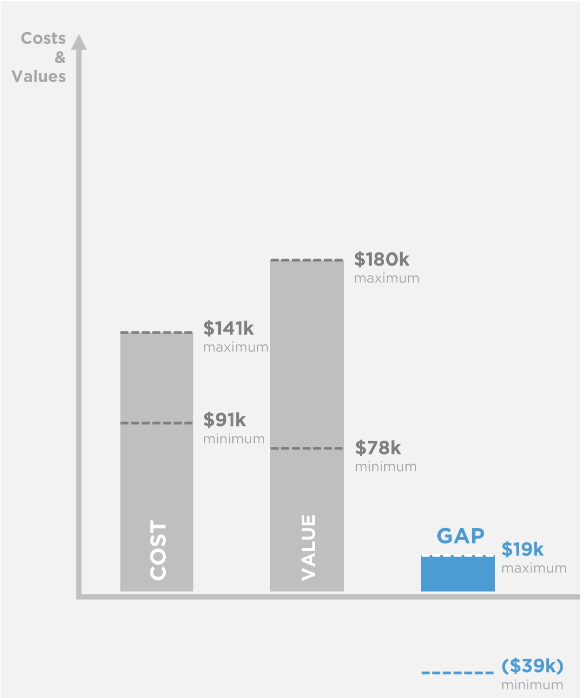
Renovation – Low

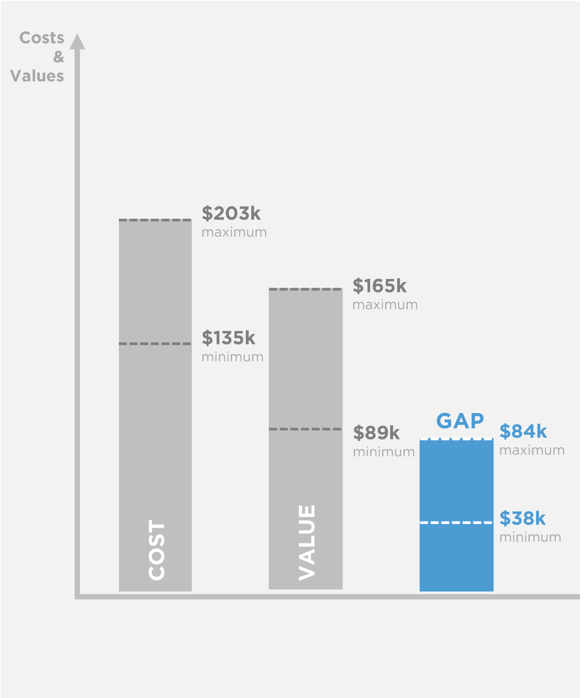
	Cost	Value	Gap/ (Equity)
North Topeka	$90,800	$118,800	($28,000)
Central Topeka	$115,500	$127,500	($12,000)
East Topeka	$71,600	$77,800	($6,200)
Hi-Crest	$84,700	$98,000	($13,300)



Renovation – High

	Cost	Value	Gap/ (Equity)
North Topeka	$118,300	$100,000	$18,300
Central Topeka	$148,500	$142,500	$6,000
East Topeka	$94,700	$81,900	$12,800
Hi-Crest	$115,500	$81,200	$34,300





Rehabilitation – Low	Cost	Value	Gap/ (Equity)
North Topeka	$113,000	$118,800	($5,800)
Central Topeka	$140,700	$180,000	($39,300)
East Topeka	$91,400	$77,800	$13,600
Hi-Crest	$117,100	$98,000	$19,100

Rehabilitation – High	Cost	Value	Gap/ (Equity)
North Topeka	$165,000	$112,500	$52,500
Central Topeka	$203,400	$165,000	$38,400
East Topeka	$134,800	$89,300	$45,600
Hi-Crest	$174,700	$91,000	$83,700

