Housing Market Analysis

City of Lawrence

DRAFT REPORT

Draft Report

August 30, 2018

Housing Market Analysis

Prepared for

City of Lawrence
City Manager's Office
Planning & Development
https://lawrenceks.org/

Prepared by

BBC Research & Consulting
Housing and Community Development
1999 Broadway, Suite 2200
Denver, Colorado 80202-9750
303.321.2547 fax 303.399.0448
www.bbcresearch.com

BBC RESEARCH & CONSULTING

Table of Contents

Executive Summary

Lawrence Housing Market Analysis

EXECUTIVE SUMMARY

In late 2017, the City of Lawrence contracted with BBC Research & Consulting (BBC) to conduct a Housing Market Analysis. The primary purpose of the housing study was to conduct a Comprehensive Housing Market Study, updating and expanding the scope of the 2005 CHAT (Community Housing Assessment Team) Report to identify housing needs in the city, and to inform the allocation of the city's new Affordable Housing Trust Fund.

This study is a critical policy document because it serves as a housing needs assessment for the City and stakeholders providing an analysis of household affordability throughout all population segments of the community. The study highlights expected demographic trends, future demands for housing, regulations, and obstacles preventing the market from effectively responding to this demand, and an inventory of the assets and programs currently available to help the community address these challenges.

This Executive Summary presents the findings from that study. It begins with a discussion about why housing needs exist—and the benefits of addressing needs.

Why Work to Address Housing Needs?

Housing markets are complex, largely because a wide variety of factors influence pricing.

For example, the cost of housing is dependent upon

- Interest rates, which fluctuate with global economic conditions;
- Corporate tax rates, which incentivize investors to participate in affordable housing developments;
- The costs of labor and materials required to build housing; and
- Demographic shifts, which determine housing demand.

Unlike many goods, which can quickly adjust to changes in market demand, the physical development of housing (supply) lags behind the factors that create demand. Housing development, therefore, is slow to react to needs.

Addressing housing needs is a lot of work. Yet the return on the housing investments can be significant for the public, as well as the private, sector. Recent studies have found consistent, long-term benefits (and lower public sector costs) for children who live in stable housing environments. Housing is also a critical element of community culture and identity, an important tool for local economic development.

Last, but not least, reducing housing costs provides households additional discretionary income to invest in local communities—saving for retirement, patronizing restaurants, providing their children with educational enrichment, and recreating. More than half of residents in Lawrence said they cut back on entertainment and going out to manage housing costs. Lawrence residents with $300 more to spend per month said they would:

- Save more (46%);
- Reduce debt (18%);
- Go out more locally (15%);
- Food/improve how we eat (15%);
- Take a vacation/travel (13%);
- Make house repairs/improvements/décor (11%); and
- Buy a car (10%).

Organization of Housing Market Analysis

The Lawrence Housing Market Study is organized around the following sections:

- **Section I. Demographic Profile** provides a general overview of the demographic and economic environment to set the context for the housing market analysis.

- **Section II. Housing Profile and Market Analysis** provides an analysis of Lawrence's housing market including a discussion of housing stock, trends in the owner and rental markets, and an analysis of affordability. The section concludes with a gaps analysis to examine mismatches in supply and demand of housing.

- **Section III. Community Input** describes the findings from the public participation component of the housing study, which included surveys of residents, students, employers and property owners; focus groups with community stakeholders; and presentations to the public, the Affordable Housing Advisory Board, and City Commissioners. More than 3,000 residents participated in community engagement opportunities. The public input process was designed to assess community culture and community perceptions of housing issues.

- **Section IV. Findings and Recommendations** summarizes housing needs and the resources available to address needs. It concludes with recommendations for allocating resources and a "dashboard" for monitoring impact.

Key Findings from the Housing Market Analysis

Demographic shifts

- Lawrence's K-12, college student, and 35-44 year old cohorts have grown in the past 20 years. Shifting age cohorts suggest a pattern where students leave the city after graduation, perhaps to find employment in larger cities, resulting in an out-migration of young adults. Consistent with national trends, the city's Baby Boomers have aged into senior age cohorts.

- The city's growth between 2010 and 2020 is likely to replicate 1990 to 2000 in numbers. The city will have gained 14,000 residents by 2020.

- The most predictable future demographic change in Lawrence is the aging of younger seniors and stability in the number of middle age families. It is difficult to tell if young adults will continue to leave the city, given the dynamics of the current economy. More young adults may find ways to remain in the city (e.g., starting businesses, pursuing work from home employment), given its high desirability.

- Lawrence's income profile resembles that of similar cities with large universities, except for Boulder, Colorado which has shifted toward higher income residents as housing affordability has declined. Nineteen percent of Boulder's households earn more than $150,000, compared to Lawrence's 9 percent.

Market trends and affordability

- Rising prices have been most burdensome on renters, including low and moderate income renters who want to buy. Since 2000, the number of low income renters has declined, suggesting that renters have experienced slight income increases or left the city. Students have had a greater ability to adjust to rising rents due to family help.

- The private rental market in Lawrence largely serves renters earning between $25,000 and $50,000 per year: 65 percent of rental units are priced within that group's affordability range, with rents between $625 and $1,250 per month. Publicly subsidized housing provides the majority of the units affordable to households earning less than $20,000/year.

- Twenty-three percent of renters (about 4,500 households) living in Lawrence earn less than $15,000 per year. Another 1,900 renters earn between $15,000 and $20,000 per year. Of these, 5,272 cannot find rental units that are affordable (renting for less than $500 per month) and are cost burdened. [1] An estimated 2,500 of these renters are students.

- The ownership market is more strongly influenced by cash purchases today than in 2001. 2018 has lower inventory and homes spend far fewer days on the market before being sold.

- An estimated 2,300 renters would like to buy; these renters typically earn $35,000 to $75,000 per year and are employed. They have few units to choose from (fewer than 300 units), especially considering units that are bought with cash (accounting for non-cash purchases the inventory drops to just 100 units). Most of the for sale product these households could afford to buy is older and small—but on relatively large lots. Condos and townhomes offer other affordable options, but are less likely to offer long term equity gains.

Needs expressed by residents and stakeholders

- Extremely low income residents are almost twice as likely as higher income residents to rate their housing condition as fair or poor (29% v. 16%). Nearly half receive financial support from family/friends to pay for housing costs.

---

[1] The "shortage" shown in the gaps model for high income renters (earning more than $50,000 per year) suggests those renters are spending less than 30 percent of their income on housing—perhaps in order to save for a down payment on a home purchase

- 1 in 4 residents with disabilities live in housing that does not meet their accessibility needs. 1 in 3 are extremely low income. More than 1 in 10 live with family or friends due to a lack of affordable housing to rent. Affordable, accessible housing is extremely difficult to find.
- Seniors who rent applied for public assistance (29%), avoided medical treatment (29%), cut back on medication (24%), or got food from a food bank (24%), in order to afford housing costs. About 1 in 10 seniors overall worry they won't be able to stay in their home due to financial issues, health issues, or rent increases.
- 1 in 3 students receive financial support from family or others to pay housing costs and 1 in 3 sought additional employment, 13 percent used other debt/credit cards, 10 percent avoided medical treatment.
- Families with children are more likely to experience displacement due to rent/housing cost increases or high utility costs.
- Households with any type of special need have a very difficult time finding affordable housing. Products that are lacking in Lawrence include: housing and supportive services for persons with mental illnesses; affordable, accessible housing for persons with disabilities; and transitional housing for domestic violence survivors and youth aging out of foster care.

HOUSING NEEDS BY THE NUMBERS

Renters who cannot afford their current rentals, and who are cost-burdened		**5,200** households
Renters who want to buy and could be candidates for ownership		**2,000**
Families experiencing homelessness/at-risk of homelessness		**700**
Households with disabilities with accessibility modification needs		**500**
Renters with units in poor or fair condition		**2,950**
Owners with units in poor or fair condition		**500**
Subset of renters with needs, by resident type	Seniors	**2,000**
	Persons with disabilities	**1,500**
	Single mothers	**1,300**
	Students	**1,000**

Strategic Plan for Addressing Housing Needs

The Dashboard. The dashboard below depicts short-term and long-term indicators of success, and estimated project costs, based on the outcomes developed by the AHAB and current and future housing needs.

Dashboard to Monitor and Measure Success, City of Lawrence

Short term (1-5 years)	2019-2023	
1. Stabilize the rental gap for non-student renters earning < $25,000/year	**100**	new affordable rental units
2. Low and moderate income renters who want to become owners have more options for purchasing affordable units	**100**	more units are affordable to low and moderate income renters who are qualified to become owners
3. Persons with accessibility needs are able to get the improvements they need and/or find visitable and accessible housing	**25**	renter households that receive accessibility modifications annually
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**45**	tenant based rental assistance vouchers available annually
5. Residents living in housing in poor condition have improvements made	**70**	homes and apartments brought into good condition annually
Long term (5-10 years)	**2024-2028**	
1. Reduce the rental gap by 7.5% by adding new units affordable to non-student renters earning < $25,000/year	**500**	new affordable rental units
2. Low and moderate income renters who want to become owners have more options for purchasing affordable units	**200**	more units are affordable to low and moderate income renters who are qualified to become owners
3. Unit accessibility for persons with disabilities is increased through rehabilitation and creation of visitable housing	**25**	renter households that receive accessibility modifications annually
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**70**	tenant based rental assistance vouchers available annually
5. Residents living in housing in poor condition have improvements made	**70**	homes and apartments brought into good condition annually

Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

Roadmap for Addressing Needs. The "roadmap" presented below details how to achieve the measures of success depicted by the dashboard. It is organized by recommended year for action.

Roadmap to Meet Dashboard Goals, City of Lawrence

Dashboard Goals			
Short term (1-5 years)	**2020-2023**	**Target Population**	**Roadmap**
1. Stabilize the rental gap for non-student renters earning < $25,000/year by creating new deeply, permanently affordable rental units, Note: Affordable rentals could take a variety of forms, depending on the land and nature of the land or property (traditional public housing, transitional housing for victims of domestic violence, senior housing, cooperative housing, scattered site complexes). Ideally, housing for all vulnerable resident groups should have supportive services and foster community support.	**100** new affordable rental units renting for less than $500/month	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	**Step 1. Determine available land and property:** a. Inventory city land, especially under-utilized parcels such as parking lots, and determine appropriateness for new housing developments. b. Working with a local (preferably volunteer) commercial and residential real estate agent, inventory non-city owned and underutilized commercial and residential properties that could be purchased and converted to permanently affordable housing. **Step 2. Examine the sites** for potential residential development. Determine redevelopment costs and potential affordability mix (both rental and ownership housing, a mix of MFI levels, land trust and coop potential). **Step 3. Acquire land/property.** **Step 4. Issue an RFP** for a nonprofit or private partner to repurpose the land or property acquired by city or owned by the partner into permanent affordable housing, guided by the potential mix in Step 2. Assumes partner receives additional grants to offset construction costs of development.
2. Create more ownership options for low and moderate income renters who want to become owners	**150** more units are affordable to low and moderate income renters who are qualified to become owners, priced between $100,000 and $260,000	Residents, workforce, small households; 50-100% MFI renters who want to become owners	Could be achieved through several approaches: **1) Follow Roadmap for creating affordable units (above).** In that case, it is recommended that the for sale communities be a combination of land trust (deeply affordable), cooperative, and modified shared equity products. **2) Use density bonuses**, potentially through an overlay district, to create more value in land for private developers. Units created through density bonuses would likely be attached homes serving 80-100% MFI. **3) Long term:** Negotiate affordable for sale unit creation as part of annexations. The proportion may vary depending on the development proposed but should not be less than 10%.

Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

Roadmap to Meet Dashboard Goals, City of Lawrence (Continued)

Dashboard Goals: Short term (1-5 years)	Dashboard Goals: 2020-2023	Target Population	Roadmap
3. Persons with accessibility needs are able to get the improvements they need and/or find visitable and accessible housing	**25** rental households assisted with accessibility modifications (benchmark is 11 annually)	Persons with disabilities who desire to live independently; includes many types of disabilities, including cognitive and self care	**1) Increase number** of rental households with disabilities who receive grants from the city for accessibility improvements; **2) Consider enhancing this program** to provide additional rehabilitation and weatherization to private property owners who agree to keep units affordable for a period of time (10-15 years, depending on amount of grant); **3) Engage private sector developers** in a discussion about incentives to increase visitability in housing and consider implementing solutions
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**25** more vouchers available	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	**1) Increase TBRA** to supplement Section 8 program; buy down units in $625-$875 range. 2) Consider **creating an incentive fund** for property owners who agree to rent to voucher holders. This fund could cover the costs of damage, wear and tear, and weatherization improvements.
5. Residents living in housing in poor condition have improvements made	**70** number of homes and apartments brought into good condition (benchmark is 35 annually)	Residents living in substandard housing; includes persons with disabilities living in inaccessible housing	1) Increase funding for home modifications and weatherization. Fund with housing trust funds to increase grant effectiveness and overall funding by removing regulatory inefficiencies; Supplement with incentive programs proposed above. 2) Evaluate the CIty's current rental inspection sampling program, using guidance from the survey data in the Housing Needs Assessment, to ensure that the City's process has the ability to detect condition problems reported by residents. 3) Evaluate if energy codes and programs are adding unnecessary costs to housing payments.

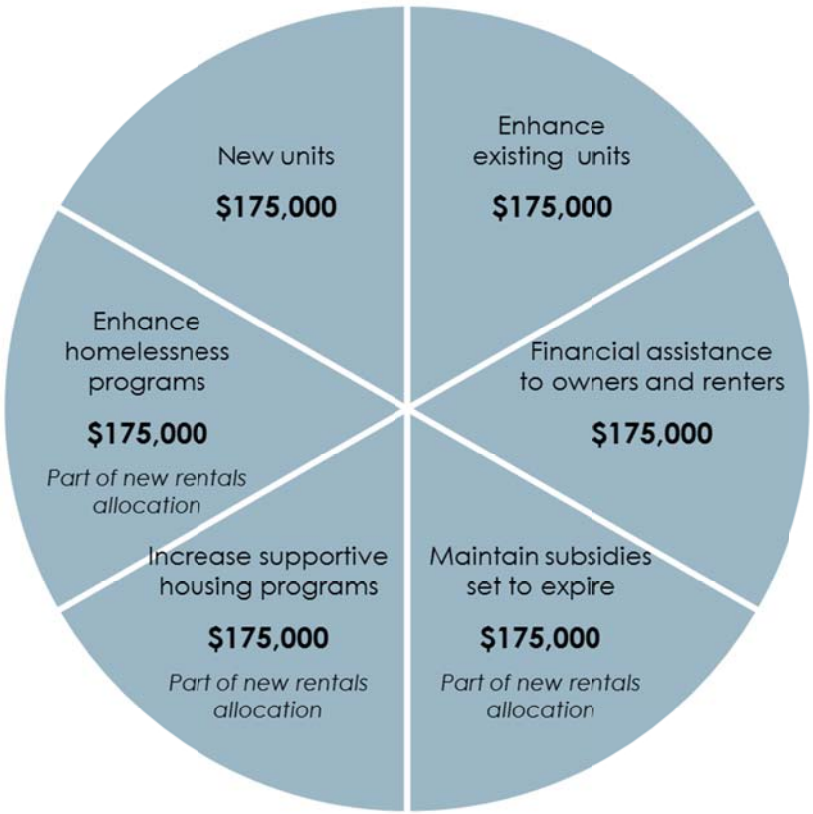
Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

Roadmap to Meet Dashboard Goals, City of Lawrence (Continued)

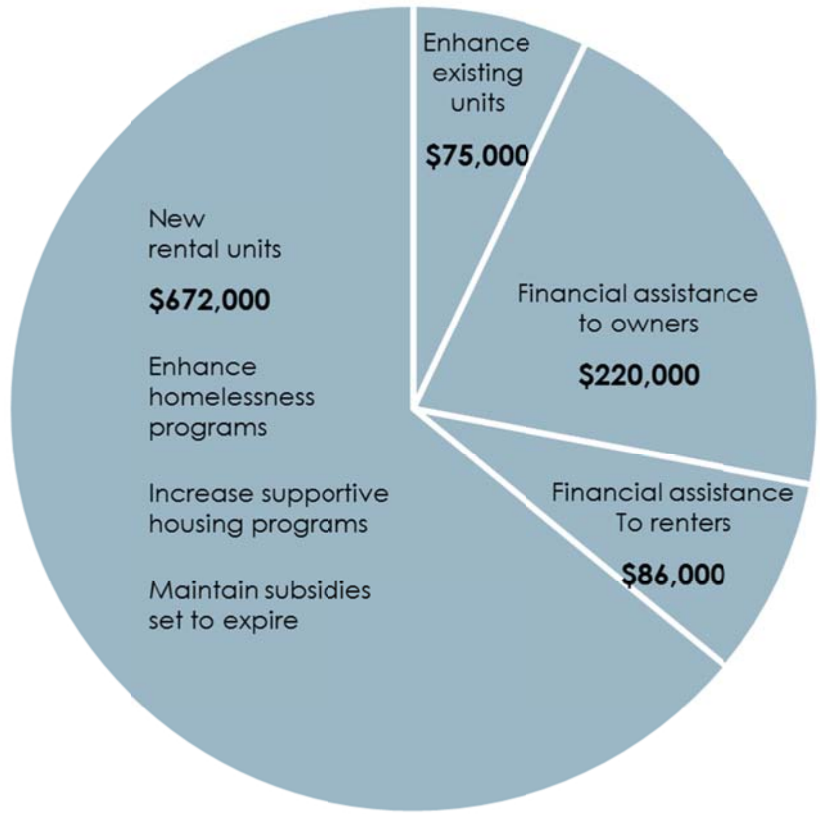
Dashboard Goals: Long term (5-10 years)	Dashboard Goals: 2024-2028		Target Population	Roadmap
1. Reduce the rental gap by 7.5% by adding new units affordable to non-student renters earning less than $25,000/year	**500**	new affordable rental units	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	
2. Low and moderate income renters who want to become owners have more options for purchasing affordable units	**200**	more units are affordable to low and moderate income renters who are qualified to become owners	Residents, workforce, small households; 50-100% MFI renters who want to become owners	
3. Unit accessibility for persons with disabilities is increased through rehabilitation and creation of visitable housing	**25**	annual rental households that receive accessibility modifications (benchmark is 11 annually)	Persons with disabilities who desire to live independently; includes many types of disabilities, including cognitive and self care	
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**50**	more vouchers available	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	
5. Residents living in housing in poor condition have improvements made	**70**	number of homes and apartments brought into good condition (benchmark is 35 annually)	Residents living in substandard housing; includes persons with disabilities living in inaccessible housing	

Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

EQUAL DISTRIBUTION OF TRUST FUNDS AMONG HOUSING ACTIVITIES TO MEET NEEDS



PROPORTIONATE DISTRIBUTION BASED ON COSTS OF ACTIVITIES TO ACHIEVE DASHBOARD GOALS



Note: Enhance existing units includes activities of accessibility improvements, weatherization, and emergency loans.

Financial assistance includes vouchers and first time homebuyer assistance.

SECTION I.

Demographic and Economic Profile

SECTION I.
Demographic and Economic Profile

This section provides an overview of Lawrence's demographic and economic environment to set the context for the housing market analysis. The discussion is organized around population levels and trends, household diversity, and economic health.

Lawrence Demographic Profile

Similar to national trends, Kansas has experienced a population shift toward more urban areas of the state. In 2016, more people moved into Douglas County than moved away—particularly college-aged adults. Lawrence's diverse economy and large student population play important roles in its growth. The County is projected to grow at a steady rate over the next few decades and as people continue to seek out more affordable urban areas, Lawrence will likely grow at a similar rate, if not faster. These trends and other defining characteristics of the city are explored in this section.

Population. According to Lawrence's Planning and Development Services Department, the city's population increased by more than 10,000 people since 2010—the most recent population estimate was 99,496.

Figure I-1 shows the population trends for Lawrence, Douglas County, and nearby Kansas City MSA. The city has grown modestly in the last 20 years, with an average growth rate of 1.5 percent. Lawrence experienced slightly higher growth compared to the Kansas City MSA overall.

Figure I-1.
Population Trends, City of Lawrence, Douglas County, and Kansas City MSA, 1990, 2000, 2010, and 2017

	1990	2000	2010	2017	Total Growth (1990 to 2017)	Compound Annual Growth Rate (1990-2017)
Kansas City, MO	435,146	441,545	459,787	488,943	53,797	0.4%
Lawrence, KS	65,608	80,098	87,643	96,892	31,284	1.5%
Manhattan, KS	37,712	44,831	52,281	54,832	17,120	1.4%
Topeka, KS	119,883	122,377	127,473	126,587	6,704	0.2%
Wichita, KS	304,011	344,284	382,368	390,591	86,580	0.9%
Dougle County, KS	81,798	99,962	110,826	120,793	38,995	1.5%
Kansas City MSA	1,566,280	1,776,062	2,009,342	2,128,912	562,632	1.1%

Source: 1990, 2000, and 2010 U.S. Census, 2017 Population Estimates, and City of Lawrence Planning and Development Services.

Full time students. Lawrence is home to the University of Kansas (KU) and Haskell Indian Nations University (HINU)—both of which influence the city's population. Residents associated with these institutions may not be included in population totals because it is unclear how many of these students claim Lawrence residency in the Census. KU's 2017 enrollment for fall semester reached 24,891 and HINU enrolls about 1,000 students per semester. Enrolled students comprise roughly one quarter of the residents in Lawrence.

More than half of the enrolled students at KU moved from within Kansas, while the remaining students moved from other states or countries (almost 10 percent of KU students are international). Twenty percent of KU students live on-campus and the other 20,000 students live off-campus. Students play a key role in the city's demographic makeup, as well as the housing market. Section II will examine housing trends in more detail of students and other residents living in Lawrence.

Migration. During 2015, more people moved into Douglas County than moved out. The County gained nearly 1,500 individuals from other Kansas counties and lost almost 1,000 individuals to other states. The majority of residents moving into Douglas county came from Sedgwick County (i.e. Wichita), followed by Texas, New York, and California.

Some in-migration is attributed to enrollment at KU and HINU. According to KU's Office of Institutional Research & Planning, over 10,000 students moved from other states or countries.

KU is also the largest employer in Lawrence and employs over 2,800 faculty members. Combined with the city's diverse economy, the universities attract many young adults and families.

Figure I-2 examines annual in-migration into Lawrence by age for 2016. As shown, much of the city's annual in-migration is attributed to the college age and young adult populations who are likely enrolled at KU.

Figure I-2.
Residents by Age Moving into Lawrence from Outside Douglas County, Lawrence, 2016

Note:

This includes residents that moved from outside the county, state, or the U.S.

Source:

2016 ACS 5-year estimate.

Age Cohort	Total
Infants and toddlers (0 to 4)	3%
School aged children (5 to 17)	5%
College aged adults (18 to 24)	64%
Young adults (25 to 44)	19%
Baby boomers (45 to 64)	6%
Seniors (65 and olders)	3%
	100%

According to the 2016 United Van Lines Movers Study, the top reason people moved to and away from Kansas was for a job, followed by family. Inbound movers were most likely to make between $100,000 and $150,000 and outbound movers were most likely to make over $150,000.

Age. College students and young adults comprise the majority of residents in Lawrence, but are not the fastest growing age cohorts. Figure I-3 compares the age distribution of Lawrence residents since 2000.

The largest growth in population occurred in school aged children and seniors.

Figure I-3.
Age Trends, Lawrence, 2000, 2010, and 2016

Source:

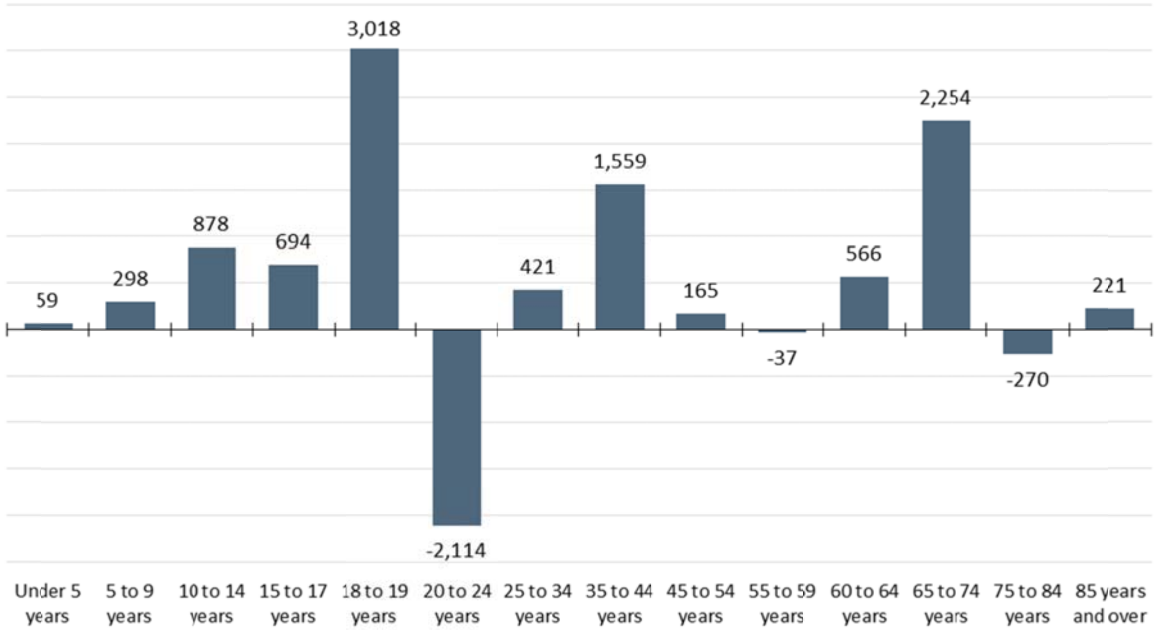
2000 and 2010 U.S. Census, 2016 1-year ACS, and BBC Research & Consulting.

