

Housing Market and Needs Assessment For the City of Lenexa, KS



April 29, 2016

Prepared for
Lenexa, Kansas
by



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Introduction

Mosaic Community Planning was retained by the City of Lenexa to examine housing market dynamics within the city, including an assessment of existing and future need for affordable and special needs housing. This report shares Mosaic’s research findings and provides recommendations for preserving and expanding the availability of affordable and special needs housing in Lenexa.

Mosaic’s research and recommendations are designed to assist Lenexa in preparation of its first Five-Year Consolidated Plan and Annual Action Plan. These documents will outline how Lenexa plans to spend funds allocated to the City under the U.S. Department of Housing and Urban Development’s (HUD’s) Community Development Block Grant (CDBG) program. The Consolidated Plan requires jurisdictions to assess affordable housing and community development needs and market conditions, to identify priority needs, and to develop goals and strategies to address those priorities. The Annual Action Plan identifies specific activities to be undertaken by the jurisdiction in the upcoming year, along with anticipated funding levels for each.

To assess the local housing market and assist Lenexa in developing its HUD-required documents, Mosaic completed the following tasks:

- ★ A community profile including trends related to population and household growth, age, income, racial/ethnic composition, household composition, jobs, and the economy.
- ★ An assessment of Lenexa’s existing housing supply, including characteristics such as housing costs, age of housing, structure type and number of bedrooms. This task also includes inventories of the affordable and special needs housing supply in Lenexa, and a survey of rental apartments and for-sale housing.
- ★ An analysis of existing housing need in Lenexa, and projections of future need over a 15-year horizon.
- ★ An assessment of Lenexa’s affordable housing delivery system, including an overview of current affordable housing initiatives, a review of the City’s Unified Development Code, and identification of potential barriers to housing affordability.
- ★ Recommended strategies, activities, partners, and funding sources for improving the availability of affordable housing in Lenexa, including potential strategies for the use of CDBG funds to address priority issues related to affordable and special needs housing.

Definitions & Data Sources

Definition of Terms and Geographies

Affordable

Though local definitions may vary, this analysis relies on HUD's definition of *affordable* as total housing costs that are no more than 30% of a household's total gross income. For rental housing, total housing costs include any tenant-paid utility costs. For homeowners, they include mortgage payments, utilities, property taxes, homeowners insurance, and any homeowners' association fees.

Housing Need

HUD defines four types of *housing needs*, described below. A household is said to have a housing need or housing problem if they have any one or more of these four problems.

1. A household is *cost burdened* if monthly housing costs exceed 30% of monthly household income. A *severe cost burden* occurs when more than 50% of monthly household income is spent on monthly housing costs.
2. A household is *overcrowded* if there is more than 1.0 persons per room, not including kitchens and bathrooms.
3. A housing unit *lacks complete kitchen facilities* if it lacks one or more of the following facilities: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit *lacks complete plumbing facilities* if it lacks one or more of the following facilities: hot and cold piped water, a flush toilet, and a bathtub or shower.

Disability

The U.S. Census defines a *disability* as a long-lasting physical, mental, or emotional condition that can make it difficult for a person to walk, climb stairs, dress, bathe, learn, remember, go outside the home alone, or work at a job or business. The Census defines six disability types:

1. A *physical disability* is a serious difficulty walking or climbing stairs;
2. A *mental disability* is a serious difficulty concentrating, remembering, or making decisions;
3. A *vision disability* is blindness or difficulty reading or driving due to a visual impairment, even when wearing glasses;
4. A *hearing disability* is deafness or hearing impairment that makes it very difficult to hear conversations, televisions, or radio broadcasts;
5. A *self-care disability* is a serious difficulty dressing or bathing oneself; and
6. A *go-outside-home disability* is a difficulty doing errands such as shopping or visiting the doctor by oneself.