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SUMMARY

Organization	*Housing Programs*	*Target Population-AMI Levels*	*Organizational Funding (Source)*
Affordable Housing Provider			
Cornerstone of Topeka Inc.	Long-term affordable housing including single-family homes, duplexes and quaduplexes; transitional housing for homeless families	30%, 50%, 60% and 80%	$1,039,932 (Donations, grants for Kansas Housing Resources Corporation and Topeka Department of Housing, Rents from properties)
Habitat for Humanity of Topeka	Affordable single-family homes; home repair; financial literacy; home maintenance training; tool lending	Low/medium income	$906,462 (Donations, community sponsors)
Community Action Inc.	Affordable housing program; weatherization resources; utility payment assistance	Low income	$5,224,517 (HOME; Federal Affordable Housing Program; LIHTC; Donations; Grants)
Veteran's Administration	Housing vouchers for homeless veterans; high-quality health care for veterans	Low income veterans	(Donations; Government funding)
Topeka Housing Authority	Affordable and Section 8 housing	THA housing for 80% AMI; Section 8 for 50% AMI	(HUD grants)
Pioneer Group	LIHTC development; neighborhood redevelopment	Low/moderate income	(LIHTC)
Banking and Finance			
U.S. Bank	Home grants for housing related non-profits; 'Community Possible' grant program supports causes that create stable jobs, better homes and vibrant communities.	All income groups	-
Federal Home Loan Bank	Housing grant program; down payment assistance; below market-rate loans for commercial development, community and economic initiatives	All income groups	$12,129,800 approved in grant awards in 2019

Organization	*Housing Programs*	*Target Population-AMI Levels*	*Organizational Funding (Source)*
Chamber of Commerce			
Greater Topeka Partnership	Long-term affordable housing including single-family homes, duplexes and quaduplexes; transitional housing for homeless families	30%, 50%, 60% and 80%	$879,989 (Donations, grants)
City			
City of Topeka	Home Buyer Assistance Program - helps Topeka residents become homeowners; provides education, financing, and home rehabilitation; partners with Housing Credit and Counseling Inc.	People buying home within Topeka city limits	Up to $30,000 for low-income buyers for rehabilitation of their newly acquired property. 50% of the loan is forgivable after 7 years of living in the home
City of Topeka	Housing Rehabilitation Program - assists with home repairs for low-income homeowners; The Emergency Home Repair Program - assists with repairs to bring homes of low-income homeowners up to code	People buying home within Topeka city limits; household income 60% or less than the Topeka area median family income (MFI)	Up to $30,000 in grant funding for home rehabilitation. 50% of the loan is forgivable after 7years of living in the home (CDBG, HOME grants, City of Topeka General Fund)
City of Topeka	Shelter Plus Care Program - provides rental assistance to homeless persons with disabilities, primarily those with severe mental illness, chronic problems with alcohol and/ or drugs	People suffering from a severe disability	-
City of Topeka	Hearth Emergency Solutions Grant (HESG) - funds may be used for homeless prevention; rapid rehousing; shelter operations	Homeless	-

SUMMARY (CONTINUED)

Organization	*Housing Programs*	*Target Population-AMI Levels*	*Organizational Funding (Source)*
Non-Profit			
Topeka JUMP	Helping City of Topeka in creating Affordable Housing Trust Fund; helps marginalized groups in fields like predatory lending, public transportation, and mental health	Low-income/ workforce	$170,420 (Donations)
SENT Topeka	Purchases and repairs homes in challenged neighborhoods; partners with Christ First counselling center	Low-income	-
Housing and Credit Counselling	Topeka Opportunity to Own Program (TOTO) and HCCI DPA Program; Down payment/ closing costs assistance for homebuyers; counselling on tenant/ landlord rights; credit/ finance counselling	Below 80% AMI	$840,322 (Donations, government grants)
Philanthropy			
Catholic Charities of Northeast Kansas	Utility payment assistance; homeless shelter; food pantries	Low-income	$24,931,737 (Donations, Grants, United Way)
Social Services			
Doorstep	Rent payment assistance; gas vouchers/ bus tickets; utility payment assistance	People in need of short-term assistance	$442,453 (Donations, Grants)
Valeo Behavioral Healthcare	Helps with coordination of homeless services; counselling; psychotherapy; diagnosis for people with mental illness and substance abuse disorder	All income groups	$21,532,441 (Donations, federal grants, funding from City and County)
Topeka Rescue Mission Ministries	Operates homeless shelter; rehousing	Low-income/in extreme poverty	$4,601,406 (Donations, Grants)
State of Kansas			
Kansas Housing Resources Corporation	Down payments for homebuyers; rent assistance and security deposits for renters; improves homeless shelters; helps with rapid rehousing	Homeless, low/moderate-income	(Federal HOME funds, HUD)