	2000	2010	2016	2010-2016 Percent Change
Infants and toddlers (0 to 4)	4,345	4,827	4,863	1%
School aged children (5 to 17)	10,526	10,549	12,396	18%
College aged adults (18 to 24)	24,569	25,108	26,032	4%
Young adults (25 to 44)	22,800	24,063	26,032	8%
Baby boomers (45 to 64)	12,103	16,110	16,782	4%
Seniors (65 and olders)	5,755	6,986	9,249	32%

Figure 1-4 presents the change in residents by age group from 2010 to 2016. As shown, the largest change in population occurred in residents aged 18 to 19, incoming freshman and sophomores, and 65 to 74.

Although Lawrence gained a large number of 18 to 19 year olds, the city also lost residents between 20 and 24, indicating that a large share of students do not stay in Lawrence after they graduate. It is likely that some Lawrence residents moved to the Kansas City MSA—which saw a 5 percent increase in 20 to 24 year old residents during the same time period.

Figure I-4.
Change in Population by Age, City of Lawrence, 2010 to 2016

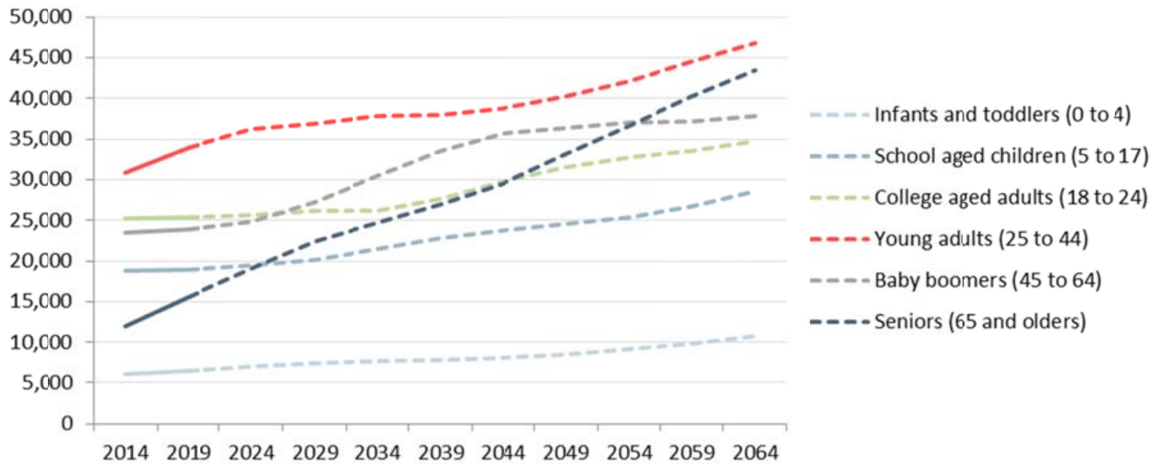


Source: 2010 U.S. Census, 2016 1-year ACS, and BBC Research & Consulting.

Projections. The Center for Economic Development and Business Research (CEDBR) provides population projections for Douglas County through 2064. Over the next 50 years, the County is projected to have over 200,000 residents—an average annual growth rate of 1.2 percent.

Figure I-5 depicts population projections by age. Almost all age cohorts are projected to have slow or steady growth, except for seniors. Residents aged 65 and older will become the second largest age cohort.

Figure I-5.
Population Projection by Age, Douglas County, 2014 to 2064



Source: The Center for Economic Development and Business Research and BBC Research & Consulting.

As the city ages, accessible housing demand and needs will increase as age and disability are correlated. Seniors often require assistance with home maintenance and transportation to ensure they maintain a high quality of life while aging in place.

Household composition. Lawrence's household composition has remained relatively unchanged since 2000. As the population increased, each household type grew and their share of the total households changes slightly. The share of non-family households (e.g. students) increased by 2 percentage points.

Figure I-6.
Household Composition, City of Lawrence, 2000, 2010, and 2010

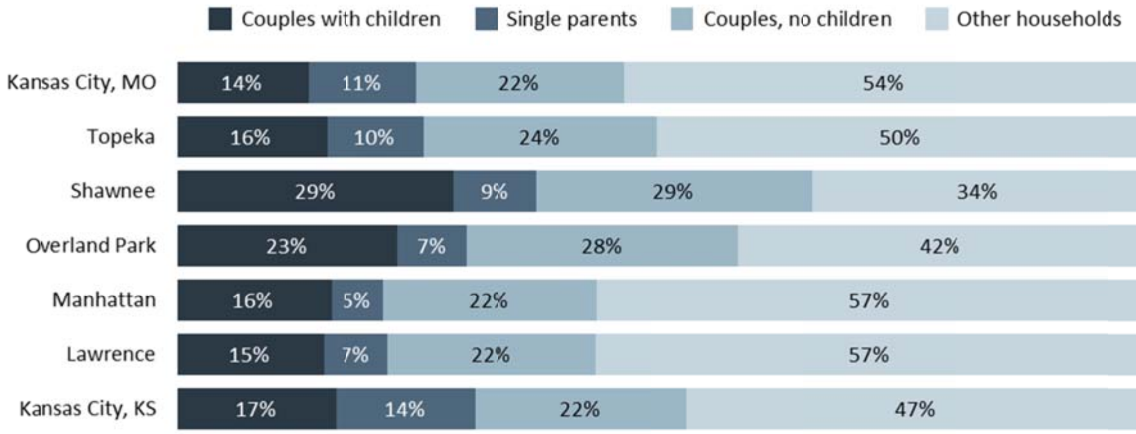
Source:

2000 and 2010 U.S. Census, 2016 1-year ACS, and BBC Research & Consulting.

	2000		2016	
	Number	% Total Households	Number	% Total Households
Family households	**15,944**	**51%**	**17,865**	**49%**
Husband and wife families	**12,414**	**39%**	**13,218**	**36%**
with children under 18	5,807	18%	6,049	17%
without children under 18	6,607	21%	7,169	20%
Male householder, no wife	**964**	**3%**	**1,111**	**3%**
with children under 18	476	2%	507	1%
without children under 18	488	2%	604	2%
Female householder, no husband	**2,566**	**8%**	**3,536**	**10%**
with children under 18	1,717	5%	2,039	6%
without children under 18	849	3%	1,497	4%
Non-family households	**15,491**	**49%**	**18,641**	**51%**
Total households	**31,435**		**36,506**	

Lawrence's overall household composition is similar to other towns hosting a major university. For example, 57 percent of Manhattan's (Kansas State University) households are non-family. Other nearby communities such as Kansas City KS, Overland Park, and Shawnee contain a larger proportion of family households than in Lawrence.

Figure I-7.
Household Composition by Place, 2016



Source: 2016 5-year ACS and BBC Research & Consulting.

Household size. The average size of Lawrence's households has changed somewhat in the last 10 years. In 2000, the average household size was 2.28; in 2010, it was 2.41. Average family size also increased from 2.91 to 3.12 in the same time period.

Income and poverty. This section examines household and family income in Lawrence, as well as the prevalence of poverty among the city's residents.

In 2016, the median household income in Lawrence was $54,243 and the median income for families was $80,042. Married-couple families had the highest median income (over $100,000) and college-aged adults, single mothers, Asian residents, and Native American residents had the lowest median incomes, all below $30,000.

Median household income has steadily increased since 2000 (when it was $34,734), by an annual growth rate of 2.7 percent. Figure I-8 shows income trends since 2000 for both owners and renters.

Figure I-8.
Income Trends for Owners and Renters , Lawrence, 2000 and 2016

Source:

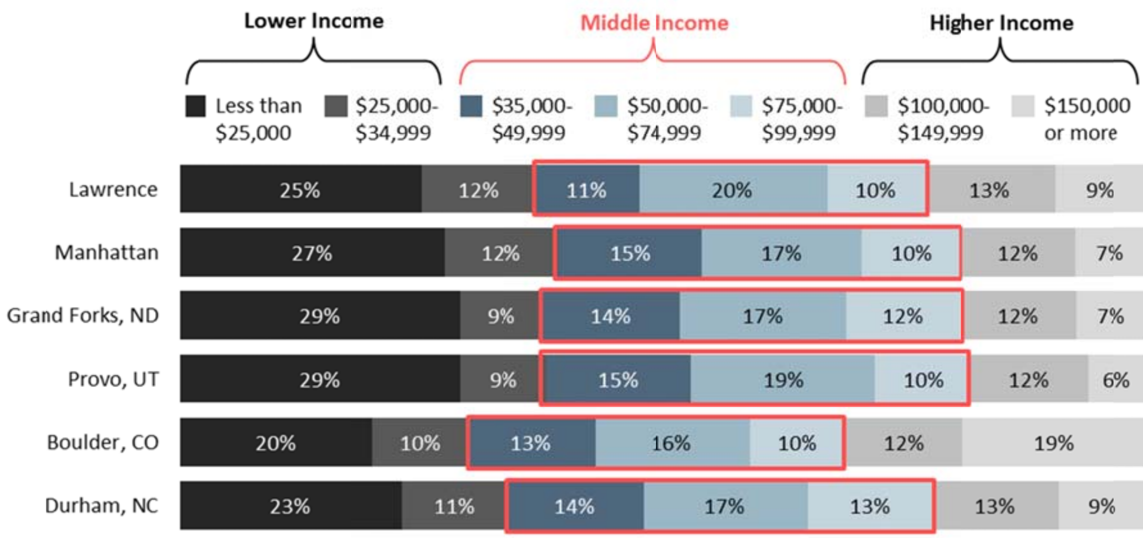
2000 U.S. Census, 2016 1-year ACS, BBC Research & Consulting.

	2000	2016	Percentage Point Change	Numerical Change
Owners				
Less than $25,000	14%	8%	-6%	-638
$25,000-$50,000	28%	10%	-19%	-2,506
$50,000-$75,000	26%	24%	-1%	345
$75,000-$100,000	15%	13%	-1%	78
$100,000+	17%	44%	27%	4,824
Total	**100%**	**100%**		**2,103**
Renters				
Less than $25,000	56%	39%	-17%	-1763
$25,000-$50,000	31%	33%	2%	1,363
$50,000-$75,000	9%	16%	6%	1547
$75,000-$100,000	3%	7%	5%	989
$100,000+	1%	5%	4%	832
Total	**100%**	**100%**		**2,968**

Lawrence experienced a loss in owners and renters making under $25,000 over the last fifteen years, either because those households moved away or household incomes increased. The biggest income gains during this time period occurred for Lawrence households making over $100,000.

Figure 1-9 shows the income distribution for all Lawrence residents and compares it to similar college towns.

Figure I-9.
Income Distribution by Place, Lawrence and Similar Communities, 2016



Note: 1-year estimates were unavailable for Grand Forks and Manhattan.

Source: 2016 1-year ACS and 5-year ACS and BBC Research & Consulting.

More than one third of the city's households earn less than $35,000 annually (37%). This is not surprising, given that the figure includes the city's student population.

Lawrence's income distribution is similar to other college towns like Manhattan and Grand Forks, North Dakota—the largest income categories are residents making less than $25,000, followed by middle income residents (making between $50,000 and $75,000).

Poverty. The city's poverty rate in 2011 was 11.4 percent, after adjusting for the student population. The overall poverty rate including KU and HINU students is much higher at 23.1—more than a 10 percentage point difference. College students are more likely to be low income compared to other residents while they are in school. It is important to examine the poverty rate for all individuals and the non-student population to determine whether high poverty is caused by students or some other reason.

As demonstrated in Figure I-10, Lawrence's poverty rate is heavily linked to the student population, similar to nearby college town, Manhattan.

Figure I-10.
Poverty, Lawrence, 2011

	Total Population	Poverty Rate (All People)	Poverty Rate (Excluding Students)	Difference in Poverty Rate
Kansas City, MO	453,542	19.0	18.1	-0.9
Lawrence, KS	79,861	23.1	11.4	-11.7
Manhattan, KS	46,151	27.9	11.9	-16.0
Topeka, KS	124,045	21.7	20.5	-1.2
Wichita, KS	377,688	17.0	16.3	-0.7
Dougle County, KS	102,397	19.3	9.9	-9.4
Kansas	2,770,338	13.6	12.4	-1.1

Note: Students are included in the ACS poverty rates. Only data from 2011 was available for poverty rate excluding students.

Source: 2009-2011 ACS 3-year estimates and BBC Research & Consulting.

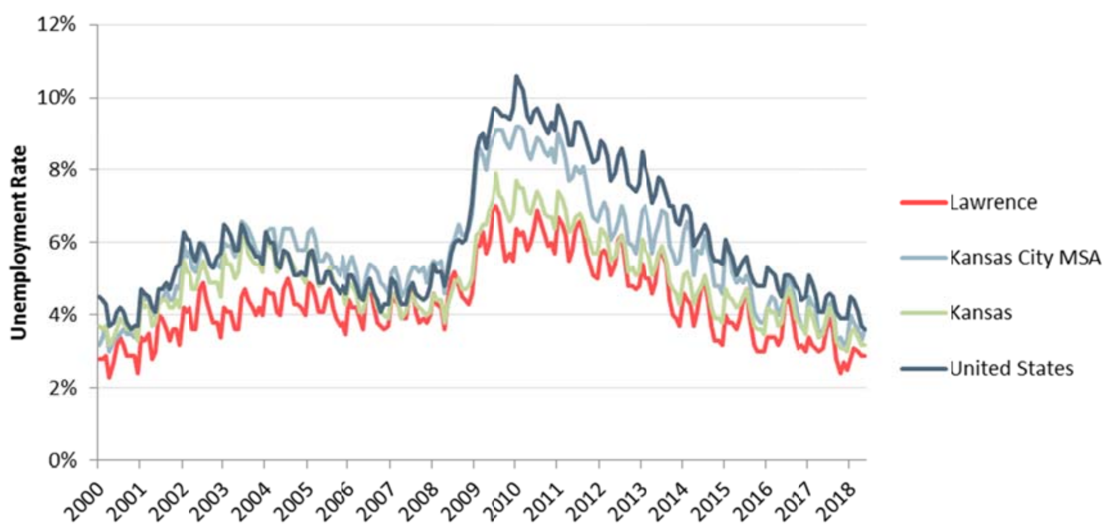
Lawrence has one of the lowest adjusted poverty rates compared to the state and other nearby cities, such as Topeka (20.5) and Kansas City, Missouri (18.1).

Economic Profile

This section discusses key components of the city's economy, which affect the demand for and price of housing.

Labor force and unemployment. Figure I-11 presents unemployment rates for Lawrence, Kansas City MSA, the State of Kansas, and the U.S. from 2000 to the 2nd quarter of 2018. Lawrence and the State of Kansas have consistently boasted some of the lowest unemployment rates in the country for the last 10 years. While Lawrence was not immune to the economic downturn in 2008 and 2009, the city and the state faired far better than Kansas City MSA and the U.S. As of May 2018, Lawrence's unemployment rate was 2.9 percent, compared with 3.6 percent for Kansas City MSA and the U.S.

Figure I-11.
Unemployment Rates, Lawrence, Kansas City MSA, Kansas, and United States, 2000 to June 2018



Source: Bureau of Labor Statistics.

Job and wages by industry. Figure I-12 compares Douglas County's job composition by industry for 2006 and 2016—the Bureau of Labor Statistics (BLS) does not provide employment data by city.

Figure I-12. Average Employment, Douglas County, 2006 and 2016

Note:

Federal, state, and local government employment data unavailable for Douglas County.

Source:

Bureau of Labor Statistics and BBC Research & Consulting.

	2006		2016	
	Employment	% of Total	Employment	% of Total
Goods Producing (Private)	**6,591**	**14%**	**5,653**	**11%**
Natural Resources and Mining	66	0%	103	0%
Construction	2,474	5%	1,681	3%
Manufacturing	4,050	8%	3,870	8%
Service Producing (Private)	**29,936**	**62%**	**31,321**	**64%**
Trade, Transportation, and Utilities	7,924	16%	8,116	16%
Information	1,039	2%	777	2%
Financial Activities	1,947	4%	1,575	3%
Professional and Business Services	5,382	11%	5,576	11%
Education and Health Services	4,855	10%	5,650	11%
Leisure and Hospitality	6,456	13%	7,063	14%
Other Services	2,332	5%	2,565	5%
Total Private Employment	**36,526**	**76%**	**36,974**	**75%**
Total Employment	**48,093**	**100%**	**49,208**	**100%**

Douglas County has slowly become more reliant on service producing industries and less reliant on goods producing industries. In fact, the area lost nearly 1,000 goods producing jobs in the last 10 years; most of these jobs were in construction and manufacturing. The education and health services industry gained the most jobs, followed by Leisure and Hospitality—two of the lowest paid industries.

Figure I-13 presents wage information by industry for jobs in Douglas County in 2006 and 2016. Manufacturing jobs pay the highest annual average wages, followed by the information and financial activities industries.

Figure I-13. Employment and Average Wages, Douglas County, 2006 and 2016

Note:

Federal, state, and local government employment data unavailable for Douglas County.

Source:

Bureau of Labor Statistics and BBC Research & Consulting.

	2006		2016	
	Weekly Employment	Annual Total	Weekly Employment	Annual Total
Goods Producing (Private)	**$750**	**$39,024**	**$934**	**$48,581**
Natural Resources and Mining	$433	$22,494	$645	$33,528
Construction	$684	$35,589	$867	$45,060
Manufacturing	$796	$41,393	$971	$50,510
Service Producing (Private)	**$459**	**$23,844**	**$563**	**$29,300**
Trade, Transportation, and Utilities	$465	$24,165	$558	$29,016
Information	$634	$32,950	$896	$46,611
Financial Activities	$710	$36,911	$868	$45,144
Professional and Business Services	$571	$29,672	$749	$38,944
Education and Health Services	$516	$26,824	$591	$30,706
Leisure and Hospitality	$203	$10,534	$283	$14,691
Other Services	$480	$24,892	$604	$31,390
Total Private Employment	**$511**	**$26,584**	**$620**	**$32,248**
Total Employment	**$575**	**$29,896**	**$715**	**$37,159**

Occupations. According to the ACS, there are 56,601 residents 16 years and older employed in Lawrence. Most residents are employed in management, business, science, and arts occupations (44%). The other top occupations in Lawrence are sales and office occupations (22%) and service occupations (22%). The least common occupations held by Lawrence residents include production, transportation and material moving (8%), as well as natural resources, construction and maintenance (3%).

Top employers. The University of Kansas has historically provided stable employment to the Lawrence and the region. The college provides more than 9,000 jobs to the area. The second largest employer in the region is Lawrence Public Schools.

Figure I-14 shows the top employers in Lawrence and Douglas County. Although education dominates the local economy, there is a diverse set of employers and industries that contribute to the region's stable economic activity.

Figure I-14.
Top Employers, Lawrence and Douglas County

Employer	Product/Service	Number of Employees
The University of Kansas	Education	9,881
Lawrence Public Schools	Education	1,800
City of Lawrence	Government	1,455
Lawrence Memorial Hospital	Medical	1,322
Berry Plastics	Manufacturer	739
Hallmark Cards, Inc.	Manufacturer	525
Baker University	Education	496
Amarr Garage Doors	Manufacturer	461
Douglas County	Government	435
Boston Financial Data Services	Data Services	394
The Olivia Collection	Hospitality	320
K-Mart Distribution Center	Distribution Center	320
DCCCA	Not for profit	295
Allen Press	Printing Services	275
Community Living Opportunities	Not for profit	263
Haskell Indian Nations University	Education	250
Cottonwood, Incorporated	Manufacturer	240
Eudora School District	Education	232
Lawrence Paper Company	Manufacturer	209
Bert Nash Community Mental Health Center	Not for Profit	179
Westar Energy	Utility	170
ICL Performance Products LP	Manufacturer	161
HP Pelzer	Manufacturer	160
Big Heart Pet Brands	Manufacturer	160
Schlumberger	Manufacturer	150
PROSOCO	Manufacturer	92
Golf Course Superintendents Association of America	Corporate Headquarters	85

Source: EDC of Lawrence & Douglas County and BBC Research & Consulting.

The state of Kansas has low to moderate tax burden on residents and businesses, which also contributes to its stable economy. According to WalletHub's latest Tax Burden by State study, Kansas ranks number 25 compared to all other U.S. states for tax burden. Although very low state taxes may sound appealing initially, it does not promote long-term economic growth. On the other hand, excessively high state tax burden limits economic growth. Kansas is unique because it provides adequate revenues for schools, infrastructure, and public services, while not burdening residents or businesses with high tax rates. If the state continues to have a balanced tax structure, it will foster more economic growth.

SECTION II.

Housing Profile and Market Analysis

SECTION II.
Housing Profile and Market Analysis

This section provides an analysis of Lawrence's housing market. It examines housing supply and availability, development trends, affordability of rental and ownership housing, and housing demand. The analysis is tailored to Lawrence's unique market which is affected by the city's high desirability, two institutions of higher education and large presence of students, proximity to a major metropolitan area, and land and development constraints.

The section begins with a definition of affordability and how affordability is typically measured. This follows with a discussion of price trends and affordability in both the rental and ownership markets. The section concludes with estimated housing needs.

Defining and Measuring Housing Affordability

The most typical definition of affordability is linked to the idea that households should not be **cost burdened** by housing. A cost burdened household is one in which housing costs—the rent or mortgage payment, plus taxes and utilities—consumes more than 30 percent of monthly gross income.

The 30 percent proportion is derived from historically typical mortgage lending requirements. Thirty-percent allows flexibility for households to manage other expenses (e.g., child care, health care).

Recently, the 30 percent threshold has been questioned as possibly being lower than what a household could reasonably bear. Indeed, the U.S. Department of Housing and Urban Development has considered raising the contribution expected of Housing Choice ("Section 8") Voucher holders to 35 percent of monthly income. However, most policymakers maintain that the 30 percent threshold is appropriate, especially after taking into account increases in other household expenses such as health care.

It is generally accepted that households should not pay more than 50 percent of their incomes in housing costs. This "severe" level of cost burden puts households at high risk of homelessness—and also restricts the extent to which households can contribute to the local economy.