Kansas City Metropolitan Statistical Area (MSA)

Throughout this report, comparisons of demographic and housing data are made between the City of Lenexa and the Kansas City Metropolitan Statistical Area (MSA). The MSA is a fifteen-county area comprised of Franklin, Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties in Kansas and Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri.

HUD Area Median Income (AMI)

The HUD Area Median Family Income (HAFMI), also called Area Median Income (AMI), refers to the median family income calculated by HUD to determine income limits for its programs. AMI will not necessarily be equal to other median income estimates due to adjustments made by HUD for family size and other factors. Under its CDBG program, HUD defines low income households as those with incomes under 50% of AMI; moderate income households are those with incomes between 50 and 80% of AMI. As of 2016, the HUD-calculated median income for the Kansas City MSA is \$72,800.

Data Sources Used in this Analysis

Decennial Census Data

This analysis uses 2000 and 2010 decennial Census data, collected by the U.S. Census Bureau and organized into several datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100% data,” meaning that it contains the data collected from every household that participated in the 2010 Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block group level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census, but many of the variables from SF 3 are included in the American Community Survey.

American Community Survey (ACS)

The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data between censuses. This approach trades the accuracy of

decennial Census data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count and is therefore susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- 2014 ACS 1-Year Estimates – Based on data collected between January 2014 and December 2014, these single-year estimates represent the most current information available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.
- ACS Multi-Year Estimates – More current than Census 2010 data and available for more geographic areas than the ACS 1-Year Estimates, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 3-year estimates. ACS datasets are published for geographic areas with populations of 20,000 or greater. The 2010-2014 ACS 5-year estimates are used most often in this assessment.

Previous Works of Research

This study is supported by, and in some cases builds upon, previous research completed for or by the City of Lenexa and other local governments, including the following:

- Housing Market and Needs Analysis for Johnson County, Kansas – This report, prepared by BBC Research & Consulting in 2004, includes a socioeconomic overview of Johnson County and its municipalities, an assessment of the housing supply in each municipality, and an analysis of affordability. It also includes case studies evaluating whether a variety of occupations (school teachers, police officers, retail and restaurant employees, and others) have average salaries that would enable employees to affordably own or rent homes in Johnson County municipalities.
- City of Lenexa 2015 DirectionFinder Survey – This survey completed by a random sample of 841 Lenexa residents queried respondents regarding perceptions of the city and satisfaction with city services. It also asked residents to identify priority activities that Lenexa should fund using CDBG funds. Top responses included public safety, human services, infrastructure and housing.

Stakeholder Interviews – Representatives from several local organizations that provide affordable housing, house or serve homeless persons or persons with disabilities, or otherwise work on issues related to affordable and special needs housing were interviewed as part of this study. Their input helped inform research conclusions and recommendations.

Community Profile

This section presents demographic and economic information collected from the Census Bureau, the Mid-America Regional Council, the U.S. Bureau of Labor Statistics, and other sources. Data was used to analyze a broad range of socioeconomic characteristics, including population growth, age, employment, income, and racial composition. Ultimately, the information presented in this section helps illustrate the underlying conditions that have shaped housing and community needs in Lenexa.

Population Dynamics

The City of Lenexa is the 9th largest city in Kansas with a current estimated population of 51,042. The Center for Economic Development and Business Research, part of the W. Frank Barton School of Business at Wichita State University, projects that over the next 50 years the population of Kansas is expected to increase by 21.8% (from 2,904,321 to 3,538,277). Some Kansas counties are projected to have substantial population increases, especially those in more urbanized and metropolitan areas, while rural regions are primarily projected to experience declines. In 2014, metropolitan areas comprised 69.1% of Kansas' population; by 2064 they are projected to constitute 80.2% of the total.

Lenexa is located in the Kansas City metropolitan area, which is projected to have the largest increase in population in terms of both percentage and absolute number. According to the latest estimates from the Census Bureau, the Kansas City MSA's population now stands at 2,087,471, having added just over 16,000 new residents between 2014 and 2015. This growth rate of 0.8% ranks the metropolitan area 32nd place of the 53 metro areas with at least 1 million people.