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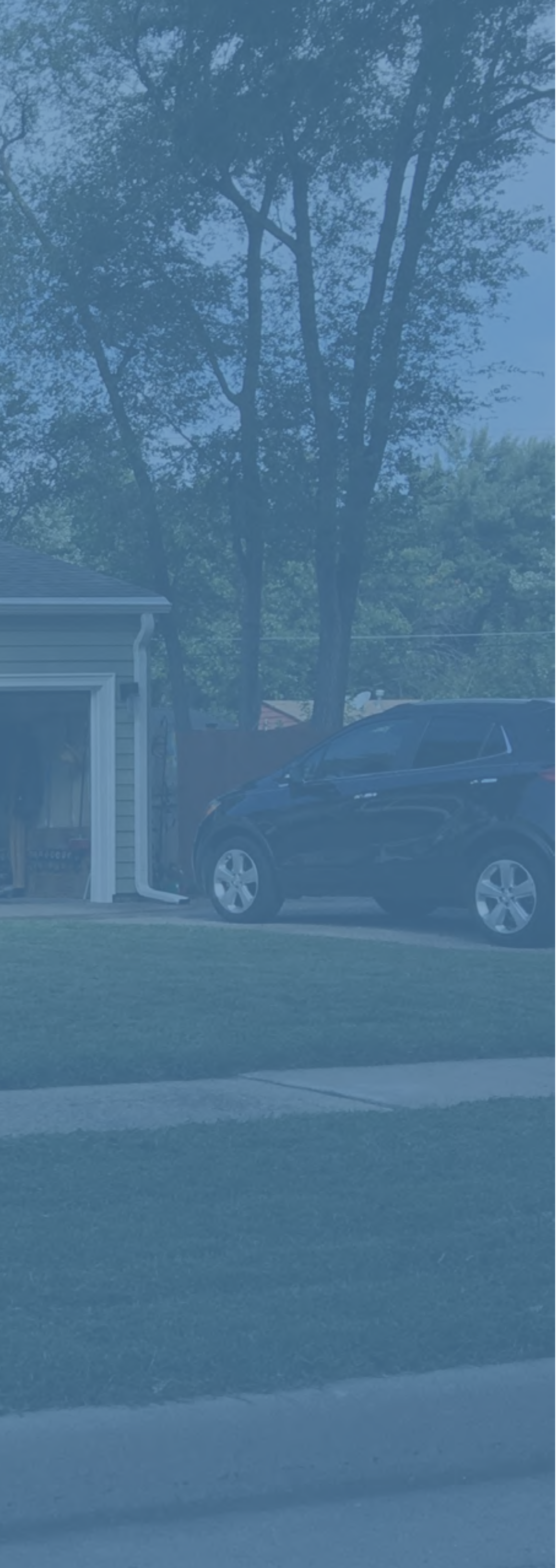

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SUMMARY

Organization	*Overview*	*Key Efforts*
Community Development Corporations		
Community Development Corporations (CDCs) are nonprofit, community-based organizations focused on revitalizing the areas in which they are located, typically low-income, underserved neighborhoods that have experienced significant disinvestment. While they are most commonly celebrated for developing affordable housing, they are usually involved in a range of initiatives critical to community health such as economic development, sanitation, streetscaping, and neighborhood planning projects, and oftentimes even provide education and social services to neighborhood residents. *CDCs play a critical role in building community wealth for several key reasons:* *-They anchor capital in communities by developing residential and commercial property, ranging from affordable housing to shopping centers and even businesses.* *-At least one-third of a CDC's board is typically composed of community residents, allowing for the possibility of direct, grass-roots participation in decision-making.* *-CDCs' work to enhance community conditions oftentimes involves neighborhood organizing, a process critical for empowering residents and gaining political power.* Source: Community-wealth.org		
Atlanta Neighborhood Development Partnership Source: andpi.org	Founded in 1991 and certified as a CDFI in 1998, the Atlanta Neighborhood Development Partnership (ANDP) works to promote, create, and preserve mixed-income communities and the equitable distribution of affordable housing throughout the metropolitan Atlanta region.	Through its loan fund, it has provided $36 million in financing to nonprofit and for-profit housing developers, supporting nearly $270 million in housing projects. These efforts have resulted in: 1,000+ Homebuyers connected to down payment assistance •5,689 units of housing financed through our loan fund •11,355 homes created through development and financing •28,387 Atlantans provided with affordable rental and homeownership
Southeast Neighborhood Development, Inc. (SEND) Source: sendcdc.org	SEND is a non-profit community development corporation created by residents to revitalize the near southeast side of Indianapolis and to enhance the quality of life of its diverse spectrum of residents.	To date, SEND has: •Transformed more than 130 deteriorated and vacant houses into affordable homes. •Repaired more than 400 homes to make them safer and more energy efficient for the homeowners, some of whom have been in their homes for over 50 years. •Developed 135 affordable apartments for residents ranging from senior citizens, to families, to artists. •Renovated and leased more than 150,000 square feet of commercial space. •Helped train more than 300 youth to help rebuild their community. •Created or improved six parks and planted hundreds of trees along roads throughout the neighborhood.