Figure II-1.
Affordability Definitions

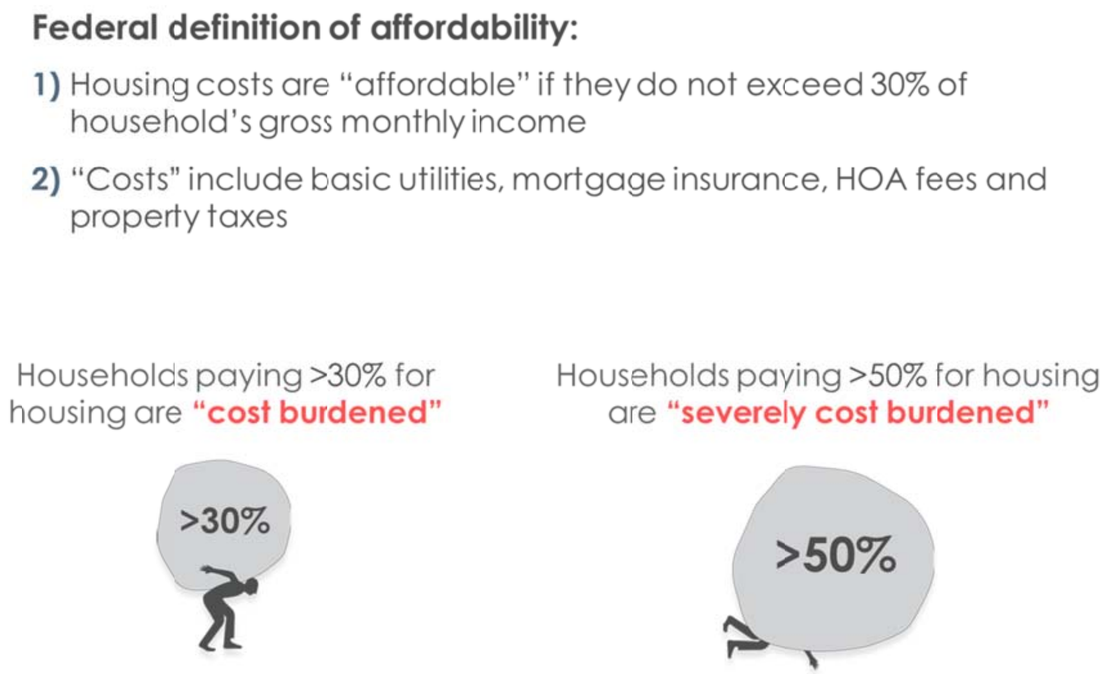
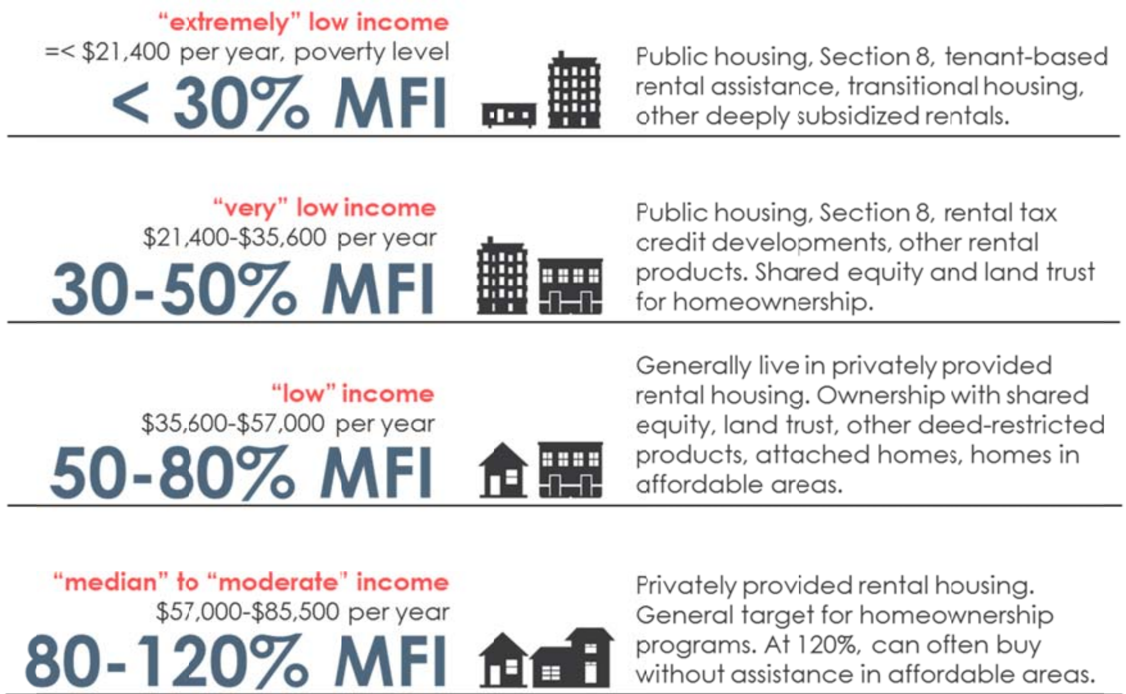


Figure II-2 shows the income thresholds typically used, based on Lawrence's median income. Median Family Income, or MFI, is defined annually based on HUD market studies. The figure provides the maximum affordability for households at each MFI level, as well as the housing types that serve the households in the MFI range.

It is important to note that MFI is based on earned income or public assistance and does not factor in personal wealth and other forms of financial support. Students are often represented in the 0-30 percent MFI category yet have access to other sources of income (e.g., parental support) that reduce housing cost burden. Similarly, seniors living on fixed incomes fall in the 0-30 percent category yet have very low housing cost burden if they own their homes outright or have low outstanding mortgage balances. (They may, however, struggle to afford maintenance costs). For example, seniors in Lawrence report their average mortgage as $865 per month, compared to $1,500 for all homeowners.

Figure II-2.
Income Thresholds and Target Housing



Note: MFI = HUD Median Family Income, 3-person household.

Source: BBC Research & Consulting and HUD 2018 income limits.

Other common indicators of housing affordability include:

- **Housing costs v. income**. Many indices used to monitor affordability trends compare housing costs to income levels. At the most simplistic level, these compare median home prices to median incomes. Although such indices are useful in comparing markets, they fail to capture the uniqueness of some markets (e.g., how property taxes affect housing costs).

- **Housing gaps.** A housing gaps model compares the supply of housing at various price points to demand, using income as a proxy. This model allows an examination of housing affordability challenges by income range. The gaps approach is used in this section to examine affordability in Lawrence.

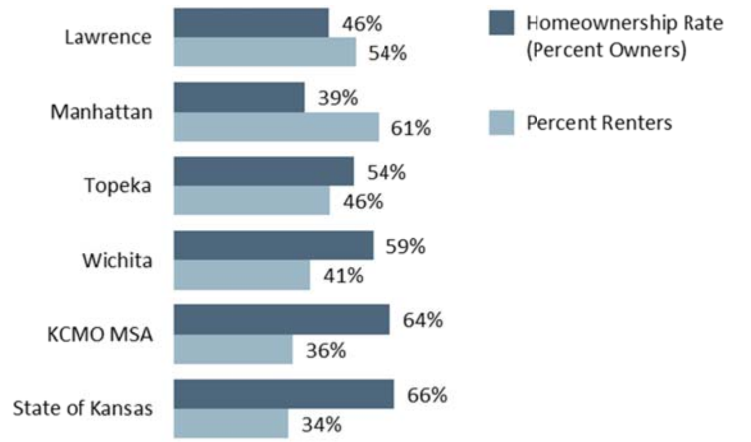
Existing Housing Stock

The U.S. Census counts approximately 40,000 housing units in Lawrence, with 54 percent of those renter-occupied and the balance, 46 percent, owner-occupied. This is relatively unchanged from 2000, when 53 percent of units were renter-occupied and 47 percent were owner-occupied.

As shown below, Lawrence's homeownership rate of 46 percent is higher than Manhattan's and lower than other Kansas communities and the Kansas City-Missouri (KCMO) metropolitan statistical area (MSA).

Figure II-3.
Homeownership Rate, City of Lawrence and Surrounding Cities, 2016

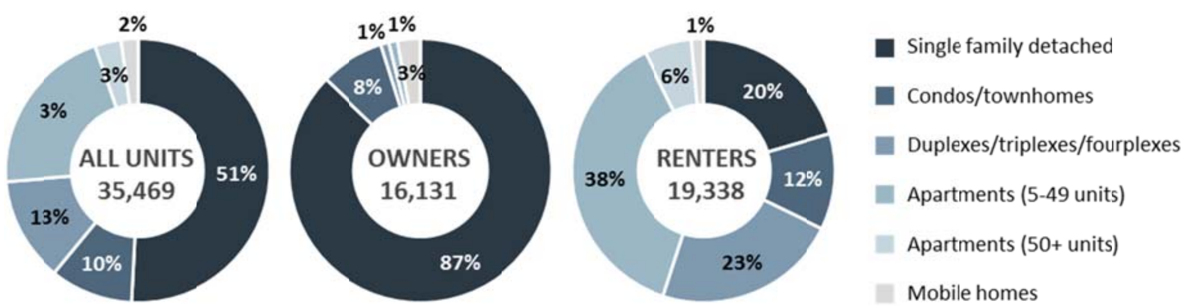
Source:
2016 1-year ACS.



Housing type. Just over half of Lawrence's housing stock is made up of single family detached homes. Another 10 percent is condominium and townhomes. Thirteen percent is duplexes/triplexes/fourplexes and just 2 percent mobile homes. The balance, about 25 percent, is apartments, most of which are in small to medium sized apartment buildings.

The vast majority of Lawrence owners (87%) live in single family detached houses and the vast majority of renters (80%) live in attached units. Figure II-4 displays housing type by "tenure" for Lawrence. In the housing industry, tenure means the status of renter- or homeownership.

Figure II-4.
Occupied Housing by Type and Tenure, City of Lawrence, 2016



Source: 2016 1-year ACS.

Compared to Manhattan, Lawrence has a larger proportion of single family detached and attached homes and fewer larger apartment complexes. Manhattan has a relatively large proportion of mobile homes compared to Lawrence and other communities. As expected, both Lawrence and Manhattan have fewer proportions of single family detached homes and higher proportions of attached and apartment units, driven by student demand for housing.

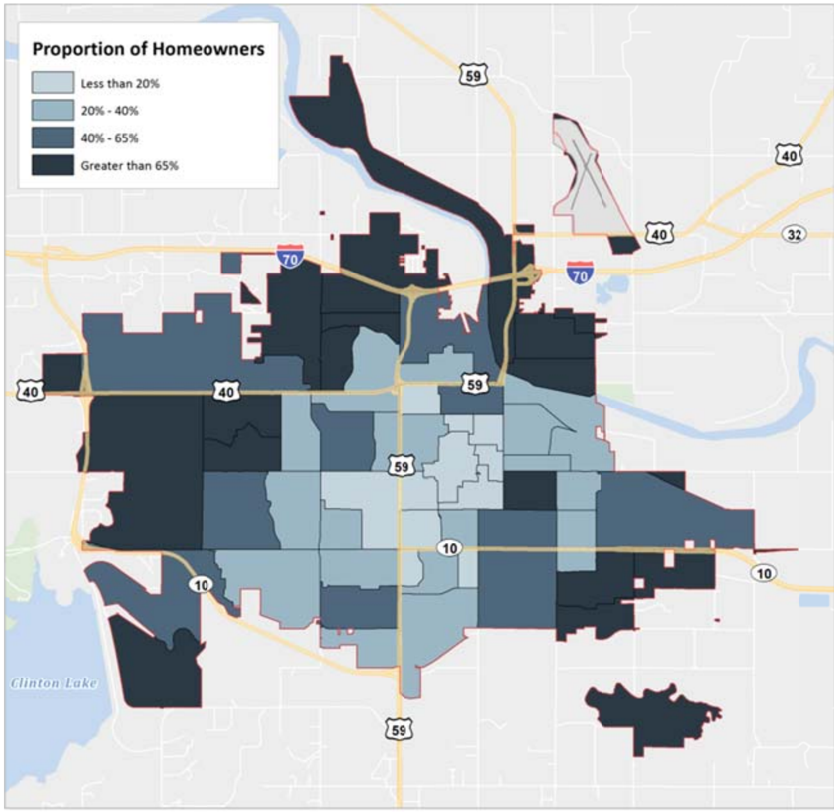
Figure II-5. Comparative Housing Type by Tenure, City of Lawrence and Surrounding Kansas Cities, 2016

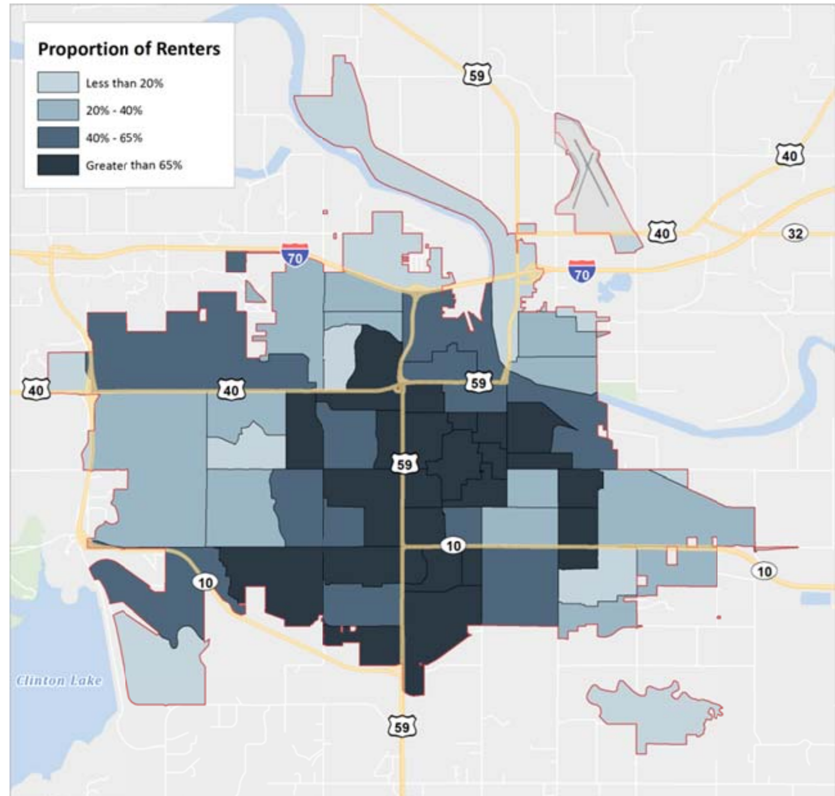
Source:
2016 5-year ACS.

	Lawrence	Manhattan	Topeka	Wichita	KCMO
Single family detached	51%	44%	68%	71%	71%
Condos/townhomes	10%	8%	4%	3%	6%
Duplexes/triplexes/fourplexes	13%	10%	6%	7%	6%
Apartments (5-49 units)	21%	30%	14%	13%	11%
Apartments (50+ units)	3%	3%	5%	3%	3%
Mobile homes	2%	4%	2%	3%	2%
Total	100%	100%	100%	100%	100%

Figure II-6 shows the geographic distribution of renters and owners in Lawrence. Rental units are concentrated in the central and south central part of the city. Homeownership is highest in neighborhoods on the outer ring of Lawrence, except for south Lawrence.

Figure II-6.
Proportion of Homeowners and Renters by Census Block Group, City of Lawrence, 2016





Source: 2016 5-year ACS.

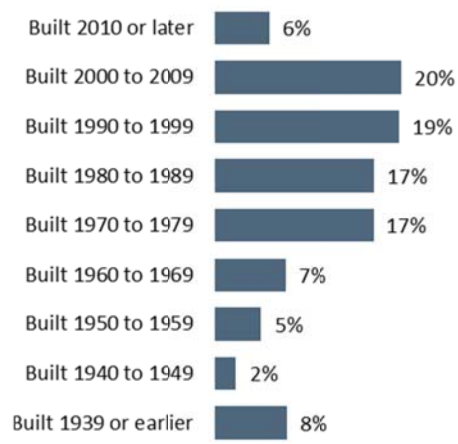
Household size and bedrooms. The average household size in Lawrence is 2.41 people per unit. Owner-occupied units have an average size of 2.76; renters, a much lower 2.12.

Most homes in Lawrence are good-sized. The median number of rooms per housing unit in Lawrence is 5.2, according to the Census. Nearly 40 percent of housing units have 3 bedrooms; this is the most common size of unit. Twenty percent of units have 4 and 5 bedrooms; 14 percent are 1 bedroom units; and 25 percent are 2 bedroom units. Only 2 percent of units are studios.

Age of housing stock. Figure II-7 shows the distribution of Lawrence's housing stock by age. Almost half of the city's housing stock was built between 1970 and 1999. This explains the larger sized units that are characteristic of the city, as homes and apartments built in those decades typically had more square footage than older units.

Figure II-7.
Age of Housing Stock, City of Lawrence, 2016

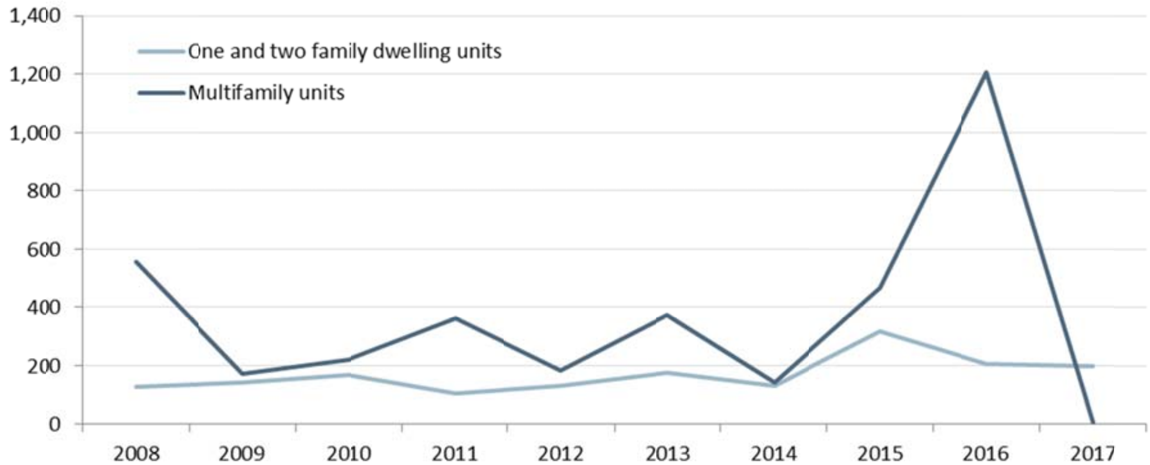
Source:
2016 1-year ACS and BBC Research & Consulting.



Building permits. The city's Planning & Development Services Department provides monthly building permit reports, as well as annual analyses of permit activity. The figure below shows one, two, and multifamily permitting activity from 2008 through 2017. Until 2017, more units in multifamily dwellings had been issued, with multifamily permitting exhibiting wider fluctuations. 2015 saw a surge in one- and two-family permits; these have remained historically high.

According to the department's reports, since 1993, there have been 11 years in which the number of multifamily units permitted exceeded one- and two-family dwelling units: first in 1996, then not until 2007, and in subsequent years until 2017.

Figure II-8.
Building Permit Trends, One, Two, and Multifamily Residential Units, City of Lawrence, 2008 – 2017



Source: 2017 Building Permit Activity and Trends Report.

Permits issued through April 2018 show a continued development preference for single family units: 0 multifamily permits had been issued compared to 46 single family permits and 4 duplex permits.

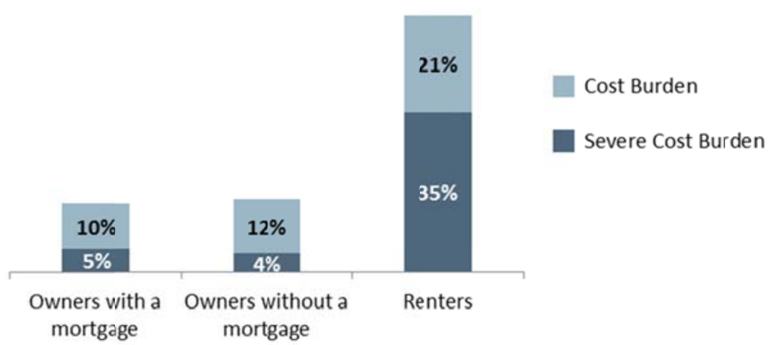
Altogether, permits issued between 2013 and April 2018 totaled 327 single family homes and duplexes, compared to 1,102 multifamily units. Until 2018, multifamily units averaged 360 units per year.

Cost burden. Altogether, 56 percent of all Lawrence renters, more than 10,000 renter households, are cost burdened, spending 30 percent or more of their income on housing costs. Of these, most (6,000 households) are severely cost burdened, paying more than 50 percent of their income on housing costs.

Owners face much lower rates of cost burden, with 15 percent of owners with a mortgage and 16 percent of owners without a mortgage facing cost burden. This suggests that maintenance of homes is as much of a burden on owners as is the mortgage payment.

Figure II-9.
Cost Burdened Owners and Renters, City of Lawrence, 2016

Source:
2016 1-year ACS.



Ownership Market Trends

This section discusses ownership affordability in Lawrence, beginning with price trends, and concluding with an estimate of current and future gaps between ownership demand and supply.

Price increases. Similar to most housing markets across the country, Lawrence has experienced substantial increase in home prices since 2000. As shown in the figure below, the median price of sold and listed homes was $129,900 in 2001. By 2018, this had risen to $239,700—an increase of 85 percent.

By home type, single family homes and homes in rural subdivisions increased the most during this period, with prices doubling.

Figure II-10.
Median Price, Sold and Listed Homes, Lawrence, 2001 to 2018

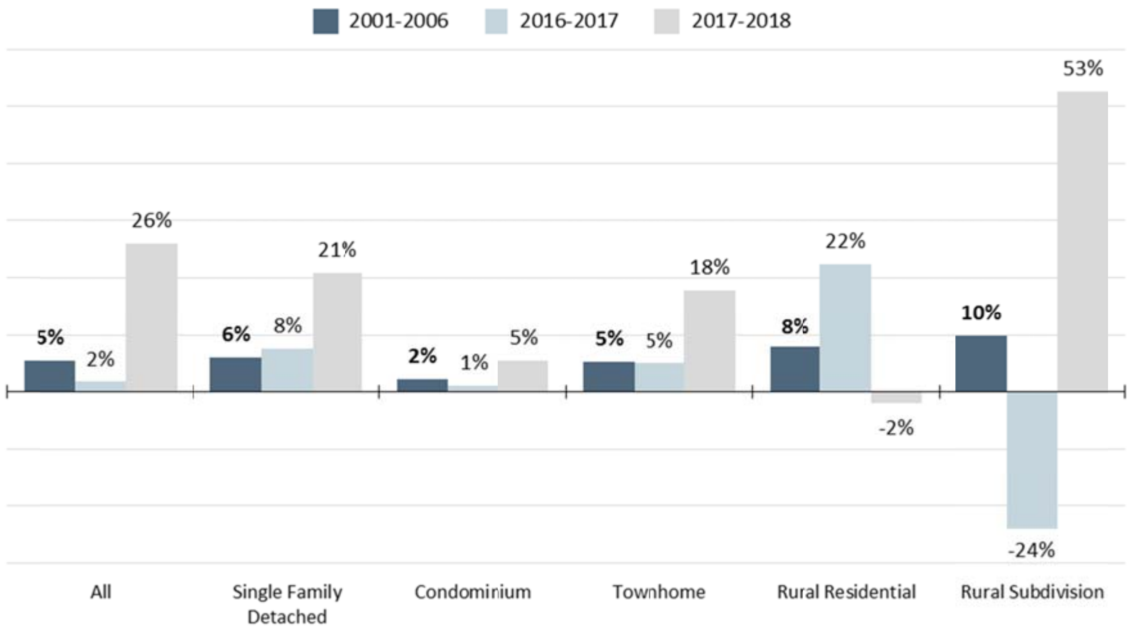
	2001	2006	2016	2017	2018	Change 2001-2018
All	$129,900	$164,950	$186,900	$190,204	$239,700	85%
Single Family Detached	$134,700	$174,900	$199,900	$215,000	$259,900	93%
Condominium	$74,000	$82,000	$83,000	$84,400	$88,950	20%
Townhome	$110,000	$138,750	$135,000	$141,750	$167,000	52%
Rural Residential	$196,700	$274,500	$275,000	$336,500	$330,000	68%
Rural Subdivision	$204,900	$305,000	$369,000	$279,900	$427,250	109%

Note: The Rural Subdivision category had fewer than 20 homes sold or listed each year and only 4 in 2018. Rural residential and condominium categories also had few listings and sales, averaging 30-40 annually.

Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Price increases were not uniform, however. Consistent with national trends, home prices were stable (and even declined for townhomes) between 2006 and 2016, then began to rise. Price increases in the past year have been very significant for all product types except condominiums and rural residential properties.

Figure II-11.
Annual Price Increases by Home Type, 2001 to 2018

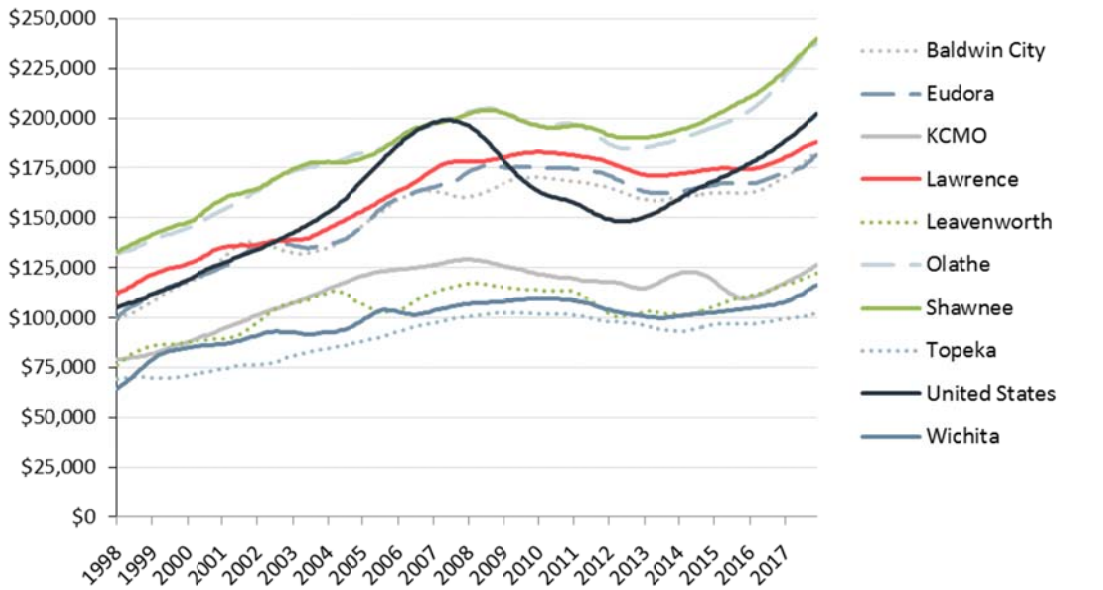


Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

As shown in the price trend graph below, Lawrence's for sale price trends have been most similar to the nearby communities of Baldwin City and Eudora. Lawrence's home prices, although lower, also track trends of the western Kansas City suburbs of Olathe and Shawnee. Lawrence is much more expensive than the Kansas City-Missouri region (KCMO) overall, and Wichita.