The chart on the following page illustrates population and household growth in Lenexa and surrounding areas between 2000 and 2014, along with projected growth through 2030. Between the 2010 Census and the 2010-2014 ACS estimate, the City of Lenexa experienced population growth of 2.9%, which is slightly below that of Overland Park and Olathe (3.2%), but identical to that of Johnson County. Shawnee grew somewhat more slowly, with a population change of 2.2% between the two counts.

Between 2000 and 2010-2014, the City experienced larger growth of 23.2%, according to the Census Bureau. Johnson County and Overland Park saw similar growth rates, while the state of Kansas grew by a much lower rate of 7.2%. Natural population growth (births minus deaths) comprises a majority of the population change, but the region also saw net growth due to migration, both from within the U.S. and internationally.

Population and Household Growth, 2000 to 2030						
Geography	2000	2010	2010-2014 (ACS Estimate)	% Change 2010 to 2010-2014	2030 (MARC Projection)	% Change 2010-2014 to 2030
City of Lenexa						
Population	40,238	48,190	49,573	2.9%	68,535	38.3%
Households	15,574	19,288	19,694	2.1%	27,254	38.4%
Avg. Hhold Size	2.54	2.48	2.50	--	--	--
City of Overland Park						
Population	149,080	173,372	178,945	3.2%	224,524	25.5%
Households	59,703	71,443	74,058	3.7%	91,737	23.9%
Avg. Hhold Size	2.47	2.41	2.40	--	--	--
City of Shawnee						
Population	47,996	62,209	63,597	2.2%	81,771	28.6%
Households	18,522	23,651	23,688	0.2%	31,465	32.8%
Avg. Hhold Size	2.58	2.61	2.67	--	--	--
City of Olathe						
Population	92,962	125,872	129,913	3.2%	173,878	33.8%
Households	32,314	44,507	45,166	1.5%	65,845	45.8%
Avg. Hhold Size	2.83	2.80	2.84	--	--	--
Johnson County						
Population	451,086	544,179	560,025	2.9%	726,885	29.8%
Households	174,570	212,882	217,826	2.3%	289,074	32.7%
Avg. Hhold Size	2.56	2.53	2.55	--	--	--
Kansas City MSA						
Population	--	2,035,334	2,040,869	0.3%	--	--
Households	--	799,637	792,793	-0.9%	--	--
Avg. Hhold Size	--	2.51	2.54	--	--	--
State of Kansas						
Population	2,688,418	2,853,118	2,882,946	1.0%	--	--
Households	1,037,891	1,112,096	1,112,335	0.0%	--	--
Avg. Hhold Size	2.51	2.49	2.52	--	--	--

Sources: 2000 and 2010 U.S. Census, 2010-2014 5-Year American Community Survey estimates, and Mid-America Regional Council (MARC) 2040 Forecast retrieved from <http://www.marc.org/Data-Economy/Forecast/Forecast-Process/2040-Forecast>

Over the next 15 years, Lenexa’s population is projected to grow by 34.4%. This anticipated growth rate is above those of Shawnee (11.6%), Overland Park (21.8%), Olathe (30.1%) and Johnson County (26.6%).

Population by Age

The population of Lenexa can be characterized as slightly younger than the overall U.S. population with a median age of 36.6 years in 2014, compared to 37.4 for the nation. The median age in Lenexa is greater than that of Olathe, but only slightly above the median age for Shawnee and the State. Lenexa’s population is younger than that of nearby Overland Park as well as the greater Kansas City region.

In 2014, residents over the age of 65 accounted for over 1 in 10 of the City’s population (11.4%). Approximately 6.9% of residents were under the age of 5.

