

TTH Take Away

Affordable Housing is **critical** to economic development and STABILITY in our community

There is a **large and widening** gap between incomes and housing costs

Traditional federal resources are dwindling

We must increase stock of permanently affordable rental and entry level ownership housing with creative local solutions

Lawrence Affordable Housing Need: 2008-2012 five year Census Survey

- Housing cost burdened Lawrence households:
 - 37.4% of all households = 16,641 households
 - 22.9% = households with severe burdens (more than 50% of monthly income)
 - 56% of renter households
 - 29% of owners with mortgages
 - 12% of owners without mortgages
 - Median monthly housing costs = \$940

Lawrence Rental Housing Need: 2013-2017 City Consolidated Plan

- “...while there is an above average supply of Lawrence apartments there is an issue with both affordability and the quality of what little affordable housing there is.”
 - Over 20,000 units built before 1978
 - Estimated 9900 rental cost burdened households
 - 6200 paying over 50% of monthly income
 - 730 elderly households are rent cost burdened

Report estimated only 15% of identified housing need could be met due to “stagnant property & sales tax revenue and reductions to...grants, specifically HOME funding”

Owner Occupied Housing Need: Affordable Starter Housing

- Current % of first time buyers: national & local stats show 27-28% of current buyers.
- Estimated % of first time buyers pre-2008: over 40%
- Average age of first time buyer is 31
- 49% of Millennials (18-29) say they can't afford the down payment, yet the majority would buy a home if it were affordable (Federal Reserve survey, 2014)
- Census: 2014 first quarter homeowner rate was lowest in 19 years; in Lawrence rate is 42.8%

Tenants to Homeowners, Inc - History

- 400 homes built, acquired or rehabilitated since 1992
- First and only housing trust in Kansas
- 126 units in trust since 2005 housing trust charter (72 ownership, 54 rental)
- Each trust home permanently affordable at resale
- First certified Energy Star developer in Lawrence
- Award winning program:
 - 2011 Energy Efficiency Award
 - 2010 Kansas Preservation Alliance Award
 - 2010 Kansas Ad Astra Award for Housing Innovation
 - 2008 & 2011 HUD Community Planning Awards

How the current Lawrence Community Housing Trust (LCHT) Program works

- Down payment assisted first time buyer program subsidies are subject to loss of affordability or equity if cost of housing substantially rises or falls
- Subsidy of \$30-50K or more is locked into LCHT reduced sale price & carries over with each resale
- Locked in subsidy creates a permanent stock of affordable owner-occupied housing (72 in trust)
- LCHT program pays closing costs; owner still responsible for taxes & maintenance
- Education on maintenance, credit, care of investment
= Neighborhood Stability

How current LCHT Program contributes to economic development

- 21 years TTH has enabled community to access over 11 million in outside housing subsidies
- In 2013, TTH supported 73 local businesses, contributing \$1,439,162 in local contracts.
- TTH acts as incubator for traditional housing market. There have been 14 resales of trust homes; 79% resulted in graduation to higher priced housing
- 72 trust owners will pay taxes on 6,708,430 of property value adding over \$100K annual tax roll
- There has never been an LCHT foreclosure; annual rate is over 4%

How TTH Rental Program Works

- 54 units rented \$200-500 below fair market rents
- 20 remodeled tax credit units for low income households with physical disabilities; rent set at 30% of monthly income
- Avg. 2014 fair market rent for 3 bedroom is \$1141; rent 3 brm, 2.5 bath Elm St. home is \$750
- TTH partner in 9 Del Lofts in Warehouse Arts District, creating 34 affordable tax credit apartments by 2015
- TTH newest project – Cedarwood Senior Cottages – model infill development
- Energy Star rentals save \$150/mo in utilities

Cedarwood Senior Cottages: affordable, aging-in-place housing for active seniors

- Addresses housing needs in Retirement Attraction & Retention Task Force report
- 14 units, all renting below fair market rent
- Fully accessible with Energy Star efficiency
- Common areas feature gardens, walking path and community center with health kiosk
- Smart tech-will have a sensor system that allows for voice activated emergency calls, health, safety and security features

Cedarwood Senior Cottages



How funding & income gaps restrict affordable Lawrence housing choices

- Johnson County has 5% higher costs; but avg. per cap income is \$15,000 more. Topeka has 30% lower housing costs but avg. income is \$6,500 more
- 5 years of annual reductions in federal housing allocations to states & cities restrict first time homeowner, tax credit rental & Housing Authority rent subsidy programs. HOME funds have been major source of Kansas affordable housing funding
- TTH 2010-11 federal HOME grant allocation= \$428,000
2014-15 allocation = \$147,000, a **66% reduction**

Local solutions to growing need for affordable housing

- Land donations, infrastructure assistance, or creative local funding sources
- Land donations: some cities create land bank programs; cities also prioritize lot donation of demolished housing; TTH accepts land donations through Douglas County Community Foundation
- Cities can use creative in-kind infrastructure donations or consider reducing some administrative infrastructure fees
- **Recommend strings attached:** permanently serves housing needs & uses local contractors

Local solutions – Creating local funding sources

- Over 100 cities have created local Housing Trust Fund entities, funded through development or zoning programs, which permit zoning variances in exchange for creating a minimal % of affordable housing – either through dollars contributed or % of units built
- Examples of zoning solutions are Performance Based Zoning, Form Based Zoning & Inclusionary Zoning
- Each city adapts the affordable housing guidelines to best use for local needs; Housing Trust Fund Boards set local standards/disburse funds.



Questions?



Tenants to Homeowners, Inc.

The Lawrence Community Housing Trust

Contacts:

Our mission:

To empower tenants to become homeowners through programs for education, construction and creative financing.



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