The graphic also demonstrates how Lawrence and surrounding communities avoided the price bubble (2005-2008) of the U.S. overall.

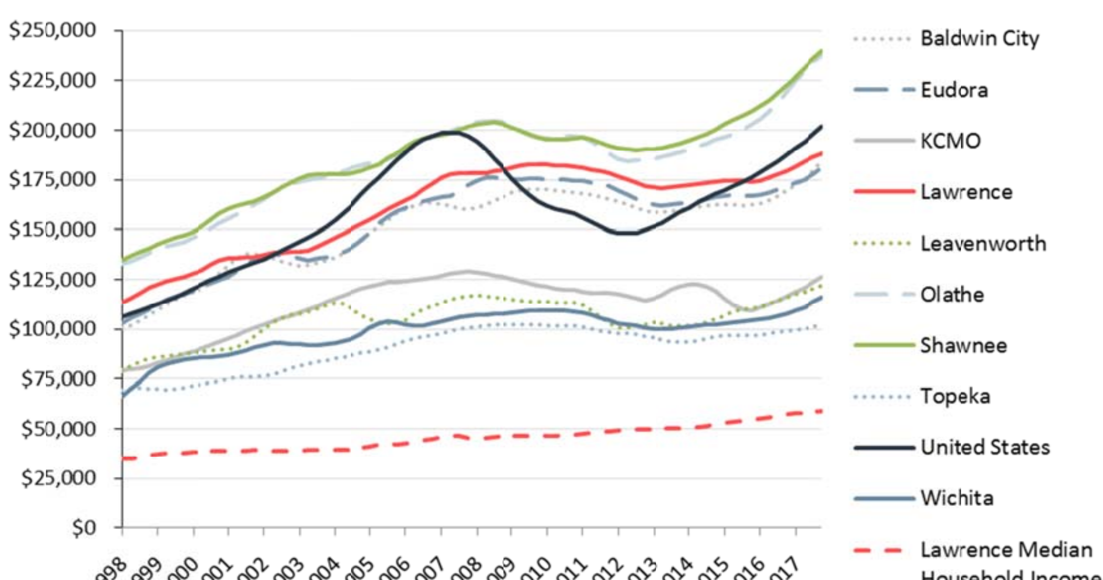
Figure II-12a.
Median Sale Price of All Homes, Lawrence and Surrounding Communities, 1998 to 2017



Note: Includes both single family detached and condo units. Trend data were not available for Manhattan. The first quarter 2018 Zillow Median List Price reports Manhattan's median at $215,000, compared to $260,000 for Lawrence. This compares to $180,000 for the KCMO area overall.

Source: Zillow Home Value Index and BBC Research & Consulting.

Figure II-12b.
Median Sale Price Compared to Median Income, Lawrence and Surrounding Communities, 1998 to 2017



Note: Includes both single family detached and condo units. Trend data were not available for Manhattan. The first quarter 2018 Zillow Median List Price reports Manhattan's median at $215,000, compared to $260,000 for Lawrence. This compares to $180,000 for the KCMO area overall.

Source: Zillow Home Value Index and BBC Research & Consulting.

Impact on affordability. Curiously, because of the drop in mortgage loan interest rates during the recession, a household can afford to buy more in 2018 than they could in 2001—thus softening the blow of price increases. Yet higher priced homes require larger downpayments, which interest rate declines do not address.

The table below shows what households at various income levels could afford in 2001 and 2018—based on average mortgage interest rates in those years—as well as 2019, based on projections for interest rate increases. Affordability will drop slightly in 2019 due to rate increases; however, households will still be able to buy more than they could in 2001.

Figure II-13.
Homeownership Affordability, City of Lawrence, 2001, 2018, and 2019

Household Income	Affordably Priced Home		
	2001	2018	2019
$36,000 (50% MFI)	$82,000	$110,000	$100,000
$57,000 (80% MFI)	$150,000	$201,000	$180,000
$71,000 (100% MFI)	$196,000	$262,000	$240,000
$86,000 (120% MFI)	$240,000	$324,000	$290,000

Note:

Interest rates assumed = 8.0% in 2001, 4.625% in 2018. 2019 assumes interest rate of 5.5%. Adjusted for changes in property taxes.

Source:

BBC Research & Consulting.

Interest rates also fail to address the problem of lack of affordable housing to buy, which is discussed in the following section.

Renters who want to buy. According to the survey conducted for this study, nearly 50 percent of non-student renters want to buy homes. This compares to just 11 percent of student renters.

Those non-student renters who want to buy:

- Earn between $35,000 and $75,000 per year (about 50 to 100% of the HUD MFI);
- Can afford homes priced between $110,000 and $262,000;
- Are between the ages of 35 and 44, employed full time (61%) or part time (10%), do not have children, and have small household sizes (2.2 persons per household).
- These want-to-be owners would be well served by attached products that serve smaller families in prime working years looking for low-maintenance living.

Other residents in the market to buy would be those who want to move. The resident survey asked about the desire to move. Those residents who want to move are young adults (18-24), living with roommates (2.7 per household size), with earnings in the $25,000 to $35,000 range, and working full (41%) and part (30%) time. Residents who want to stay in their homes are those who would be in the market for moving up in ownership—ages 45-54, with children, larger household sizes, employed—but are not expressing strong demand to do so.

Supply of affordable homes to buy. A household's current choices for ownership by price and type are shown in the table below. This is based on homes that were listed or for sale between January and April 2018.

For very low income households—new college graduates, teachers, workers in service and retail, public servants beginning their careers—34 homes were on the market that were affordable. About one-third was single family homes; one third was condominiums; and one third was townhomes.

Households earning roughly between $35,000 and $57,000—the income range of the typical renter who wants to buy—have many more options for buying a single family home. Townhomes also serve this market segment.

Households earning $70,000 and above can afford a variety of for sale product.

Overall, Lawrence's condo market serves the lower income households who want to become owners. Townhomes serve a broader income range with very affordable to higher end products. Single family detached homes are mostly affordable to households earning $57,000 and more.

Figure II-14.
Current Affordability by Price Point and AMI, 2018

	Number of homes listed/sold by price point in 2018							
	Less than $110,000	$110,000 - $201,000	$201,000 - $262,000	$262,000 - $324,000	$324,000 - $416,000	Over $416,000		
Affordable to...	Very low income (50% MFI)	Low income (80% MFI)	Median income (100% MFI)	Moderate income (120% MFI)	High income	Highest income	Total	Percent Affordable to 80% AMI
All Homes	**34**	**185**	**77**	**77**	**75**	**86**	**534**	**41%**
City-Condo	14	0	1	0	2	3	20	70%
City-Single Family	10	130	68	58	65	75	406	34%
City-Townhouse	10	53	7	14	3	0	87	72%
Rural Residential	0	2	1	4	4	6	17	12%
Rural Subdivision	0	0	0	1	1	2	4	0%

Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Product differentiation. The type of home households can buy at various price ranges varies by size, age, and amenities, as shown in the following figures.

The data in the figures demonstrate that:

- Condo and townhome affordability are highly correlated with age. The median price of condos and townhomes built in the past 20 years is far higher than the median price of older units.
- Similarly, older single family detached homes offer more affordability. The median price of a newly built single family home in 2018 is $70,000 higher than a home just 1-5 years old.
- The most affordable units are between 1,000 and 1,500 square feet, which is small for a family.
- Square footage has been declining for all price points.

- All units, even the most affordable, have relatively large lots. In many markets, lot sizes of 4,000 to 5,000 square feet, designed around courtyards and/or walkable to neighborhood parks, are in highest demand. These lot sizes can offer more affordability due to overall neighborhood density.

Figure II-15. Median Price by Year Built and Type, City of Lawrence, 2001, 2006, 2016, 2017, 2018

Note:

The number of sales for rural products is typically very low.

Source:

Lawrence Multiple Listing Service, Lawrence Board of Realtors.

	Median Price				
	2001	2006	2016	2017	2018
Median Price, Sold & Listed Homes					
All Homes	$129,900	$164,950	$186,900	$190,204	$239,700
Condo	$74,000	$82,000	$83,500	$84,400	$88,950
Single Family	$134,700	$174,900	$199,900	$215,000	$259,900
Townhouse	$110,000	$138,750	$135,000	$141,750	$167,000
Rural Residential	$196,700	$274,500	$275,000	$336,500	$330,000
Rural Subdivision	$204,900	$305,000	$369,000	$279,900	$427,250
Median Price, new construction					
All Homes	$145,900	$251,900	$342,650	$339,900	$349,500
Condo		$357,000		$722,500	
Single Family	$193,000	$299,500	$369,900	$382,450	$429,950
Townhouse	$123,900	$182,058	$259,900	$169,450	$269,900
Rural Residential	$193,500	$349,950			
Rural Subdivision	$270,000	$297,500			
Median Price, 1-5 years old					
All Homes	$138,000	$189,900	$340,000	$318,556	$358,000
Condo		$219,000		$329,000	$795,000
Single Family	$142,450	$244,900	$340,000	$324,500	$358,000
Townhouse	$108,500	$152,450		$259,150	$290,950
Rural Residential	$219,900	$215,000		$406,250	
Rural Subdivision	$205,950	$399,900			
Median Price, 6-10 years old					
All Homes	$136,900	$179,900	$276,450	$296,000	$299,000
Condo	$107,200	$79,150	$432,000	$1,425,000	
Single Family	$143,000	$196,000	$299,950	$297,950	$293,750
Townhouse	$103,000	$136,850	$141,950	$145,000	$355,000
Rural Residential	$345,000	$265,000	$505,000	$450,000	$699,950
Rural Subdivision	$169,500	$323,950		$442,500	
Median Price, 11-20 years old					
All Homes	$129,950	$159,900	$211,750	$226,250	$311,000
Condo	$105,250	$88,750	$103,000	$355,000	$465,000
Single Family	$153,900	$185,500	$240,000	$275,000	$338,500
Townhouse	$93,000	$130,000	$145,500	$149,900	$158,900
Rural Residential	$162,450	$350,000	$415,000	$386,500	$425,000
Rural Subdivision	$259,000	$303,225	$374,900	$479,000	$499,000
Median Price, 21-40 years old					
All Homes	$120,500	$158,000	$174,950	$177,700	$207,500
Condo	$58,250	$76,500	$80,200	$81,400	$76,000
Single Family	$124,900	$163,400	$190,000	$212,450	$240,000
Townhouse	$68,500	$104,900	$123,000	$127,000	$149,700
Rural Residential	$215,000	$289,500	$275,250	$324,900	$300,000
Rural Subdivision	$151,450	$257,500	$437,000	$275,950	$484,500
Median Price, 40+ years old					
All Homes	$104,950	$137,000	$155,550	$160,000	$174,950
Condo	$74,000		$68,500	$74,000	$80,390
Single Family	$104,950	$135,900	$158,000	$163,000	$178,050
Townhouse		$127,000	$90,500	$104,250	$94,250
Rural Residential	$127,000	$174,900	$205,000	$180,000	$282,250
Rural Subdivision		$315,000	$229,900	$160,000	$324,750

Figure II-16.
Square Footage and Lot Size, City of Lawrence, 2001, 2006, 2016, 2017, 2018

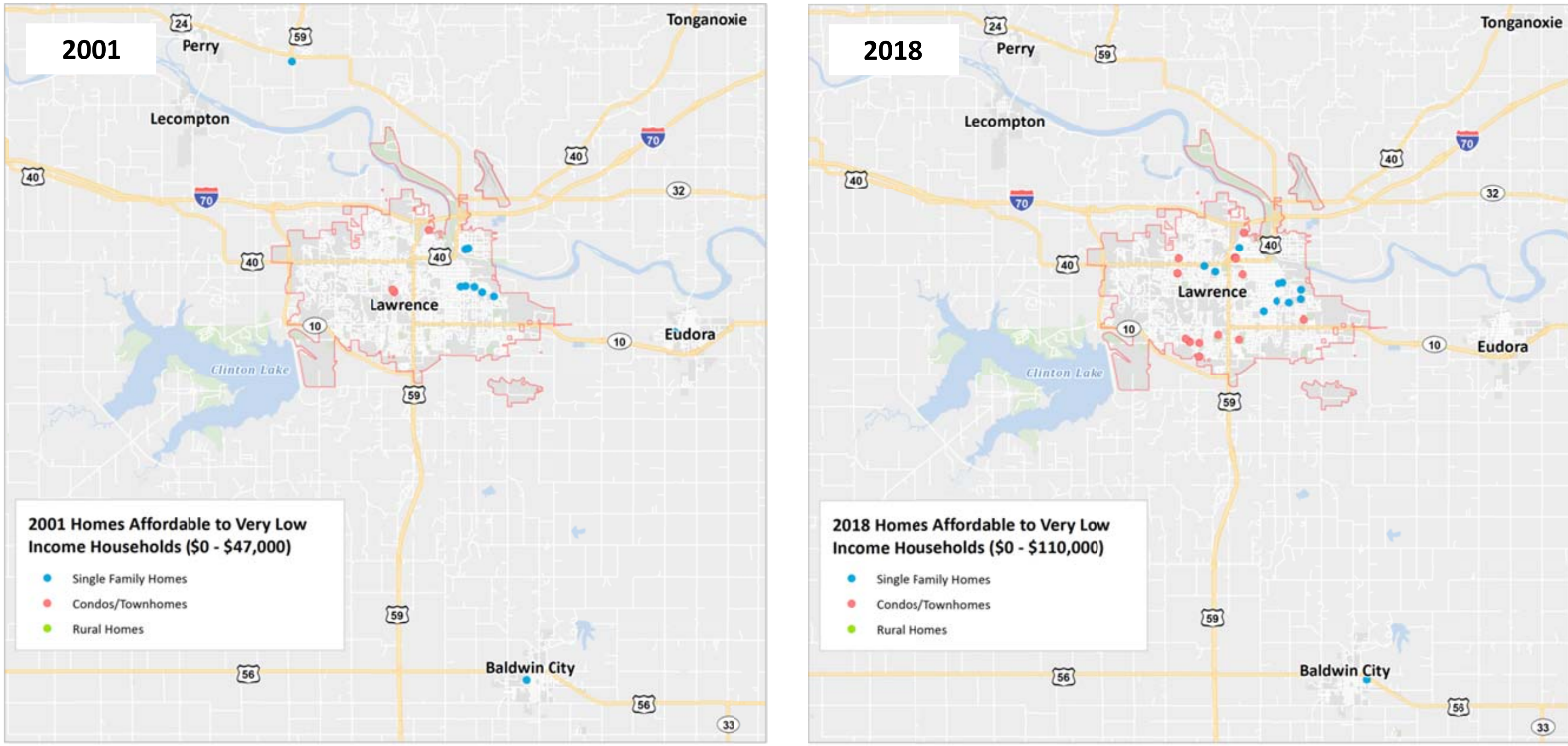
	Median square footage					
All Homes	Less than $110,000	$110,000 to $201,000	$201,000 to $262,000	$262,000 to $324,000	$324,000 to $416,000	Over $416,000
2001	1,113	1,670	2,406	3,017	3,748	4,154
2006	996	1,496	2,198	2,596	2,957	4,275
2016	1,036	1,483	2,264	2,661	3,101	3,788
2017	1,023	1,450	2,044	2,547	3,032	3,738
2018	978	1,443	1,948	2,374	2,959	3,703
Change 2001-2018	(135)	(227)	(458)	(643)	(789)	(451)
	Median lot size (sq ft)					
All Homes	Less than $110,000	$110,000 to $201,000	$201,000 to $262,000	$262,000 to $324,000	$324,000 to $416,000	Over $416,000
2001	6,540	9,125	11,045	14,392	13,502	20,440
2006	6,250	8,276	10,494	12,331	11,817	18,003
2016	6,288	8,092	9,600	10,671	11,446	15,046
2017	6,119	7,500	9,838	10,018	11,900	13,939
2018	6,138	7,850	9,208	9,920	10,800	14,487

Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Geographic distribution. The maps below show the distribution of homes for sale for six different income ranges, in 2001 and 2018. The maps show:

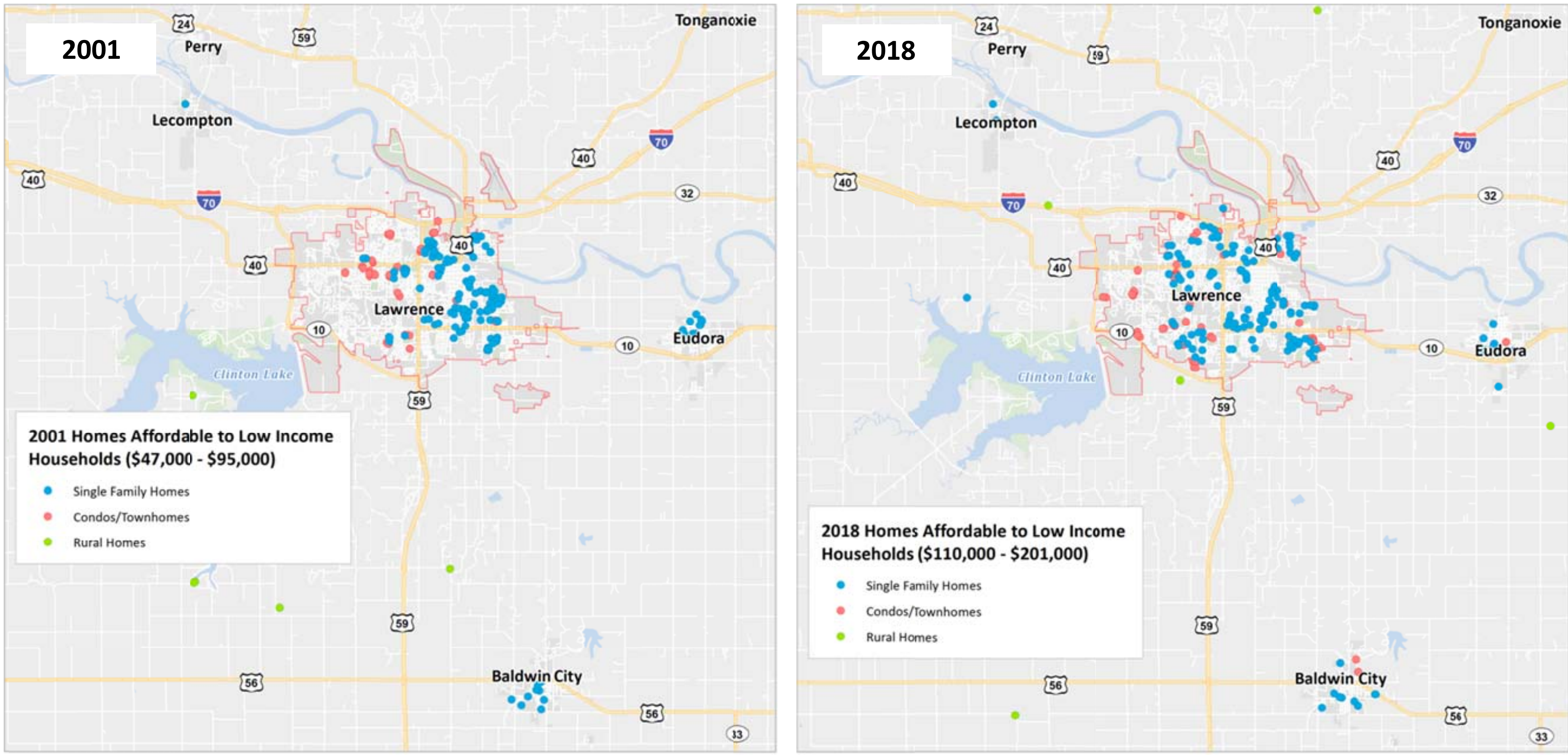
- Very few options for very low income buyers in 2001 and slightly more, but still very limited product, in 2018;
- Considerably more options once households reach the low income level (earning $57,000 and above). 2018 shows a wider geographic distribution of homes to buy.
- Units that are only affordable to the highest income households are clustered in Western Lawrence.
- The maps also demonstrate that condominiums—which are shown by red dots—remain a very affordable ownership option and can be found in Western Lawrence, which is more limited for affordable single family product.