Age Distribution of the Population, 2010-2014							
Age Range	City of Lenexa	City of Overland Park	City of Shawnee	City of Olathe	Johnson County	Kansas City MSA	State of Kansas
Under 5	6.9%	6.4%	6.5%	8.3%	6.9%	6.9%	7.0%
5-19	19.4%	19.8%	23.2%	23.9%	21.1%	20.7%	21.0%
20-24	5.9%	5.2%	5.3%	5.6%	5.2%	5.9%	7.3%
25-34	15.3%	15.2%	13.1%	14.3%	14.3%	14.1%	13.4%
35-44	13.7%	12.8%	15.2%	16.1%	14.1%	13.3%	12.0%
45-54	12.6%	14.8%	15.5%	13.8%	14.4%	14.3%	13.4%
55-64	14.8%	12.3%	10.5%	10.1%	12.2%	12.2%	12.2%
65-74	6.1%	7.0%	5.9%	4.8%	6.4%	7.0%	7.2%
75+	5.3%	6.5%	4.8%	3.1%	5.3%	5.6%	6.5%
Total Population	49,573	178,945	63,597	129,913	560,025	2,040,869	2,882,946
Median Age	36.6	37.7	36.5	33.8	36.6	36.7	36.0

Source: American Community Survey 2010-2014 5-Year American Community Survey estimates, Table S0101

Population by Race and Ethnicity

The chart on the following page depicts the racial and ethnic composition of Lenexa and surrounding areas per the Census Bureau. Lenexa, similar to the surrounding area, is predominately white (79.7%) with small percentages of residents who are racial and ethnic minorities, including Latino (8.0%), African American (5.5%), and Asian (3.9%). The City is similar in demographic make up to Johnson County, but is slightly less diverse than the Kansas City MSA.

Racial and Ethnic Composition of the Population, 2010-2014

Race/Ethnicity	City of Lenexa	City of Overland Park	City of Shawnee	City of Olathe	Johnson County	Kansas City MSA	State of Kansas
Non-Latino							
White	79.7%	79.5%	82.6%	76.5%	81.3%	73.7%	77.4%
African American	5.5%	4.8%	4.4%	4.8%	4.3%	12.4%	5.7%
Native American	0.2%	0.2%	0.7%	0.2%	0.3%	0.4%	0.7%
Asian	3.9%	6.7%	2.3%	4.6%	4.3%	2.4%	2.5%
Pacific Islander	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Other	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%	0.1%
Two+ Races	2.6%	2.2%	3.2%	2.9%	2.4%	2.3%	2.7%
Latino	8.0%	6.5%	6.7%	10.8%	7.3%	8.5%	11.0%
Total Population	49,573	178,945	63,597	129,913	560,025	2,040,869	2,882,946

Source: American Community Survey 2010-2014 5-Year American Community Survey estimates, Table B03002

Family Structure

There were 19,288 households in Lenexa in 2010. Over one-third (35.9%) were two person households, while 14.6% were female householders living alone, and 10.6% were male householders living alone. There were 13,065 family households, of which 6,433 included children. The chart below illustrates family structure and household composition in Lenexa.

Household Composition and Family Type in Lenexa, 2010

Household Type	Count	Percent
Family households	13,065	67.7%
Male householder	9,984	51.8%
Female householder	3,081	16.0%
Nonfamily households	6,223	32.3%
Male householder	2,809	14.6%
Living alone	2,040	10.6%
Female householder	3,414	17.7%
Living alone	2,820	14.6%
Total Households	19,288	100.0%
Family Type and Presence of Children	Count	Percent
Families	13,065	100.0%
With related children under 18 years	6,433	49.2%
Husband-wife families	10,670	100.0%
With related children under 18 years	4,857	45.5%
Female householder, no husband present families	1,733	100.0%
With related children under 18 years	1,190	68.7%