Organization	*Overview*	*Key Efforts*
Community Development Corporations		
Cincinnati Center City Development Corporation (3CDC)	Formed in July, 2003, Cincinnati Center City Development Corporation (3CDC) is a private, non-profit real-estate development and finance organization focused on strategically revitalizing Cincinnati's downtown urban core in partnership with the City of Cincinnati and the Cincinnati corporate community. Its work is specifically focused on the central business district and in the Over-the-Rhine (OTR) neighborhood.	In 2004, 3CDC accepted responsibility for overseeing Cincinnati New Markets Fund and Cincinnati Equity Fund. These loan funds are geared toward downtown redevelopment and spurring economic development in distressed and struggling neighborhoods. Today those funds total over $250 million and have resulted in over $1.3 billion invested in downtown and Over-the-Rhine real estate projects.

Source: 3cdc.org

SUMMARY (CONTINUED)

Organization	*Overview*	*Salient Features*
Rental Occupancy Permit Programs		
Lawrence, KS	The Rental Licensing and Inspection Program requires interior and exterior inspections of dwelling units to ensure minimum code standards are met to protect the life, health, safety and the general welfare of occupants. Effective January 1, 2015, all rental properties in Lawrence are required to maintain a valid rental license in compliance with City Ordinance 9110, as amended on October 2, 2018. Website: https://lawrenceks.org/pds/rental-licensing/	Dwelling units are inspected following a 3-year cycle, on a periodic schedule based on 10% of all dwelling units owned by a landlord. In absence of a required inspection by the City, tenants are advised to work with their landlord to address maintenance issues that need to be corrected. If these issues remain, tenants can request an inspection of their dwelling unit at any time. Tenants have the right to refuse consent to inspect, however, the city may seek an administrative search warrant or other lawful means by which to complete the inspection. Annual Budget, 2019: $326,046 Fees: Yearly •1-50 Dwelling units: $17 per Dwelling unit •51-100 Dwelling units: $850 or $16 per Dwelling unit, whichever amount is more •101-150 Dwelling units: $1,600 or $15 per Dwelling unit, whichever amount is more •151+ Dwelling units: $2,250 or $14 per Dwelling unit, whichever amount is more

Organization	Overview	Salient Features
Rental Occupancy Permit Programs		
Kansas City KS	The objective of the Rental License/ Inspection division while conducting interior inspections is to ensure the life, health and safety of the resident(s). The purpose of exterior inspections is to ensure the life, health and safety of the tenant(s) and neighboring community as well as improve the aesthetics of the neighborhoods. In the past the Rental Licensing/ Inspection division primarily dealt with the landlord to schedule and allow inspections. Since the Kansas state law has been changed, the right to allow or refuse an interior inspection of occupied rental property is in the hands of the tenant. More Information: https://www.wycokck.org/WycoKCK/media/Neighborhood-Resource-Center/Documents/Landlord-Brochure.pdf	All residential rental property in Kansas City, Kansas are required to be licensed. The license year runs from May 1st through April 30th. Once licensed, we mail renewals each April. Rental licenses are non transferable, a license is required for each rental unit that you own. If the owner of record resides outside of the Kansas City metropolitan area, they must provide a Registered Agent to the Rental License/Inspection division. Fee: Yearly, $32 for a building and $23 for each unit
Overland Park, KS	This program began in July 2017, when the city's community services division identified all potential rental properties in the city. It is an exterior-only inspection program. All property owners who rent their properties out should now have a valid rental license. Website: https://www.opkansas.org/city-services/permits-licenses-inspections-directory/rental-licensing-inspection/	The rental license program runs on a two-year cycle. Each rental property is inspected and permitted once during a two-year period, unless additional inspections are required. Rental permits expire in the same month they were issued, two years after they were issued. Fee: Yearly, $120 per building