Figure II-17.
Homes Affordable to Very Low Income Households, City of Lawrence and Surrounding Area, 2001 and 2018



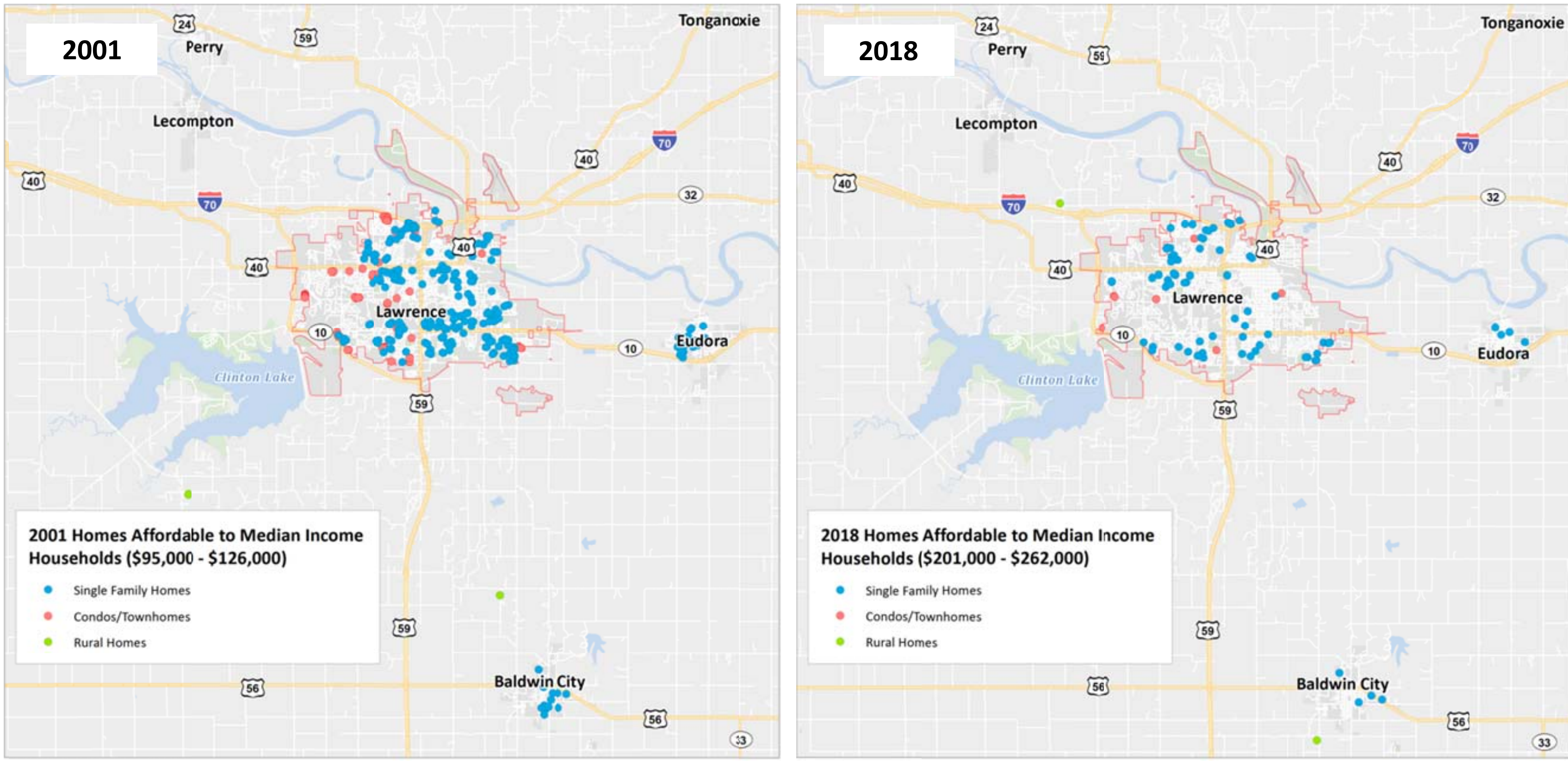
Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Figure II-18.
Homes Affordable to Low Income Households, City of Lawrence and Surrounding Area, 2001 and 2018



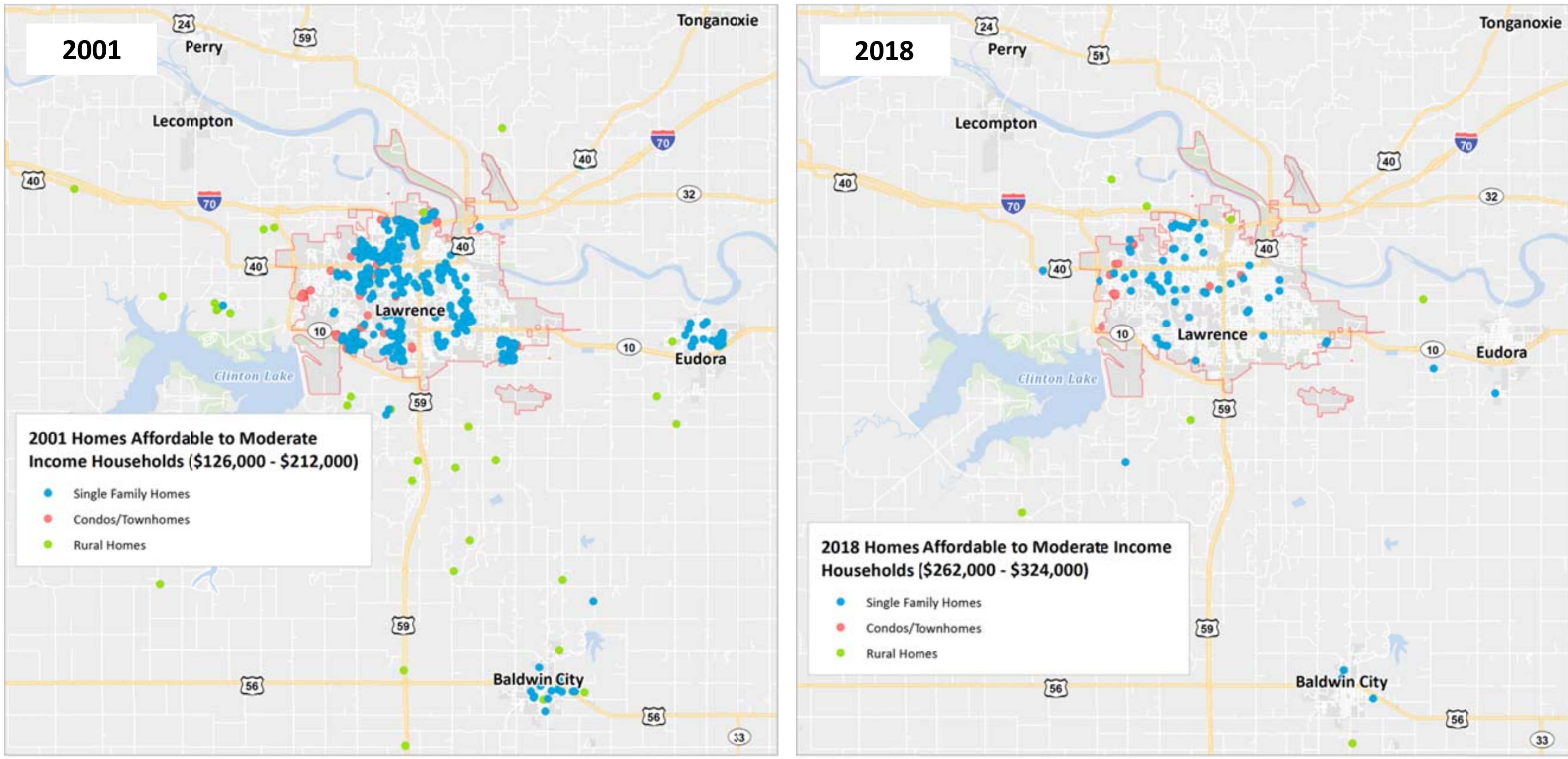
Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Figure II-19.
Homes Affordable to Median Income Households, City of Lawrence and Surrounding Area, 2001 and 2018



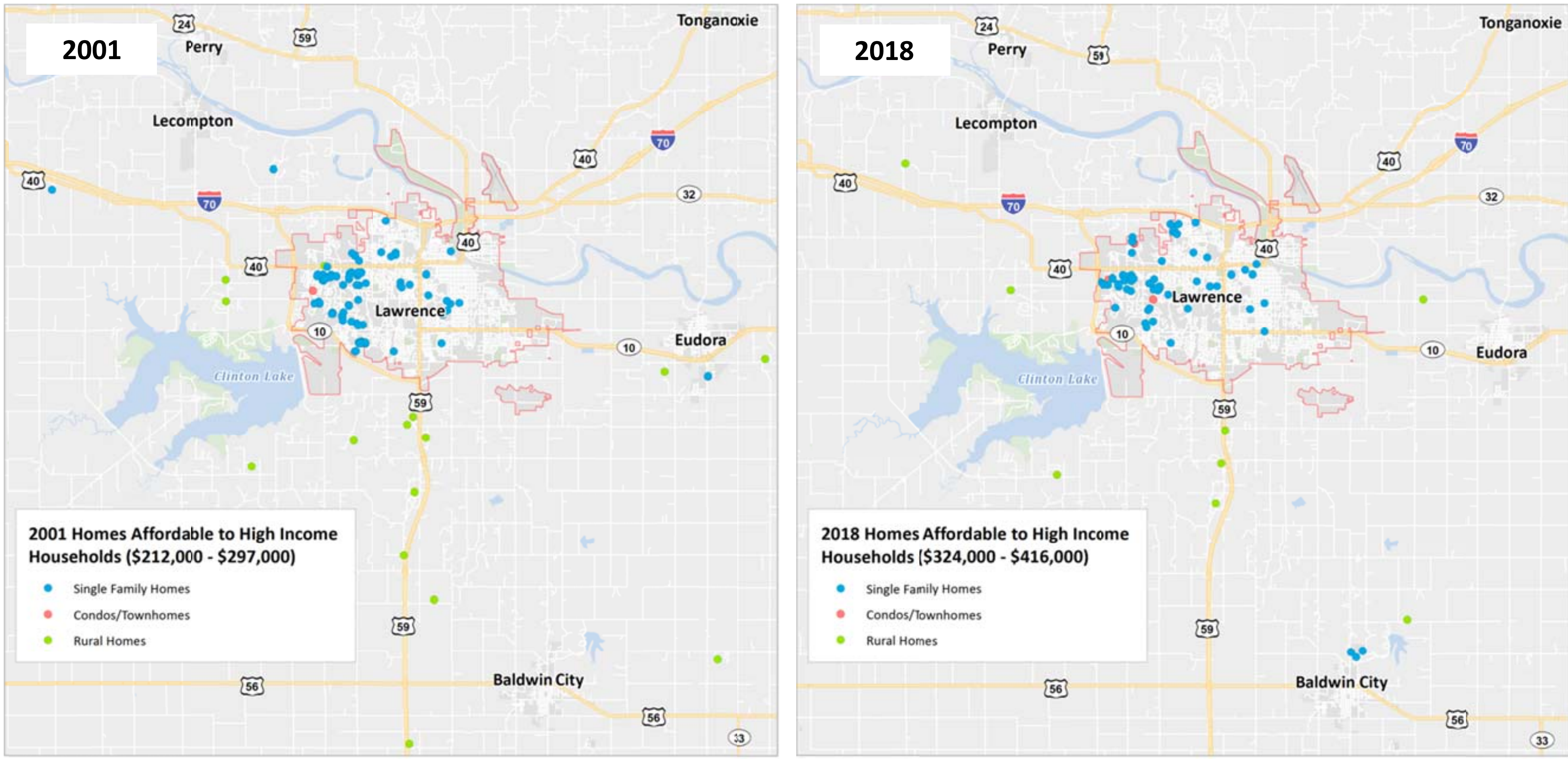
Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Figure II-20.
Homes Affordable to Moderate Income Households, City of Lawrence and Surrounding Area, 2001 and 2018



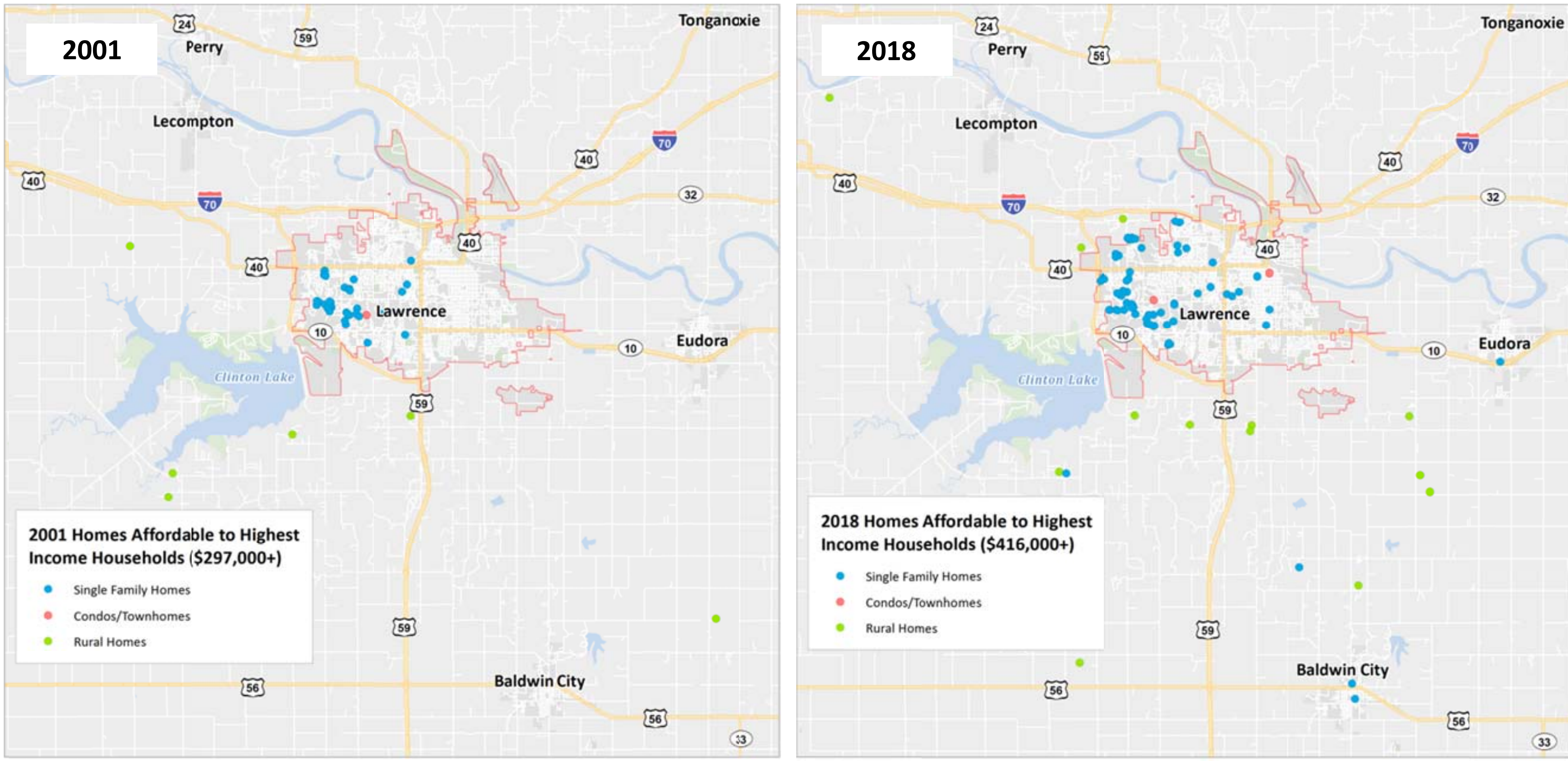
Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Figure II-21.
Homes Affordable to High Income Households, City of Lawrence and Surrounding Area, 2001 and 2018



Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Figure II-22.
Homes Affordable to Highest Income Households, City of Lawrence and Surrounding Area, 2001 and 2018



Source: Lawrence Multiple Listing Service, Lawrence Board of Realtors.

A changing market. A growing challenge for renters looking to buy is the presence of cash buyers and investors. Cash buyers may be households moving from higher priced markets who have equity to reinvest; investors who find Lawrence's market to be attractive and relatively affordable; and parents who are purchasing homes for their children to rent.

Cash purchases have increased from 5 percent of all sales in the market in 2001 to 16 percent in 2018. This is much lower than the percentage of cash purchases nationally, which ranges between 20 and 30 percent.

As shown in the table below, most cash purchases were for single family homes (117 sales). And most were for very affordable homes, priced at $200,000 and less. The highest proportion of cash sales occur in the very most affordable range, homes priced less than $110,000.

A continued increase in the proportion of cash purchases is of concern, as they could lead to a reduction in supply of affordable and starter homes, assuming most cash sales will be converted to rental properties.

Figure II-23.
Cash Purchases, 2018

Source:

Lawrence Multiple Listing Service, Lawrence Board of Realtors.

Homes for sale	Cash	Total Sold	% Sold for Cash
Price Range			
Less than $110,000	6	16	38%
$110,000 - $201,000	12	71	17%
$201,000 - $262,000	2	20	10%
$262,000 - $324,000	0	19	0%
$324,000+	5	26	35%
Type			
Condo	2	7	29%
Single Family	19	117	16%
Townhome	4	24	17%
Rural	0	4	0%
All Homes	**25**	**152**	**16%**

The table below reports other indicators of a challenging market. Homes are staying on the market for less time, and this shift occurred very quickly, in 2017 and 2018. Homes are not yet being bid over asking price; however, that is likely to occur if price increases continue and supply diminishes.

Figure II-24.
Market Demand Indicators

Source:

Lawrence Multiple Listing Service.

	2001	2016	2018
Sold homes, median amount over asking price	$0	($1,000)	$0
Sold homes, median % over asking price	0%	-1%	0%
No. sold for cash only	56	181	25
% sold for cash only	5%	17%	16%
Median days on the market	23	22	8
Range (low-high) days on the market	0-309	0-538	0-110

Ownership gaps and future needs. This gap between interest in buying and available product is demonstrated by the owners gaps analysis shown below. It is important to note that the gaps accounts only for units that fall within the affordability range of the MFI. The "cumulative gap"—which is a better measure of need—allows buyers to purchase homes that are priced at less than their affordability range.

The owners gaps models should be interpreted as:

- There are 211 extremely low income renters who would like to buy a home and have no inventory to purchase.
- Another 512 very low income renters would also like to buy. These renters have only 34 homes from which to choose. Both these and the 211 extremely low income renters are unlikely to become owners except through sweat equity or land trust programs that target very low income households.
- 890 renters earn between $35,600 and $57,000 and would also like to own homes. Another 334 earn between $57,000 and $71,250 would like to buy. Together, these approximately 1,225 renters comprise the target market for ownership that could be achievable with adequate product and some level of subsidy (downpayment assistance, interest rate subsidy, silent second mortgage. "Silent seconds" are often used to support the downpayment for low income households, are provided by housing nonprofits or agencies, and are forgiven if a household occupies the home for a certain portion of time).
- The biggest challenge in achieving ownership for this target group is lack of supply. As the cumulative gap indicates, there is a shortage of affordable homes for these renters: just 293 homes were affordable.
- In sum, if every renter who wanted to buy was qualified to buy, the Lawrence market would need to add 1,681 homes for sale to accommodate demand.
- To accommodate just 10 percent of renters who want to be owners, the market would need to add 168 homes; 20 percent of demand would require more than 300 new units. (These numbers assume that existing inventory satisfies the demand for some of the renters who want to buy). The movement from renter- to ownership would also benefit the rental market, which also has unmet demand, as discussed below.
- Demand for ownership products is from smaller households, who likely desire lower maintenance homes with a community aspect, and, for older adults, accessibility features (small lot, patio homes).
- Overall, there is **one home for sale for every four renters who want to buy**. By income range, there is:
    - One home for every 100 renters who want to buy and earn less than $35,000;
    - One home for every 8 renters who want to buy and earn less than $57,000; and
    - One home for every 6 renters who want to buy and earn less than $71,250.

.

Figure II-25.
Gaps in Units for Purchase, 2018

Renters by MFI Level	Income Range	Maximum Home Price	Renter Households	Proportion Who Want to Buy*	Potential Buyers	Affordable Homes on Market, 2018: Single Family Detached Homes	Condos	Townhomes	Total Units	Gap	Cumulative Gap
Extremely low income	$0-$21,400	$48,752	6,442	3%	211	0	0	0	0	(211)	
Very low income	$21,401-$35,600	$109,479	4,982	10%	512	10	14	10	34	(478)	(689)
Low income	$35,600-$57,000	$200,996	3,811	23%	890	130	0	53	183	(707)	(1,396)
Median income	$57,000-$71,250	$262,203	1789	19%	334	68	1	7	76	(258)	(1,654)
Moderate income	$71,250-$85,500	$323,411	1,077	13%	141	58	0	14	72	(69)	(1,723)
High income	$85,500+	$415,222	1,891	6%	106	140	5	13	148	42	(1,681)
			19,991		**2,194**	**406**	**20**	**87**	**513**		

Note: *Based on survey data. The gaps model does not include rural for sale properties, as the inventory of affordable units was very small, and these properties add commute costs for low and moderate income owners.

Source: BBC Research & Consulting.

How is the ownership market likely to shift? By 2028, if home prices continue to rise at the same rate as they did between 2001 and 2018, median home prices will be as shown below.

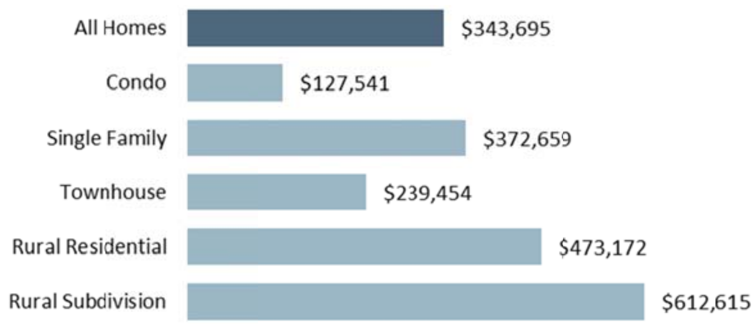
Figure II-26.
Median Home Prices, 2028

Note:

Based on price increases between 2001 and 2018.

Source:

BBC Research & Consulting.



This increase will reduce the proportion of homes affordable to 80 percent MFI households to 29 percent, from 41 percent now. By 2028, nearly half of affordable units would be attached, as shown below.

Figure II-27.
Changes in Affordability at 80% MFI

Source:

BBC Research & Consulting.

	2018	2028
80% MFI Income Threshold	$57,000	$70,567
Affordable Home Price	$201,000	$249,000
Numer Homes Affordable (based on 2018 inventory)	219	160
Percent Homes Affordable	41%	30%
Percent of Affordable that are Attached	35%	48%

Rental Market Trends

The Census reported Lawrence's median rent at $850 per month in 2016, which is very similar to the median rent reported by survey respondents. Compared to other communities, Lawrence's median rent was relatively high, but lower than Manhattan's.

Figure II-28.
Median Rent, 2016

Source:

2016 5-year ACS.

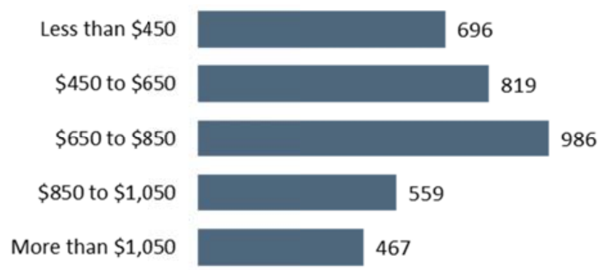
Since 2000, rents have increased by $300 per month, or by $3,600 per year. This compares with an increase in median income of a renter of $8,000. Nearly half of the increase in renter median income is now going toward rent.

Residents responding to the surveys available for this study were asked to report their monthly rent. Overall, the median rent was $840 per month. Rents by sub-group difference, with seniors paying the least at $660 per month. Students reported paying the most, at $825 per month.

An analysis of rental units posted on Craigslist between January and May 2018 found many for single family rooms for rent. The average price of a single room rental was $378 per room. The average rent for apartments and houses was $852, consistent with the rents reported by both survey respondents and the Census.

Figure II-29.
Distribution of Rent Prices in Craigslist Listings Between January and May 2018

Source:
Craigslist.



Gaps in the rental market. Figure II-30 compares the number of renter households in Lawrence in 2016, their income levels, the maximum monthly rent they could afford without being cost burdened, and the number of units in the market that were affordable to them. The "Rental Gap" column shows the difference between the number of renter households and the number of affordable rental units. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive units indicate an excess of units.

Figure II-30.
Gaps in Rental Market, City of Lawrence, 2016

Renter Incomes	Maximum Rent + Utilities per Month	2000 Renter Households Number	2000 Renter Households Percent	2000 Rental Units Number	2000 Rental Units Percent	2000 Gap	2016 Renter Households Number	2016 Renter Households Percent	2016 Rental Units Number	2016 Rental Units Percent	2016 Gap	2000-2016 Change Renter Households	2000-2016 Change Rental Units	2000-2016 Change Gap
Less than $5,000	$125	1,757	10%	351	0%	(1,407)	1,321	7%	-	0%	(1,321)	(436)	(351)	86
$5,000-$9,999	$250	2,021	12%	1,188	7%	(834)	1,155	6%	359	2%	(796)	(866)	(829)	38
$10,000-$14,999	$375	2,012	12%	3,035	18%	1,023	2,022	10%	97	0%	(1,926)	10	(2,938)	(2,948)
$15,000-$19,999	$500	1,869	11%	5,122	31%	3,253	1,944	10%	715	4%	(1,230)	75	(4,407)	(4,482)
$20,000-$24,999	$625	1,853	11%	3,038	18%	1,185	1,307	7%	1,995	10%	688	(546)	(1,044)	(498)
$25,000-$34,999	$875	2,762	16%	2,910	17%	148	3,675	18%	6,809	35%	3,134	913	3,900	2,987
$35,000-$49,999	$1,250	2,482	15%	847	5%	(1,636)	2,932	15%	5,881	30%	2,949	450	5,034	4,584
$50,000-$74,999	$1,875	1,591	9%	97	1%	(1,494)	3,138	16%	2,552	13%	(586)	1,547	2,455	908
$75,000-$99,999	$2,500	454	3%	13	0%	(441)	1,443	7%	692	4%	(751)	989	679	(310)
$100,000+	$2,500+	222	1%	42	0%	(180)	1,054	5%	609	3%	(445)	832	567	(265)
		17,023	**100%**	**16,640**	**100%**		**19,991**	**100%**	**19,707**	**100%**		**2,968**	**3,067**	

Source: 2015 5-year ACS and BBC Research & Consulting.

The gaps analysis in Figure II-30 shows that:

- Twenty-three percent of renters (about 4,500 households) living in Lawrence earn less than $15,000 per year. These renters need units that cost less than $375 per month to avoid being cost burdened. Just 2 percent of rental units (456 units) in the city rent for less than $375/month (including subsidized rental units). This leaves a "gap," or shortage, of 4,000 units for these extremely low income households.
- About 1,900 renters earn between $15,000 and $20,000 per year. There are 700 rental units priced at their affordability range (between $375 and $500/month), leaving a shortage of about 1,200 units.
- Altogether, the city has a shortage of 5,272 rental units priced affordably for renters earning less than $20,000 per year. [1]

[1] The "shortage" shown in the gaps model for high income renters (earning more than $50,000 per year) suggests those renters are spending less than 30 percent of their income on housing—perhaps in order to save for a down payment on a home purchase

The private rental market in Lawrence largely serves renters earning between $25,000 and $50,000 per year—65 percent of rental units are priced within that group's affordability range, with rents between $625 and $1,250 per month.

Publicly subsidized housing provides the majority of the units affordable to households earning less than $20,000/year. Without subsidized housing, the rental gap would be 6,600 units (v. 5,272 currently).

Student effect. In fall 2017, the University of Kansas enrolled nearly 25,000 students at the Lawrence campus.[2] Of these, the vast majority—20,000 students—live off campus—according to the university's Housing Patterns of Students report. The number of students living off campus has consistently been in the 20,000 to 21,000 range during the past 10 years.

Students, therefore, make up a significant proportion of the renters in Lawrence. And 40 percent of the students surveyed reported incomes of less than $20,000 per year, meaning that many are represented in the rental gaps analysis.