Source: 2010 U.S. Census

Household Size in Lenexa, 2010		
Persons per Household	Count	Percent
1-person household	4,860	25.2%
2-person household	6,916	35.9%
3-person household	3,235	16.8%
4-person household	2,662	13.8%
5-person household	1,110	5.8%
6-person household	379	2.0%
7-or-more-person household	126	0.7%
Total Households	19,288	100.0%

Source: 2010 U.S. Census

Economic Overview

The Kansas City MSA has experienced growth in population, jobs, and weekly wages since 2010. According to the Bureau of Labor Statistics, nonfarm jobs increased by 8.0% from 804,411 in 2012, to 1,041,900 jobs in 2015. The Kansas City MSA had the largest job growth out of any MSA in Kansas.

In 2013, the average weekly wage increased by \$5 from \$935 to \$940. Professional and business services added 4,000 jobs, 50% of which were in professional, scientific and technical services. Mining, logging and construction; trade, transportation and utilities; and education and health services each added 1,200 more jobs over the year. For the year, nine out of the ten published industries experienced growth. The only industry to lose jobs was manufacturing, with a decline of 700 jobs.

Labor Force and Total Employment

Data regarding the labor force, defined as the total number of persons working or looking for work, and employment, or the number of persons working, as gathered from Bureau of Labor Statistics estimates are presented below. As shown, labor force and employment figures in the City reflects a gradual decline in the unemployment rate since 2011. The unemployment rate in the City has consistently remained lower than the unemployment rate in the MSA, indicating persistently low unemployment rates for the City.

Average Annual Unemployment Rate, 2011 to 2015					
Year	2011	2012	2013	2014	2015
City of Lenexa	5.2%	4.8%	3.6%	3.3%	3.7%
Kansas City MSA	7.0%	5.9%	5.5%	5.2%	4.9%

Source: Bureau of Labor Statistics Local Area Unemployment, <http://www.bls.gov/lau/#tables>

According to the Lenexa Chamber of Commerce, top employers for Lenexa include employers from both the public and private sector and represent several industries:

Alliance Data Systems	Jack Henry & Associates
B/E Aerospace	J.C. Penney Logistics Center
Centrinex, LLC	Johnson County Developmental Supports
Ceva Biomune	Kiewit Power Engineers Co.
Church of the Nazarene Global Ctr.	Lakeview Village
City of Lenexa	Liquid Education
Client Services	Long Motor
Clinical Reference Lab	Performance Contracting
Coca-Cola Bottling	Plattform Advertising
CommunityAmerica Credit Union	PRA International
Community Living Opportunities	Quest Diagnostics/LabOne
Consolidated Communications	Renzenberger, Inc.
CVS Caremark	Robbie Fantastic Flexibles
Delmar Gardens of Lenexa	SAFC Biosciences
Deluxe Corporation	Silpada Designs
EPA	Smith & Loveless
Faith Technologies	SOR Controls Group Ltd.
Gear for Sports	Teaque Electric
GBA	Thermo Fisher Scientific
Gill Studios	TruHome Solutions
Grantham University	Uhlig, LLC
Henderson Engineers	United Parcel Service
Home Advisor	Wachter Electric
InkCycle	WaterOne

Top employment industries for the City of Lenexa include: educational services, health care and social assistance, professional and technical services, real estate, and retail trade.

City of Lenexa Employment by Industry, 2010-2014			
Industry Sector	Employment	Share of Total	Median Annual Earnings
Agriculture, forestry, fishing, and hunting	97	0.4%	\$52,159
Construction	1,148	4.2%	\$51,000
Manufacturing	2,141	7.9%	\$62,938
Wholesale Trade	1,059	3.9%	\$55,795
Retail Trade	3,037	11.2%	\$30,486
Transportation and warehousing	1,092	4.0%	\$56,418
Information	1,006	3.7%	\$60,250
Finance, insurance, and real estate	2,865	10.6%	\$56,375
Professional and technical services	4,262	15.8%	\$57,500
Educational, health care, & social assistance	6,105	22.6%	\$41,298
Arts, entertainment, and recreation	2,239	8.3%	\$18,563
Other services	1,206	4.5%	\$20,486
Public administration	803	3.0%	\$51,393
Total	27,060	100.0%	\$43,332