Applying this proportion of low income students to the gaps, assuming a household size of 2.12 students per unit (based on the student survey), and removing the students who receive parental assistance for housing, an estimated 2,500 of the 5,272 renters in the gaps with needs are students. Conversely, about 2,800 of the renters with needs represented by the gaps are not students.

Students affect the rental market in many ways, other than creating demand. They also influence unit pricing in unique ways:

- Students more commonly have additional (parent or guardian) support to pay rent. Indeed, according to the survey conducted for this study, 44 percent of students receive help from their parents for rent.
- Students may be perceived as higher-risk renters, which the private sector factors into rental pricing. Students do pay more in rent than non-students, according to the survey.
- Students are frequent movers, which allow property owners to more frequently raise rental prices in response to the wear and tear and transactional costs of tenant moves. The survey found that 67 percent of students moved in the past year.

The 2,800 non-student households with affordability needs that are reflected in the rental gaps are largely:

- Residents who need publicly subsidized housing and earn about $15,000/year on average. These residents can afford to pay $500 per month in rent and utilities—rents which the private sector cannot provide.
- Female heads of household (70%); seniors (38%); residents with disabilities (30%); and single mothers (25%).

[2] This number includes the Edwards Campus in Johnson County, which has approximately 1,800 students.

Change in the rental gaps. A comparison of the rental gaps in 2000 shows a significant shift in the past 16 years. This shift is mostly due to a loss of affordable rentals. In 2000, one-quarter of rentals were priced to accommodate households earning $15,000 per year. By 2016, this was just 2 percent. The number of lower income renters also declined during this period; however, most of the increase in the gap is due to a decline in affordable rentals.

Figure II-31.
Why Did the Gaps Increase?

Increase is largely due to a dramatic shift in the number of units priced at less than $500/mo (affordable to renters earning < $20,000/year

Impact is partially offset by a decline in low income renters

Units affordable to:

	2000	2016
Renters earning < $20,000	56%	6%
$20,000 to $25,000	18%	10%
$25,000 to $35,000	17%	35%

Source: BBC Research & Consulting.

Wait lists. During the past several years, members of the Justice Matters Affordable Housing and Homelessness Working Group have collected data on households on wait lists for housing from affordable housing providers.

The latest estimate from the group is 738 unduplicated households on wait lists for affordable housing, including Housing Choice, or Section 8, Vouchers. This is a significant increase from the 624 households on wait lists in 2015. The vast majority of households are waiting for affordable rentals or rental assistance (679 of the 738, 92%); the balance are waiting for homeownership programs.

Households on the wait lists are a mix of low income families, with about 100 seniors and 50 people experiencing homelessness.

These wait lists translate into:

- A two year wait list for affordable rentals for seniors; and
- A 6-8 month wait list for accessible units in publicly-provided housing.

How is the rental market likely to shift? Based on the survey of property owners conducted for this study and expected growth in renter households we anticipate that:

- Rental increases in 2018 should average 3.5%
- The erosion of units in the $500-$625 range—and the movement of these units in to higher priced rental categories—will continue. The 2000-2016 "loss rate" of affordable units averaged 5 percent of units per year.
- In the next few years, new rental units are expected to be priced between $875 and $1,250.
- Given these changes, the City of Lawrence needs approximately 112 rental units priced at less than $500 per month to accommodate growth in low income renters by 2020. Assuming there is little growth in the student population, these would all be non-students. If the city would like to reduce the rental gap by 15 percent, 1,200 affordable rentals would be needed.

Zoning and Land Use Analysis

The private sector plays a critical role in meeting housing needs. The private sector creates and maintains a significant portion of the housing stock, an estimated 90 percent of the rental units and nearly all for-sale homes. Cities typically use land use planning, zoning and development incentives to encourage private sector development of housing that supports community needs and values.

A number of studies, including a 2006 book by Jonathan Levine (Zoned Out), have documented the impact of zoning regulations on the supply of affordable housing.[3, 4] Common zoning regulations negatively impacting affordable development include:

- Minimum house size, lot size, or yard size requirements;
- Prohibitions on accessory dwelling units;
- Restrictions on land zoned and available for multifamily and manufactured housing; and
- Excessive subdivision improvement standards.

Lawrence's development code was reviewed to determine if any of these could be creating barriers to affordable housing development.

Considerations. Based on the strengths and challenges of the housing market in Lawrence, this study recommends the following considerations for the city's land use planning. Many of these increase the value embedded in Lawrence's relatively large lots and address inefficient land uses. For example, larger lots can be used to increase affordability through additions, Accessory

---

[3] Levine, Jonathan, Zoned Out (RFF Press, Washington, D.C., 2006).

[4] Colorado Deportment of Local Affairs, *Reducing Housing Costs through Regulatory Reform* (Denver: Colorado Department of Local Affairs, 1998).

Dwelling Units (ADUs) to rent and offset mortgage costs, and splits to add additional, stand-alone affordable homes.

- Expand where duplexes and attached dwellings (townhomes, rowhomes) are allowed by right. Duplexes and attached homes are a natural product to address the need for more affordable ownership housing, which is needed to accommodate Lawrence's workforce. The market for these products is growing with increased preferences for low maintenance living. Duplexes and attached dwellings could be incorporated in an aesthetically pleasing manner into nearly all residential districts (the exception would be RS40 and RS20) and also placed in underutilized areas in commercial and light industrial corridors.
- Define "public benefit" in PUDs to specifically include affordable housing, defined according to the needs in this study. This would effectively create a density bonus for affordable housing.
- Consider allowing Accessory Dwelling Units (ADUs) in RS5. ADUs can be placed above garages on small lots.
- Relax the restriction that requires a single lot for every detached or attached unit. Allowing multiple homes on single lots addresses emerging trends in residential living and can facilitate certain forms of cooperative living. The city's current restrictions on mobile home parks and placement may discourage similar, intentionally affordable, cooperative uses.
- Ensure that limits on unrelated resident occupancy do not create barriers to people living together in cooperative environments, including residents who do not gender identify. Unrelated occupant limits are quite common in university towns where overcrowded student housing can disrupt neighborhoods. Waivers could be granted for special occupancy purposes.

It should be noted that Lawrence is close to build out and does not have a great deal of vacant land for development. As such, it is important that the city add flexibility in existing land uses and unit occupancy to accommodate housing needs, as these cannot be fully addressed by adding housing supply in greenfields.

SECTION III.

Community Input

SECTION III.
Community Input

This section describes the findings from the public participation component of the housing study. The public input process was designed to assess community culture and community perceptions of housing issues through surveys and stakeholder focus groups.

Community Participation Opportunities

The city of Lawrence housing study surveys and focus groups provided opportunities for community participation and collected data about the housing market and resident housing preferences. Surveys (n=number of participants) included:

- Resident survey (n=472 phone and n=1,978 online);
- Employer survey (n=57); and
- Rental property owner/manager survey (n=392).

In addition to the surveys, stakeholders participated in focus groups; participants included AHAB members, local housing providers, social and human service providers. Populations served by focus group participants include very low or extremely low income residents, residents with disabilities, persons experiencing homelessness, domestic violence survivors, youth aging out of foster care and other vulnerable populations. Members of the public provided comments about the study during public comment periods at AHAB and City Council meetings, and others contacted the consulting team directly by phone or email.

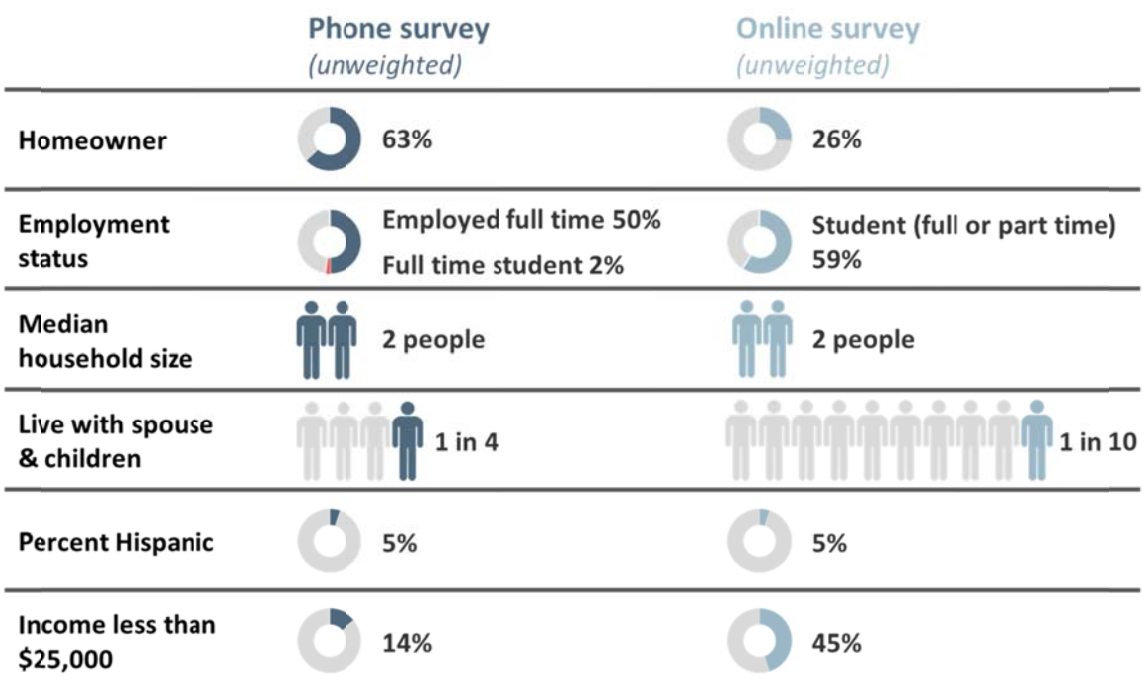
Resident survey. The resident survey consisted of two separate sampling methodologies and data collection methods. The intention was to field a survey that would represent the experiences and preferences of Lawrence residents (telephone survey) and to allow all interested residents to participate in the process (online survey). City of Lawrence staff and members of the AHAB reviewed the draft survey instrument. The survey gathered information about residents' housing choices and experiences, future housing choice, opinions about Lawrence's housing spectrum, and demographic and socioeconomic characteristics.

Sampling note. The telephone survey is a statistically valid random sample of Lawrence residents; sampling included both landline and mobile phone numbers and was available in English and Spanish. Results from the telephone survey are weighted by respondent age and housing tenure (i.e., homeowner/renter). Proportions from the resident survey are statistically valid and replicable at the 95 percent confidence level with a margin of error of +/- 5 percentage points. The telephone survey is representative of the experiences and preferences of Lawrence residents.

Responses to the online survey derived from convenience sampling and snowball sampling methods. Convenience sampling refers to promoting the survey to known individuals or organizations through direct contact (e.g., email invitation) or public relations and social media. Snowball sampling is when a respondent to the survey promotes the survey to their peers or social networks (e.g., sharing the survey link by email or social media). Due to the nature of the sampling methodology, the online survey responses are used to examine the preferences and experiences of segments of the Lawrence population rather than the population overall. Students are over-represented in the online survey and under-represented in the unweighted telephone survey. The same is true for renters. Despite differences in sampling methods and respondent composition, responses to the online survey are very similar to the weighted telephone survey results.

Figure III-1 presents selected characteristics of the unweighted telephone and online survey respondents.

Figure III-I.
Survey Respondent Characteristics



Note: For the analyses, phone survey data are weighted to adjust for city's homeowner/renter proportion and by age. For the phone survey, n= n=472 and n=1,978 for the online survey.

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

Current Housing Choice

Determining where to live within a community is a complex function of personal and household preferences, income, cost of housing, credit history, market availability of desired housing types across neighborhoods, and more.

Most important factor in choosing current home. When asked to identify the factors most important in choosing their current home, the majority of Lawrence residents named "cost/I could afford it" as an important factor. Proximity to college/university was a top factor among many resident groups, as was the type of neighborhood and number of bedrooms. Figure III-2 presents the most important factors in choosing their current home for all Lawrence residents as well as key segments of the city population including, homeowners and renters, students, seniors, families with children and others.

- Homeowners and families with children were more likely than other groups to rate "being close to quality public schools/district" as one of the most important factors in their housing choice.
- Non-student renters value pet friendly rental policies;
- Among residents with disabilities, few identified a home's accessibility features as one of their most important factors in housing choice. Most identified cost, proximity to the university, and size of unit/number of bedrooms as their top three factors.
- In addition to cost and proximity to the university, African American residents prioritized housing that is close to work or job opportunities.
- Access to public transportation was among the three most important factors to Hispanic residents.

Figure III-2.
Top 3 Most Important Factors in Choosing Current Home

Cost/I could afford it
- All Lawrence residents
- Homeowners
- Renters
- Families with children
- Seniors
- African American residents
- Asian residents
- Hispanic residents
- White residents
- Students
- Non-students
- Non-student renters

Close to college/university
- All Lawrence residents
- Renters
- Students
- Non-student renters

Number of bedrooms
- All Lawrence residents
- Renters
- Seniors
- Students
- Non-student renters

Like the neighborhood
- Homeowners
- Families with children
- Seniors
- Non-students

Close to quality public schools/district
- Homeowners
- Families with children

Allows pets/dogs
- Non-student renters

Note: "All Lawrence residents", "renters" and "homeowners" results are derived from the weighted telephone survey and are representative of the city overall; all other results are from the online survey, which yielded sufficiently large enough samples (n>40) for crosstabulation by demographic and socioeconomic characteristics.

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

Housing condition. Overall, one in four Lawrence residents rate their housing to be in *fair* or *poor* condition. Homeowners are less likely than renters to think their housing is in fair or poor condition. As shown in Figure III-3, two in five renter families with five or more members (large families) consider their housing to be in fair or poor condition; a significantly higher rate than renters overall.

Figure III-3.
Percent Rating Their Home in *Fair* or *Poor* Condition

Source:

BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

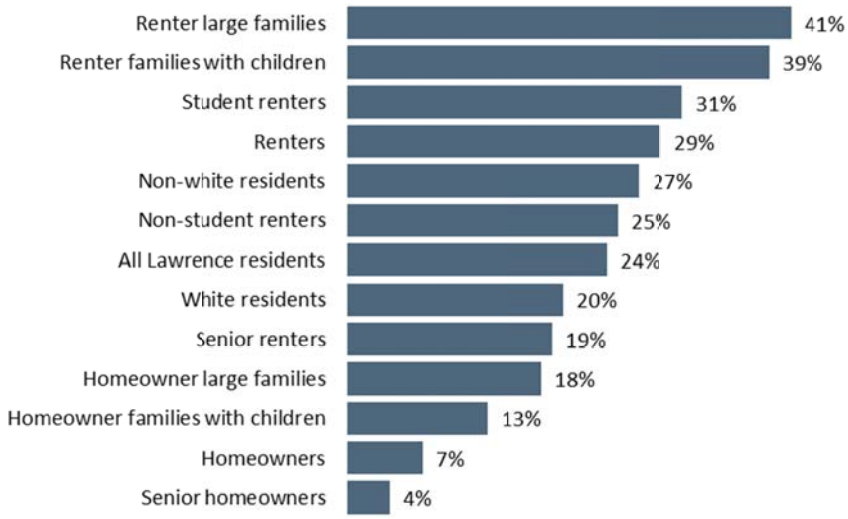


Figure III-4 presents respondents' assessment of their home's condition by selected household characteristics. As shown, most of the differences in condition are between homeowners and renters. Overall, the greatest proportion of homeowners across groups rate their home to be in good condition; only among seniors do a majority consider their home in excellent condition. Similar to homeowners, the greatest proportion of renters across groups rate their homes to be in good condition.

About the same share of white residents, African American residents, and Hispanic residents assess their home's condition as fair or poor; a smaller proportion than Asian residents. Higher income households are more likely than lower income households to consider their home in excellent condition and are much less likely to rate their home's condition as fair.

Figure III-4.
Housing Condition by Selected Household Characteristics

Note:

Income refers to household income. Disability figures refer to households that include a member with a disability.

Source:

BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

	Housing Condition			
	Excellent	Good	Poor	Fair
All Lawrence residents	31%	45%	22%	2%
Homeowners	44%	50%	6%	1%
Renters	20%	51%	24%	5%
Senior homeowners	51%	45%	4%	0%
Senior renters	33%	48%	19%	0%
Student renters	20%	50%	26%	5%
Non-student renters	21%	53%	21%	4%
Homeowner families with children	34%	53%	11%	2%
Renter families with children	15%	46%	32%	7%
Homeowner large family	32%	50%	14%	4%
Renter large family	17%	42%	38%	3%
Homeowners with a disability	22%	69%	7%	1%
Renters with a disability	18%	54%	21%	7%
African American residents	20%	60%	18%	3%
Asian residents	14%	48%	32%	6%
Hispanic residents	23%	51%	19%	7%
White residents	30%	50%	18%	2%
Income less than $25,000	21%	51%	23%	5%
Income $25,000 up to $50,000	22%	53%	23%	2%
Income $50,000 up to $75,000	30%	58%	10%	1%
Income $75,000 up to $100,000	37%	47%	14%	2%
Income $100,000 or more	48%	45%	6%	1%

Figure III-5 considers housing condition by tenure and the type of housing unit. Renters living in detached single family homes are less likely than renters in other product types to rate their home in excellent condition and are more likely to assess the home's condition as poor. Owners of attached single family homes (e.g., townhomes, duplexes) are most likely to rate their home's condition as excellent.

Figure III-5.
Housing Condition by Tenure and Type of Unit

Note:

*Too few owners of condo units in multifamily buildings responded to report condition data.

Source:

BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

	Housing Condition			
	Excellent	Good	Poor	Fair
All Lawrence residents	31%	45%	22%	2%
Homeowners	44%	50%	6%	1%
Renters	20%	51%	24%	5%
Detached single family home	36%	49%	13%	2%
Owner detached single family home	43%	51%	5%	1%
Renter detached single family home	15%	49%	31%	5%
Attached single family home	29%	48%	20%	3%
Owner attached single family home	47%	45%	9%	0%
Renter attached single family home	24%	48%	23%	5%
Renter in multifamily building*	21%	54%	21%	4%
On-campus dorms/student housing	23%	50%	23%	4%

Repair needs. Overall, 41 percent of Lawrence residents with homes in fair or poor condition need repairs to improve their home's condition. When asked to identify the most important repair needed for their home, the greatest proportion of respondents identified:

- Weatherization (26%);
- Roof (8%);
- Heating/cooling (8%); and
- Bathroom plumbing (8%).

None of the respondents with repair needs explicitly shared concerns about indoor air quality or health impacts they may experience due to fair/poor housing conditions; however, the significant need for weatherization, roofing, and HVAC repairs may indicate some households experience health impacts due to housing conditions.

When asked why these important repairs have not yet been made:

- Three in four homeowners (75%) haven't made needed repairs because they cannot afford them; and
- Nearly three in five renters (57%) have landlords who refuse or have yet to make needed repairs despite requests.

Overall, 16 percent of renters who participated in the survey live in single family homes. Nearly three in 10 renters (28%) who said their landlord refused or had yet to make needed repairs despite requests live in single family homes, almost twice the expected proportion. Similarly, renters living in multifamily buildings comprise 54 percent of all renters participating in the survey but only 41 percent of those who have a landlord that needs to make a repair. Renters who have unmet repair needs are also more likely to have household incomes of $35,000 to $50,000 compared to other renters (17% v. 11%), to have children under 18 in the home (15% v. 8%), and to have five or more members in the household (18% v. 7%).

Accessible housing. One in four Lawrence residents with disabilities (24%) live in housing that does not meet their accessibility needs. Among the residents whose homes need accessibility modifications, two in three need a ramp, half need grab bars in bathrooms, and half need wider doorways.

In focus groups, stakeholders serving residents with disabilities described shared that finding a home that is affordable *and* that meets the resident's accessibility needs is nearly impossible in Lawrence. Few market rate rentals have accessible units due to when the buildings were constructed (pre-ADA). Overall, units that are affordable to residents relying on disability income are extremely rare. This results in residents with disabilities resorting to securing housing that does not meet their accessibility needs but is housing they can afford.

Housing costs. Figure III-6 presents median monthly housing costs for Lawrence renters and homeowners overall and for selected household types. Overall, the median rent paid by all Lawrence renters participating in the resident survey is $840 per month plus $200 in utilities.

Homeowners spend $1,500 on their mortgages, including insurance and taxes, plus $300 per month in utilities.

Figure III-6.
Median Monthly Rent, Mortgage and Utility Costs, All Residents and Selected Household Types

Household Type	Renter Households		Homeowners	
	Median Rent	Median Utilities	Median Mortgage	Median Utilities
Large families	$1,150	$200	$1,300	$350
All Lawrence residents	$840	$200	$1,500	$300
Students	$825	$150	$1,000	$280
Families with children under 18	$775	$230	$1,173	$300
Disability	$710	$200	$1,000	$350
Seniors	$660	$160	$865	$265

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

Figure III-7 examines monthly housing cost data based on the number of years that a resident has lived in their *current* home. Renters who have lived in their unit for less than one year have the highest monthly rent, and those who have lived in their unit for 10 or more years pay the lowest monthly rent. This is not surprising, as long-term tenants often benefit from no to small monthly rent increases compared to rates charged to new tenants, especially in markets with stable vacancy rates. Unit turnover provides property owners frequent opportunities to increase rents if demand for rentals is strong.

Figure III-7.
Median Monthly Rent, Mortgage and Utility Costs by Tenure and Number of Years in the Home

Number of Years in Current Home	Renter Households		Homeowners	
	Median Rent	Median Utilities	Median Mortgage	Median Utilities
Less than 1 year (2017-present)	$870	$150	$1,053	$250
1 year up to 5 years (2012-2017)	$771	$190	$1,070	$280
5 years up to 10 years (2007-2012)	$750	$250	$664	$275
10 years or more (Prior to 2007)	$590	$180	$1,095	$300

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

Rental property owners and managers who participated in the rental survey report that vacant units fill quickly. One in three rental owners/managers increased rents in 2017 and 36 percent plan 2018 increases. The median increase in 2018 is expected to be 1 to 5 percent. Despite the low vacancy rate and short amount of time units are available, some believe that amenity-rich large developments targeting student renters is being overbuilt.

Strategies to afford housing costs. When housing costs rise or incomes fall, residents respond by cutting costs or seeking additional income. Lawrence residents most vulnerable to housing insecurity employed a number of strategies to be able to afford housing costs.

- **Households with incomes less than $20,000** received financial support from family or friends (46%), had to find additional employment (28%), used credit card or other debt to pay for housing costs (17%), and avoided needed medical treatment (16%) in order to afford housing. Less than 16 percent of extremely low income households reported that their income was sufficient to afford housing costs.

- **Seniors** who rent applied for public assistance (29%), avoided medical treatment (29%), cut back on medication (24%), or got food from a food bank (24%), in order to afford housing costs. About 1 in 10 seniors overall worry they won't be able to stay in their home due to financial issues, health issues, or rent increases.

- Nearly three in 10 **residents with disabilities** receive financial support from family or friends (27%), sought additional employment (25%), avoided needed medical treatment (23%), cut back on or stopped taking prescriptions or medicine (16%), used credit card or other debt to pay for housing (16%) in order to afford housing costs. More than 1 in 10 live with family or friends due to a lack of affordable housing to rent.

- One in three **students** receive financial support from family or others to pay housing costs and the same proportion—33 percent—sought additional employment, 13 percent used other debt/credit cards, and 10 percent avoided medical treatment in order to pay housing costs.

Displacement vulnerabilities. In the past three years, one in 10 Lawrence renters experienced displacement—having to move from a home when they did not want to move. Figure III-8 presents the proportion of Lawrence renters who experienced displacement in the past three years by selected household characteristics. As shown, renters with children and non-student renters were most likely to have experienced displacement in the past three years. Students and higher income households were less likely to experience displacement.

Figure III-8.
Households Experiencing Displacement in the Past Three Years

Source:

BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey and Resident Online Survey.

Renter Household Type	Percent Displacement
All Lawrence renters	**10%**
Renters with children	17%
Non-student renters	16%
Senior renters	14%
Renters with a disability	14%
African American renters	14%
Asian renters	12%
Renters with household income $25,000 up to $50,000	12%
Renters with large families	11%
Hispanic renters	10%
Renters with household income less than $25,000	8%
White renters	6%
Student renters	6%
Renters with household income $75,000 up to $100,000	6%
Renters with household income $100,000 or more	6%
Renters with household income $50,000 up to $75,000	3%

The most common reasons for why displaced renters had to move include:

- Rent increased; couldn't afford to stay (23%);
- Cost of utilities; couldn't afford to pay utilities (16%);
- Personal reasons (16%);
- Change in household size (11%);
- Owner sold rental unit (10%); and
- Condition issues such as mold, pests or rodents (8%).

A review of electricity costs compiled by the U.S. Energy Information Administration shows that, since 2008, residential use costs for electricity have increased by 14 percent (as measured by cents per kilowatt hour) compared to just 4 percent for commercial use and a decline for industrial use.[1] Trends are not readily available at small geographic levels; however, if Lawrence costs are similar to those in the U.S., rising utilities costs have been a factor in higher housing costs.

Disproportionate housing needs of Non-White residents. In many communities across the country, Non-White residents often experience disproportionate housing needs—higher proportion of cost-burdened households, higher rates of poor housing conditions, higher rates of overcrowding. Often these disproportionate housing needs reflect a lack of access to economic opportunity and other impediments to fair housing choice.[2] The resident survey presents an opportunity to explore the extent to which the housing experience of Non-White Lawrence residents is different from White residents.

Housing condition. Among students, there are no meaningful differences in how Non-White and White residents assess their housing condition. For example, Non-White student renters are as likely as White student renters to rate their housing condition as fair/poor (29% v. 30%). For those student renters living in units that need some type of repair, weatherization is the most typical need. When asked why repairs had not yet been made, the same proportion of Non-White and White student renters (57%) said their landlord refuses to make repairs.

Among non-students, there are differences in housing condition ratings between Non-White and White residents, both overall and by tenure. Overall, 28 percent of Non-White non-student residents consider their housing condition to be fair/poor compared to 11 percent of White non-student residents. Although sample sizes by tenure are small, the data suggest that both Non-White non-student homeowners and renters are more likely to rate their housing condition fair/poor than White residents.

---

[1] https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_3#menu

[2] In 2017, with Douglas County and the Housing Authority, the City of Lawrence prepared an Assessment of Fair Housing which considered fair housing issues in depth. https://assets.lawrenceks.org/assets/agendas/cc/2017/10-17-17/Lawrence-Assessment-of-Fair-Housing-final-v2.pdf

Strategies to afford housing costs. Overall, 80 percent of students used one or more strategies to afford housing cost. Parents of two in five White students pay all or a portion of the rent; Non-White students are somewhat less likely to receive this specific type of parental financial support (33%). There are no other meaningful differences between White and Non-White students in the strategies used to afford housing costs.

Among non-students, 59 percent of White residents and 77 percent of Non-White residents used one or more strategies to afford housing costs. For both groups, cutting back on entertainment and going out was the most common strategy. Compared to White non-student residents, Non-White non-student residents are more likely to have:

- Received financial support from friends/family (30% of Non-White non-students v. 16% of White non-students);
- Had to find additional employment (27% v. 14%);
- Had to get food from a food bank (23% v. 5%);
- Cut back on classes/job training (14% v. 7%);
- Applied for public assistance (13% v. 5%);
- Cut back on or stopped taking needed medications (13% v. 6%); and
- Been at risk of eviction (11% v. 1%).

These findings suggest that non-student Non-White residents, who are also more likely than White residents to be renters, experience disproportionate housing needs associated with housing costs, and may also experience disparities in access to economic opportunity.

Homeownership. Among non-students, Non-White Lawrence residents who responded to the survey are less likely to be homeowners (44% compared to 68% of White respondents). When asked for the top two reasons they have not yet bought a home, there were no meaningful differences in the responses between White and Non-White non-student renters who want to buy. For both groups, a lack of affordable housing to buy was the primary factor. Among students, there are no meaningful differences in homeownership rates (4% of Non-White students compared to 5% of White students).

Students. Students play a large role in Lawrence's rental market. Among the students participating in the resident survey:

- Most (75%) are renters; 4 percent are homeowners, and the remainder live in student housing, including fraternities and sororities;
- Nearly half (47%) have help from parents or guardians to pay for housing;
- Half live with roommates and 21 percent live alone;
- Slightly fewer than one in 10 have children under the age of 18 living in their home (8%);
- The majority (62%) have lived in their current home for less than one year, and 32 percent have been in their home from one year up to five years;

- More than two in five (45%) live in multifamily buildings, 18 percent in on-campus student housing, 17 percent in detached single family homes and 11 percent live in attached single family homes;
- Nearly three in 10 students (28%) live in housing they consider to be fair or poor;
- One in 10 live with family or friends due to a lack of housing; and
- Three in four plans to move in the next five years.

Future Housing Plans

The resident survey included a section asking respondents about their future housing plans.

Want to move. Overall, six in 10 Lawrence residents plan to move at some point in the next five years, and 36 percent plan to stay in their current home for as long as possible. One in 20 want to stay in their current home but worry they won't be able to.

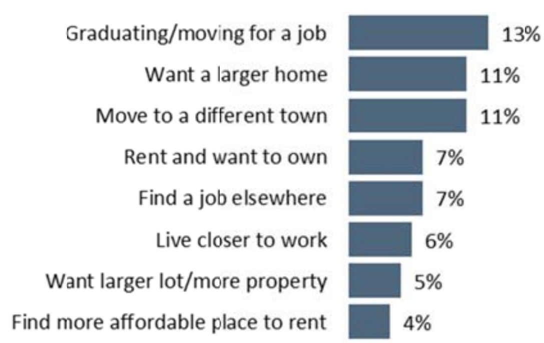
- Renter households are most likely to plan to move in the next five years—75 percent of renters compared to 28 percent of homeowners. A slightly higher proportion of non-student renters (79%) plan to move.
- Younger respondents are much more likely than older respondents to plan to move in the next five years. For example, 65 percent of 25 to 34 year olds plan to move, compared to 18 percent of 65 to 74 year olds.
- Households with children under 18 are less likely to want to move than other households (38% compared to 60%).

Figure III-9 presents the top reasons why residents plan to move in the next five years. About one in 10 want to move into a larger home and the same proportion want to move out of Lawrence. Seven percent of those planning to move rent and want to buy. Most prospective movers think that Lawrence offers the type of housing they would like to move to (79%).

Figure III-9.
What is the primary reason you plan to move in the future?

Note:
n=258 residents planning to move in the next five years.

Source:
BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey.



Most prospective movers think that Lawrence offers the type of housing they would like to move to (79%).

Want to buy. About 29 percent of non-student renters plan to move because they want to buy a home. The non-student renters who want to become homeowners:

- Are primarily between the ages of 25 and 34 (44%) or 35 to 44 (24%);
- Have household incomes of $25,000 up to $50,000 (41%), $50,000 up to $75,000 (24%), or $75,000 or more (28%); and
- One in five have children under age 18 in the household (22%).

Non-student renters who want to buy but haven't offered a number of reasons why they have not yet bought. Reasons identified by at least 10 percent of non-student renters who want to buy are:

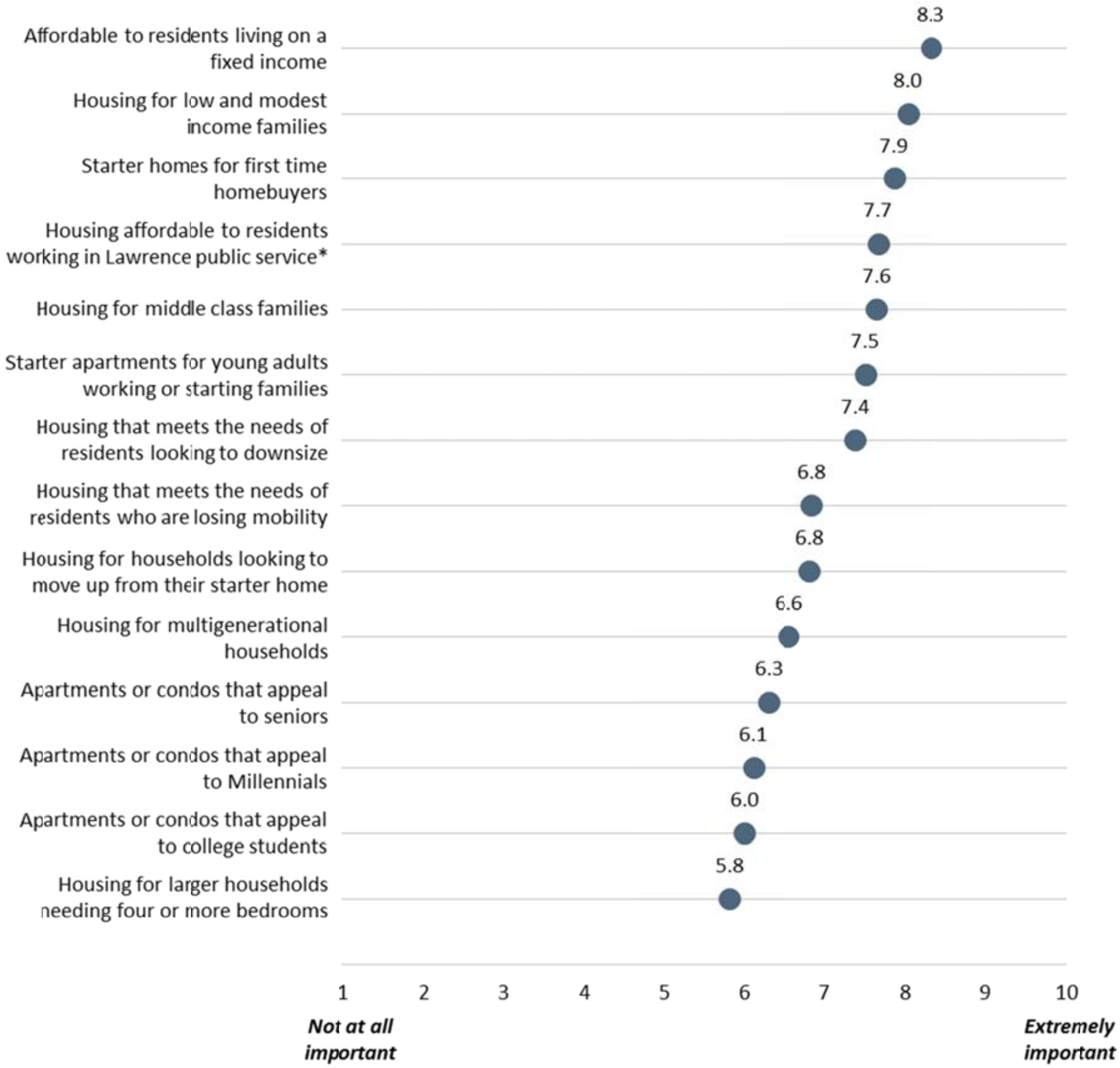
- Housing is not affordable to buy where I want to live (25%);
- Can't come up with a down payment (24%);
- Income too low to qualify for a mortgage (16%);
- I don't want to buy/live in Lawrence (15%);
- There is no affordable housing I want to buy (13%);
- Bad credit/low credit score (10%); and
- Affordable housing isn't available at all—I would live anywhere in the city (10%).

Lawrence's Housing Spectrum

To understand residents' preferences for the composition of Lawrence's housing supply across housing types as well as housing products and affordability for different types of households, the survey posed two key questions. The first asked residents to rate the importance to them personally that the housing supply included housing for different types of residents. The second asked where different types of housing products would be appropriate in Lawrence (if at all).

Composition of Lawrence's housing supply. Residents rated the importance to them that Lawrence's housing supply included housing that would appeal to or be suitable for a number of different types of households. Figure III-10 presents those ratings; higher values indicate higher average importance. On the whole, residents' ratings suggest that they prefer Lawrence's housing supply to offer suitable and affordable housing for a diversity of resident life stages and incomes. It is most important to Lawrence residents that the city's housing supply includes housing that is affordable to residents on a fixed income, low and modest income families, first time homebuyers, workers employed in public service and retail/services, middle class families, and young adults or families.

Figure III-10.
On a scale of 1 to 10, where 10 means extremely important and 1 is not at all important, how important to you is it that Lawrence's housing supply includes the following types of homes?

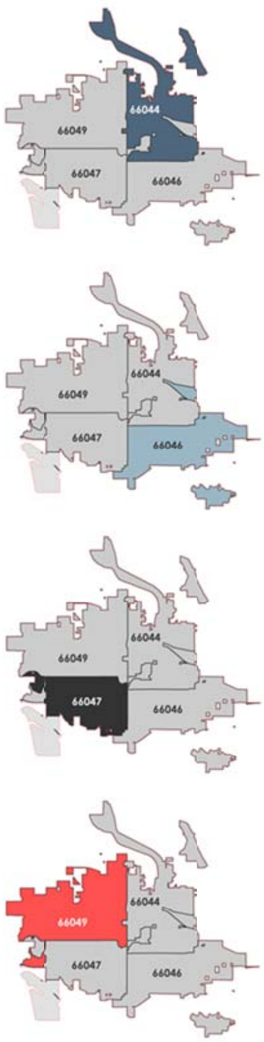


Note: *E.g., grocery stores, librarians, teachers.

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey.

Figure III-11 presents the three most important housing types that should be present in Lawrence based on the respondent's ZIP code of residence. Across ZIP codes, residents value housing for a mix of household incomes, seniors, and first-time homebuyers.

Figure III-11.
Top 3 Most Important Housing Types that Should be Present in Lawrence, by Respondent's ZIP Code



66044

1) Housing affordable to residents on a fixed income

2) Housing affordable to residents working in public service

3) Starter homes for first-time homebuyers(tie)

3) Housing for middle class families (tie)

66046

1) Housing affordable to residents working in public service

2) Housing affordable to residents on a fixed income

3) Housing for low and modest income families

66047

1) Housing affordable to residents on a fixed income

2) Housing affordable to residents working in retail jobs

3) Starter homes for first-time homebuyers

66049

1) Housing affordable to residents working in retail jobs

2) Housing for low and modest income families

3) Housing for middle class families (tie)

3) Housing affordable to residents on a fixed income (tie)

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey.

Appropriate locations for different housing product types. Residents were asked to consider whether or not different housing types were appropriate in their neighborhood, other Lawrence neighborhoods, or not appropriate in Lawrence. Figure III-12 presents these results; the shaded housing types are the top five rate by the greatest proportion of residents as being appropriate "in my neighborhood". These housing types—medium single family homes, townhomes with the same setback, height as neighboring homes, duplex homes on the same lot size as single family homes, small single family homes, and medium lots—are similar to most of the city's single family and lowest density neighborhoods, and suggest an appetite for allowing some increased density through attached products that fit with the scale and setbacks of existing single family homes.

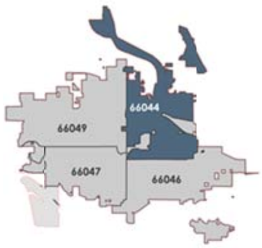
Figure III-12.
Appropriate Locations for Housing Types

Housing Type	Appropriate in my neighborhood	Appropriate in other Lawrence neighborhoods	Not appropriate in Lawrence	Don't know
Medium single family homes (1,500-3,000 sq ft)	63%	34%	1%	2%
Townhomes with same setback, height as neighboring homes	53%	33%	11%	3%
Duplex homes on same lot size as single family homes	51%	39%	9%	2%
Small single family homes (<1,500 sq ft)	51%	40%	5%	4%
Medium lots (6,000-10,000 sqft)	43%	29%	24%	4%
ADU/granny flat	42%	39%	13%	6%
Small lots (<5,000 sqft)	41%	40%	7%	12%
Tiny homes (<500 sqft)	35%	44%	17%	5%
Apartment buildings with 5+ stories by bus/major roads	32%	52%	15%	2%
Small apartment building with <10 units	31%	49%	15%	5%
Large single family homes (5,000 sqft+)	26%	55%	17%	3%
Apartment buildings up to 5 stories by bus/major roads	23%	63%	11%	3%
Large lots (10,000+ sq ft)	12%	41%	44%	4%

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey.

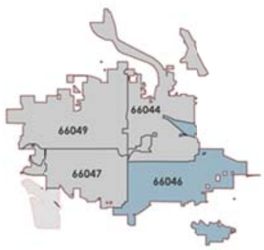
Figure III-13 presents the top five housing types residents identified as "appropriate in my neighborhood" by the respondent's ZIP code. The composition of the top five housing types varies somewhat by ZIP code, reflecting the character of those neighborhoods and resident preferences.

Figure III-13.
Appropriate Housing in My Neighborhood, by Respondent's ZIP Code



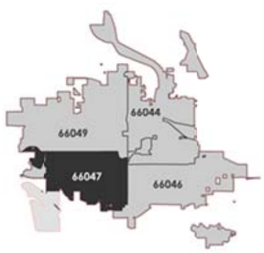
66044

1) Townhomes with same setback, height as neighboring homes
2) Duplex homes on same lot size as single family homes
3) ADU/granny flat
4) Medium single family homes (1,500-3,000 sq ft)
5) Small lots (<5,000 sqft)



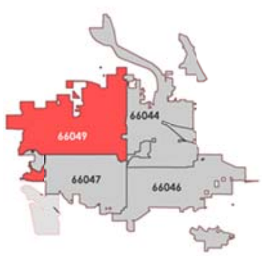
66046

1) Medium single family homes (1,500-3,000 sq ft)
2) Small single family homes (<1,500 sq ft)
3) Medium lots (6,000-10,000 sq ft)
4) Townhomes with same setback, height as neighboring homes
5) Apartment buildings with 5+ stories by bus/major roads



66047

1) Duplex homes on same lot size as single family homes
2) Townhomes with same setback, height as neighboring homes
3) Small lots (<5,000 sq ft)
4) Medium lots (6,000-10,000 sq ft)
5) Medium single family homes (1,500-3,000 sq ft)



66049

1) Medium single family homes (1,500-3,000 sq ft)
2) Large single family homes (5,000 sq ft+)
3) Townhomes with same setback, height as neighboring homes
4) Medium lots (6,000-10,000 sq ft)
5) Small lots (<5,000 sq ft)

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey.

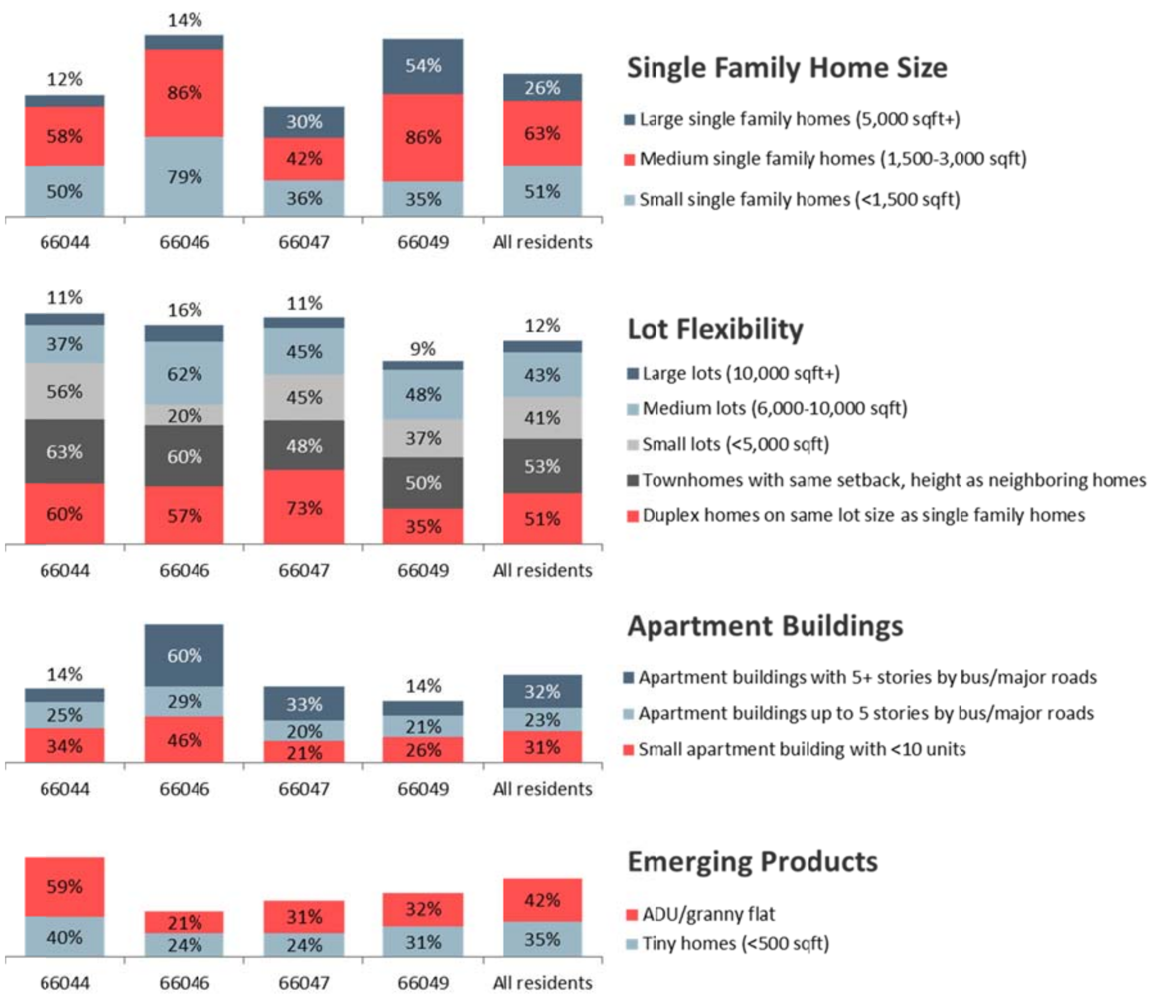
Appetite for density. Figure III-14 looks at housing types residents considered appropriate in their neighborhood by the respondent's ZIP code and in categories of housing types—single family home size, lot flexibility, apartment buildings, and emerging products. The types of housing deemed appropriate in a given ZIP code ("my neighborhood") vary.

- With respect to single family homes, nearly four in five 66046 residents consider small single family homes appropriate in their neighborhood, nearly twice that of residents in

66047 and 66049. Fewer than one in five residents of 66044 and 66046 think that large single family homes are appropriate, compared to half of residents living in the 66049 area.

- With respect to lot flexibility, residents are least likely to think large lots are appropriate in their neighborhood across all ZIP codes. Townhome and duplex products are considered appropriate by at least half of residents in most areas.
- With respect to apartment buildings, residents of 66046 were the most likely to say that apartment buildings with five or more stories were appropriate in their neighborhood by bus routes or on major roads.
- Residents of 66044 were most likely to think ADUs are appropriate in their neighborhood.

Figure III-14.
Appetite for Density, by ZIP Code



Note: Percent responding yes, the housing type is appropriate in their neighborhood.

Source: BBC Research & Consulting from the 2018 Lawrence Market Study Resident Telephone Survey.

Stakeholder Perspectives

In addition to the stakeholder feedback incorporated above, focus group participants offered additional insight into the housing needs and challenges of hard-to-house and vulnerable populations in Lawrence.

Residents who have felony drug charges and persons in recovery are particularly vulnerable in tight rental markets. Families with parents in recovery need stable, affordable housing to support their recovery—which is very difficult to find. The city's new housing fund would be ideal for addressing this gap in need and funding (federally funded properties have very strict requirements for criminal history).

People with criminal histories find housing through informal networks. Lawrence has many good-hearted property owners providing this housing, but there is no guarantee they will continue this service to the community.

From the perspective of stakeholders, the incentives for rental property owners to accept Housing Choice Vouchers (HCV) and house lower income tenants have diminished significantly, due to several factors:

- Property taxes have increased, yet low income persons cannot pay additional rents to cover those increases; and
- Funding for HCVs has declined.

Property owners would benefit from an insurance fund that compensates them for damage caused by tenants perceived as "risky" (a fund akin to private mortgage insurance, or PMI, which lenders require of higher risk homebuyers).

Stakeholders who assist victims of domestic violence and who were interviewed for the study agreed that the most significant need for their clients is transitional housing and support to move from the emergency shelter into stable independent living Lawrence has sufficient emergency assistance/shelter beds for domestic violence to meet demand; the gap exists for transitional housing. These households are often 0-30% income; finding an adequate, affordable place to rent is very difficult. The city's PHA has 10 24-month transitional vouchers for domestic violence and would benefit from additional vouchers.

Persons with disabilities face multiple barriers to finding the housing they need, some of which are related to federal fair housing accessibility requirements:

- Renters with disabilities do not have the resources to pay for needed accessibility modifications unless they receive grant assistance; as such, they usually go without modifications.
- Federal requirements do not require that units be affordable. Because many people with disabilities live on fixed incomes, they cannot afford to pay market rents, especially newly constructed buildings.

- Federal requirements state that accessibility modifications must be removed when the tenant with a disability leaves the property and cannot interfere with the marketability of the property. Property owners who perceive modifications as affecting the marketability of their properties may refuse rents to people with disabilities; require that leases contain a provision that the modification be removed; and/or remove interior and exterior modifications before they try to rent to another tenant with a disability.
- Housing with supportive services is needed for persons with mental illnesses. Property owners have no incentive to rent to populations perceived as "hard to house."
- Affordable, accessible housing is ***extremely*** difficult to find. Many seniors are "over" housed in less than ideal homes. Accessibility requirements in the Fair Housing Act are inadequate to meet needs of persons with disabilities.
- Rental property owner/manager requirements that tenants demonstrate earning three times the rent (3X the rent) is all but impossible for residents living on disability or social security income to obtain private rental market housing. Even residents with assets, such as a senior with proceeds from a home sale, are unable to meet the 3X income requirement. The 3X rent income rules disproportionately impact seniors and residents with disabilities on disability income, and may be a disparate impact on the basis of disability under the Fair Housing Act.

Stakeholders identified the greatest housing needs in the city as:

- Transitional housing/support to transition from the emergency shelter into a program or stable independent living;
- Rental housing for larger families;
- Housing with supportive services for residents with mental health and cognitive disabilities;
- Lack of housing accessible to persons with disabilities; and
- Affordable low/no maintenance homes for seniors who are currently "over" housed.

Employer perspectives. Most employers who participated in the employer survey think it is fairly easy for employees to find housing to rent in Lawrence (10% very easy, 52% easy). The remainder (38%), think it is difficult for employees to find housing to rent. Conversely, nearly three in four employers think it is difficult or very difficult for their employees to find housing to buy in Lawrence (43% difficult, 29% very difficult). One in five employers report having difficulty recruiting employees due to housing conditions in Lawrence.

Employers reported that the most common ways their employees adjust when they cannot find housing to meet their affordability needs and/or preferences include:

- Live in another part of the county and drive (19% of employers);
- Live with family (18%);
- Get more roommates (11%); and
- Live in housing in poor condition (11%).

Rental property owner/manager perspectives. Property owners and managers who participated in the rental property survey provided information about the rental market, anticipated rent increases and perspectives on issues related to occupancy and the rental registration system.

- Half (52%) of landlords rent available units in ***less than 1 week;***
- The median number of rental applications received for each available rental unit is three applications;
- One-third increased rents in 2017, and 36 percent plan 2018 increases;
- The median 2018 increase expected to be one to five percent;
- Many would like to see 3-unrelated rule increased to 4-unrelated;
- Many are concerned rental market is being overbuilt, particularly amenity-rich larger developments targeting student renters; and
- Several local rental property owners participated in focus groups and spoke at the City Council meeting where preliminary study results were presented. Their primary concern was the treatment of properties that had been split into multiple units in the past and, as a result of licensing renewals and/or financing, are required to conform with current zoning. These property owners view these actions as reducing the stock of much needed rentals.

Section Summary

- Affordability is one of the top factors for choosing a home for all residents and across resident demographic groups.
- Most residents consider their home to be in excellent/good condition. Renters are more likely than homeowners to live in housing they consider to be in fair/poor condition, especially renters of detached single family homes. Renters with children and renters with large families are more likely than other renter households to live in fair/poor condition homes.
- Weatherization is the repair need identified by the greatest proportion of respondents. Most homeowners who need repairs have not made them because they cannot afford to make repairs.
- Affordable *and* accessible housing is extremely difficult for residents with disabilities to find.
- Renters with children, non-student renters, and senior renters are most vulnerable to displacement, compared to other renters.
- For non-student renters who want to own, a lack of affordable housing in the areas they want to live and/or a lack of a downpayment are the most common barriers to owning.
- Lawrence residents value a housing supply that serves residents of all incomes and life stages. Based on their survey responses, a majority or plurality of residents in most areas believe that products that may increase affordability—low density attached housing, small and medium lots and home sizes—are appropriate in their neighborhoods.

SECTION IV.

Findings and Recommendations

SECTION IV.
Findings and Recommendations

This section evaluates the resources and options available to Lawrence to address the housing challenges identified in prior sections of this report. These resources include direct allocations of funding for housing, as well as other effective contributions (e.g., zoning and land use modifications to incentivize development).

The primary focus of this section is recommendations for strategies to address needs. This is presented in the form of a "dashboard" for measuring progress and a "road map" to get there.

These recommendations were informed by best practices in similar communities—yet are unique to Lawrence. They focus on how to retain what makes Lawrence a special place for a variety of residents to call home.

Resources

The City of Lawrence is fortunate to have a number of direct financial resources that support housing investments. Most impressive is the new dedicated housing fund, which was approved by voters in late 2017. Housing trust funds not only provide additional resources to communities with fewer requirements than federal or state sources, they can be used to leverage other resources, bringing more private and public investment into a community. This is important because many foundations and businesses base investment decisions on the demonstrated commitment, which includes contribution of local resources.

According to the Center for Community Change, there are nearly 800 housing trust funds in the United States—yet these are not distributed according to needs. Most housing trust funds exist on the East Coast, followed by California. Areas with some of the greatest needs—e.g., rural America with little economic development and aging populations—lack housing trust funds.[1] Lawrence's housing fund is a strong testament to the unique and committed community culture the city has fostered and supported.

Lawrence's current resources available to address housing needs include:

- In January 2017, the City incorporated **affordable housing requirements** into the City's economic development policy regarding any mixed-use project which creates four or more housing units.

- New **dedicated housing fund**. In November 2017, Lawrence residents voted in favor of a proposed retailers' sales tax for "the purposes of providing and improving the quality, availability, and affordability of housing in Lawrence; acquiring land for future affordable

---

[1] http://housingtrustfundproject.org/housing-trust-funds/

housing units; investing in private/public partnerships for the provision of affordable housing; and such other related affordable housing purposes as may be in the best interest of the City.."[2]. The tax is the five one-hundredths of 1 percent (0.05%), equivalent to one cent on a $20 purchase. Collection begins on April 1, 2019 and will sunset in 10 years. The City estimates that the tax will generate $10.5 million over the 10 year period.

- Direct allocations of the **Community Development Block Grant** (CDBG) and **HOME Investment Partnerships Fund** (HOME) from the U.S. Department of Housing and Urban Development (HUD)—approximately $900,000 annually. These funds are currently used for home rehabilitation for low income homeowners ($200,000 in 2018 program year to assist two households); first time homebuyer assistance ($90,000 for three households); weatherization and emergency repairs for homeowners ($115,000 for 35 households); accessibility improvements to rental housing ($33,000 for 11 households); tenant based rental assistance ($171,000 for 20 households); and subsidies for affordable housing construction ($50,000 for two households); as well as public infrastructure improvements that support neighborhood revitalization (sidewalk repairs, public facility projects), and funds to support the operations of nonprofit service providers.

- The federal **Emergency Shelter Grant** (ESG)—received through the State Kansas Housing Resources Corporation. ESG dollars are available to help families at-risk of or experiencing homelessness find temporary and permanent housing.

- The City of Lawrence received a total of $1,312,384 from the State of Kansas for the **Neighborhood Stabilization Program** (NSP1). This grant began with an original formula allocation to the City in 2009, and later included several subsequent applications to access Program Income from the State within the NSP1 program. The program was closed in late 2017 and ultimately provided 12 new units of affordable rental housing to the community. The households that reside in these units fall between 50% AMI and 80% AMI. The units were constructed by and are managed by the Lawrence Community Housing Trust.

- **Rental licensing program**—The goal of the city's rental licensing program is to ensure that renters live in safe and habitable housing. Effective January 1, 2015, all rental properties in Lawrence must maintain a valid rental license and undergo periodic inspections in compliance with City Ordinance 8840.

Past housing investments. Lawrence has invested in affordable housing through general fund allocations and leveraging partnerships:

- **2005 Housing Trust Fund Projects.** In 2005, the City allocated $570,000 to emergency rental assistance, a homeless management information system, construction of nine affordable elderly housing units, acquisition/ development of property for Habitat for Humanity, the Homeless to Housed program, and to land acquisition for the Community Housing Trust.

---

[2] Text in quotation is directly from the ballot question.

- **Housing Demonstration Project.** Through this partnership between the City of Lawrence, Tenants to Homeowners, Habitat for Humanity, Family Promise, Lawrence Douglas County Housing Authority, and Willow Domestic Violence Center, $100,000 of city funds were leveraged to construct three permanently affordable homes in 2017.

- **Transitional Housing Voucher Program.** Through this program, the Lawrence Douglas County Housing Authority received $100,000 from the City to provide housing vouchers to help families move from the Lawrence Community Shelter into transitional housing in 2017.

The City is also fortunate to have an **Affordable Housing Advisory Board** (AHAB) that was established in mid-2015. The role of the AHAB is to:

- Advise the Governing Body regarding issues affecting affordable housing and supportive services in the community;

- Oversee and facilitate the purpose of the Affordable Housing Trust Fund, which is to support the acquisition, rehabilitation, and development of affordable housing and supportive services so that all persons in the community have access to independent living with dignity;

- Make recommendations to the Governing Body regarding the expenditure of money from the Affordable Housing Trust Fund in order to fund projects, as reviewed and approved by the Board, that are consistent with the purpose of the Affordable Housing Trust Fund; and

- Make recommendations to the Governing Body regarding the cultivation and maintenance of steady and various streams of income to fund the Affordable Housing Trust Fund. However, the Board shall not apply for any grant without prior approval of the Governing Body; nor shall it accept any gift or donation without prior approval of the Governing Body.

The Board represents a variety of interests and includes:

- Two representatives of the City of Lawrence, appointed by the Governing Board;

- One representative of Douglas County, appointed by the Board of County Commissioners;

- One representative of the Lawrence-Douglas County Housing Authority, or any successor in interest, appointed by the Governing Body;

- One representative of Family Promise of Lawrence, appointed by the Governing Body;

- One representative of Lawrence Habitat for Humanity, appointed by the Governing Body;

- One representative of Tenants to Homeowners, Inc., appointed by the Governing Body;

- One representative who is a current or former resident of subsidized housing, appointed by the Governing Body;

- One representative of Justice Matters of Lawrence, appointed by the Governing Body;
- One representative of the Lawrence Home Builders Association, appointed by the Governing Body;
- One representative of the University of Kansas, appointed by the Governing Body;
- One representative of the Lawrence Chamber of Commerce, appointed by the Governing Body; and
- One representative of the Lawrence Board of Realtors, appointed by the Governing Body.

Addressing Needs

Sections II and III of this report the data and information analyzed for this study. This information was provided to the AHAB, Lawrence citizens, and the City Commission as it was developed, through consultant presentations in April, May, and June 2018.

The city's housing needs, by type and population most affected, include:

HOUSING NEEDS BY THE NUMBERS

Renters who cannot afford their current rentals, and who are cost-burdened		5,200 households
Renters who want to buy and could be candidates for ownership		2,000
Families experiencing homelessness/at-risk of homelessness		700
Households with disabilities with accessibility modification needs		500
Renters with units in poor or fair condition		2,950
Owners with units in poor or fair condition		500
Subset of renters with needs, by resident type	Seniors	2,000
	Persons with disabilities	1,500
	Single mothers	1,300
	Students	1,000

On June 4, 2018, a workshop was held with the AHAB to prioritize the city's housing needs; the meeting was open to and attended by many members of the public. The workshop began with a recap of the findings from the analysis and community engagement.

During the workshop, the AHAB developed a set of guiding principles for determining the prioritization of needs and allocating the housing trust fund:

Guiding principles.

1. The City of Lawrence's role in addressing housing needs should be "reasonable and broad." The city's role should focus on facilitating new affordable development, incentivizing and partnering with the private sector, enacting reasonable regulations, and evaluating progress.
2. "There is no silver bullet." The housing market is dynamic and ever-changing. Housing needs will always exist in some form. Housing programs and policies should allow flexibility adjust to unmet demand as the city changes.
3. "We can ask the private sector to help in this endeavor." Public sector investments and entitlements provide value to the private sector. It is appropriate to ask for affordable housing contributions in return.
4. Housing investments should be focused on the areas where the market is unable to meet the housing needs that exist.

Successful outcomes. The AHAB also considered a range of outcomes for the Affordable Housing Trust Fund. These outcomes would help Lawrence retain what is special about the city, address the most severe housing needs, and ensure that all types of residents can continue to call the city home.

SUCCESSFUL OUTCOMES FROM THE HOUSING TRUST FUND

Workers in Lawrence can live in Lawrence
Low and moderate income renters can become owners if they desire and are qualified. Ownership products include land trust homes, cooperative/shared housing, condos and townhomes, and single family detached homes
The gap between affordable rentals and the number < $25,000 households needing affordable rentals is reduced
Lawrence has more housing and supportive service options for persons transitioning out of homelessness
Persons with disabilities have more options for housing that is accessible, affordable, and facilitates independent living
Seniors can age in place

The Dashboard. The dashboard below depicts short-term and long-term indicators of success, and estimated project costs, based on the outcomes developed by the AHAB and current and future housing needs.

Dashboard to Monitor and Measure Success, City of Lawrence

Short term (1-5 years)	**2019-2023**	
1. Stabilize the rental gap for non-student renters earning < $25,000/year	**100**	new affordable rental units
2. Low and moderate income renters who want to become owners have more options for purchasing affordable units	**100**	more units are affordable to low and moderate income renters who are qualified to become owners
3. Persons with accessibility needs are able to get the improvements they need and/or find visitable and accessible housing	**25**	renter households that receive accessibility modifications annually
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**45**	tenant based rental assistance vouchers available annually
5. Residents living in housing in poor condition have improvements made	**70**	homes and apartments brought into good condition annually
Long term (5-10 years)	**2024-2028**	
1. Reduce the rental gap by 7.5% by adding new units affordable to non-student renters earning < $25,000/year	**500**	new affordable rental units
2. Low and moderate income renters who want to become owners have more options for purchasing affordable units	**200**	more units are affordable to low and moderate income renters who are qualified to become owners
3. Unit accessibility for persons with disabilities is increased through rehabilitation and creation of visitable housing	**25**	renter households that receive accessibility modifications annually
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**70**	tenant based rental assistance vouchers available annually
5. Residents living in housing in poor condition have improvements made	**70**	homes and apartments brought into good condition annually

Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

Roadmap for Addressing Needs. The "roadmap" presented below details how to achieve the measures of success depicted by the dashboard. It is organized by recommended year for action.

Roadmap to Meet Dashboard Goals, City of Lawrence

Dashboard Goals Short term (1-5 years)	2020-2023	Target Population	Roadmap
1. Stabilize the rental gap for non-student renters earning < $25,000/year by creating new deeply, permanently affordable rental units, Note: Affordable rentals could take a variety of forms, depending on the land and nature of the land or property (traditional public housing, transitional housing for victims of domestic violence, senior housing, cooperative housing, scattered site complexes). Ideally, housing for all vulnerable resident groups should have supportive services and foster community support.	**100** new affordable rental units renting for less than $500/month	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	**Step 1. Determine available land and property:** a. Inventory city land, especially under-utilized parcels such as parking lots, and determine appropriateness for new housing developments. b. Working with a local (preferably volunteer) commercial and residential real estate agent, inventory non-city owned and underutilized commercial and residential properties that could be purchased and converted to permanently affordable housing. **Step 2. Examine the sites** for potential residential development. Determine redevelopment costs and potential affordability mix (both rental and ownership housing, a mix of MFI levels, land trust and coop potential). **Step 3. Acquire land/property.** **Step 4. Issue an RFP** for a nonprofit or private partner to repurpose the land or property acquired by city or owned by the partner into permanent affordable housing, guided by the potential mix in Step 2. Assumes partner receives additional grants to offset construction costs of development.
2. Create more ownership options for low and moderate income renters who want to become owners	**150** more units are affordable to low and moderate income renters who are qualified to become owners, priced between $100,000 and $260,000	Residents, workforce, small households; 50-100% MFI renters who want to become owners	Could be achieved through several approaches: **1) Follow Roadmap for creating affordable units (above).** In that case, it is recommended that the for sale communities be a combination of land trust (deeply affordable), cooperative, and modified shared equity products. **2) Use density bonuses**, potentially through an overlay district, to create more value in land for private developers. Units created through density bonuses would likely be attached homes serving 80-100% MFI. **3) Long term:** Negotiate affordable for sale unit creation as part of annexations. The proportion may vary depending on the development proposed but should not be less than 10%.

Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

Roadmap to Meet Dashboard Goals, City of Lawrence (Continued)

Dashboard Goals Short term (1-5 years)	2020-2023	Target Population	Roadmap
3. Persons with accessibility needs are able to get the improvements they need and/or find visitable and accessible housing	**25** rental households assisted with accessibility modifications (benchmark is 11 annually)	Persons with disabilities who desire to live independently; includes many types of disabilities, including cognitive and self care	**1) Increase number** of rental households with disabilities who receive grants from the city for accessibility improvements; **2) Consider enhancing this program** to provide additional rehabilitation and weatherization to private property owners who agree to keep units affordable for a period of time (10-15 years, depending on amount of grant); **3) Engage private sector developers** in a discussion about incentives to increase visitability in housing and consider implementing solutions
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**25** more vouchers available	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	**1) Increase TBRA** to supplement Section 8 program; buy down units in $625-$875 range. 2) Consider **creating an incentive fund** for property owners who agree to rent to voucher holders. This fund could cover the costs of damage, wear and tear, and weatherization improvements.
5. Residents living in housing in poor condition have improvements made	**70** number of homes and apartments brought into good condition (benchmark is 35 annually)	Residents living in substandard housing; includes persons with disabilities living in inaccessible housing	1) Increase funding for home modifications and weatherization. Fund with housing trust funds to increase grant effectiveness and overall funding by removing regulatory inefficiencies; Supplement with incentive programs proposed above. 2) Evaluate the CIty's current rental inspection sampling program, using guidance from the survey data in the Housing Needs Assessment, to ensure that the City's process has the ability to detect condition problems reported by residents. 3) Evaluate if energy codes and programs are adding unnecessary costs to housing payments.

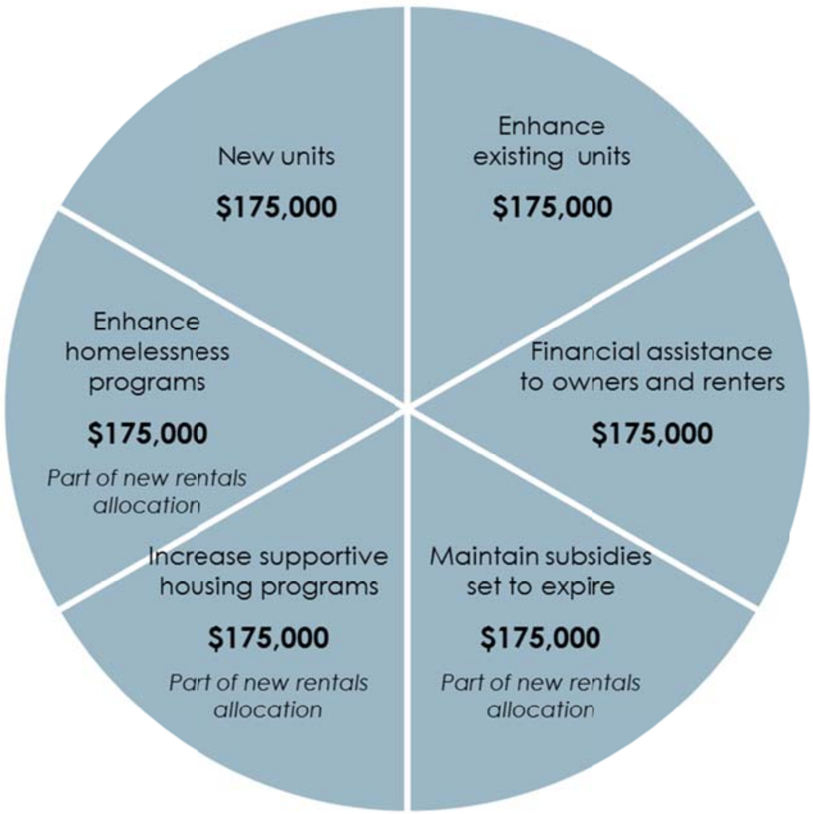
Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

Roadmap to Meet Dashboard Goals, City of Lawrence (Continued)

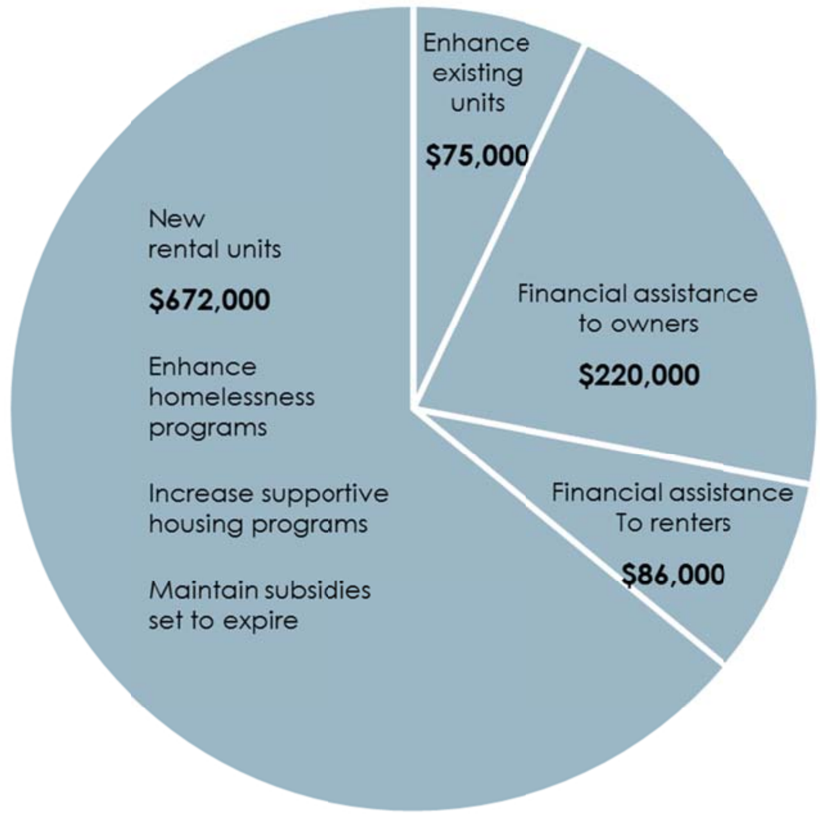
Dashboard Goals: Long term (5-10 years)	Dashboard Goals: 2024-2028	Target Population	Roadmap
1. Reduce the rental gap by 7.5% by adding new units affordable to non-student renters earning less than $25,000/year	**500** new affordable rental units	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	
2. Low and moderate income renters who want to become owners have more options for purchasing affordable units	**200** more units are affordable to low and moderate income renters who are qualified to become owners	Residents, workforce, small households; 50-100% MFI renters who want to become owners	
3. Unit accessibility for persons with disabilities is increased through rehabilitation and creation of visitable housing	**25** annual rental households that receive accessibility modifications (benchmark is 11 annually)	Persons with disabilities who desire to live independently; includes many types of disabilities, including cognitive and self care	
4. Residents in unstable housing situations have more permanent affordable and supportive housing options	**50** more vouchers available	Persons with disabilities, persons with mental illness/behavioral challenges; seniors, single parents, victims of domestic violence, persons with criminal histories, immigrants with no rental history/credit	
5. Residents living in housing in poor condition have improvements made	**70** number of homes and apartments brought into good condition (benchmark is 35 annually)	Residents living in substandard housing; includes persons with disabilities living in inaccessible housing	

Note: The proposed goal numbers are based on the renter and owners gaps analysis and needs identified by residents through the survey and are rounded for simplicity.

EQUAL DISTRIBUTION OF TRUST FUNDS AMONG HOUSING ACTIVITIES TO MEET NEEDS



PROPORTIONATE DISTRIBUTION BASED ON COSTS OF ACTIVITIES TO ACHIEVE DASHBOARD GOALS



Note: Enhance existing units includes activities of accessibility improvements, weatherization, and emergency loans.
Financial assistance includes vouchers and first time homebuyer assistance.

APPENDIX A.

Acronyms

Acronyms used in Housing Studies

Commonly used acronyms in housing market analyses and referred to in this report include:

ACS – American Community Survey

ADA – Americans With Disabilities Act

AFFH – Affirmatively Further Fair Housing

AFH – Assessment of Fair Housing

AI – Analysis of Impediments to Fair Housing

AMI/MFI – Area Median Income / Median Family Income

CDBG – Community Development Block Grant

CIL – Center for Independent Living

ESG – Emergency Solutions Grant

FHA – Fair Housing Act (sometimes referred to as the Federal Fair Housing Act, or FFHA, to distinguish from the Federal Housing Administration)

HMA – Housing Market Analysis

HOME – HOME Investment Partnership Program

HUD – U.S. Dept. of Housing and Urban Development

LIHTC – Low Income Housing Tax Credit

MLS – Multiple Listing Service

MSA – Metropolitan Statistical Area

NIMBY – "Not In My Back Yard"

NOAH – Naturally Occurring Affordable Housing

PHA – Public Housing Agency