Source: American Community Survey 2010-2014 5-Year American Community Survey estimates, Tables DP03 and B24031

Educational Attainment

Lenexa's educational attainment is high with over 50% of residents between the ages of 25-64 having a Bachelor's degree exceeding both MSA and national rates at 34.0% and approximately 33.0% respectively. The City also has strong high school completion rates with over 90% of residents older than 24 having completed high school.

Lenexa, KS Educational Attainment					
	Age 18-24	Age 25-34	Age 35-44	Age 45-64	Age 65+
Less than High School	72.0%	4.8%	3.6%	2.5%	7.1%
High School Completion or Equivalent	28.0%	95.2%	96.4%	97.5%	92.9%
Bachelor's degree of higher	11.9%	53.5%	62.2%	57.1%	39.5%

Income and Earnings Dynamics Overview

Income and earning dynamics are important to assessing community needs related to ability to access housing, healthcare, food, and other quality of life indicators. Median household income for Lenexa was \$75,400 for the period between 2010 and 2014, and is significantly higher than the median for MSA (\$57,056), for the same period.

Households by Income in Lenexa and the Kansas City MSA				
Income Range	Kansas City MSA		Lenexa	
	Count	Share of Total	Count	Share of Total
Less than \$10,000	49,845	6.3%	442	2.2%
\$10,000 to \$14,999	36,112	4.6%	548	2.8%
\$15,000 to \$24,999	75,059	9.5%	1,466	7.4%
\$25,000 to \$34,999	78,470	9.9%	1,435	7.3%
\$35,000 to \$49,999	108,958	13.9%	2,401	12.2%
\$50,000 to \$74,999	147,773	18.6%	3,515	17.8%
\$75,000 to \$99,999	106,530	13.4%	2,867	14.6%
\$100,000 to \$149,999	113,878	14.4%	3,931	20.0%
\$150,000 to \$199,999	41,465	5.2%	1,699	8.6%
\$200,000 or more	34,703	4.4%	1,390	7.1%
Total	792,793	100.0%	19,694	100.0%
Median Household Income¹	\$57,056		\$75,400	

Source: 2010-2014 5-Year American Community Survey Tables B19001 and B19013

¹ Note that Median Household Income presented here differs from Median Family Income discussed on page 5 because family refers to two or more people (one of whom is the householder) related by birth, marriage, or adoption who reside in the same house. Household includes all people occupying a housing unit, and includes single-person households.

Housing Supply Assessment

This overview of the local housing supply presents a snapshot of current conditions in the City of Lenexa, contrasted with figures for the Kansas City MSA as a whole. This overview includes characteristics of the housing stock such as age, type, and size as well as recent market activity. This assessment of the current housing supply provides a backdrop against which the city’s housing needs will be determined.

Housing Stock Characteristics

According to the American Community Survey’s 2010-2014 five-year estimates, the most accurate and current dataset available, there are 20,979 housing units in Lenexa, up 5.3% from 19,926 in the 2006-2010 ACS estimates. Lenexa’s housing units currently make up 2.4% of the total units in the Kansas City region, but Lenexa’s growth since 2010 has far outpaced the 0.4% increase in housing units for the region as a whole. In fact, 28.3% of the region’s growth in housing units can be attributed to new units built in Lenexa since 2010.

Approximately 6.1% of the city’s current housing stock is vacant (1,285 units), a figure virtually unchanged from 2006-2010 estimates (6.3%; 1,254 units). The housing market in Lenexa is tighter than that of the greater Kansas City region, with both a lower overall vacancy rate as well as lower rates for both homeowner and rental units.

Housing Units by Occupancy Status				
	Lenexa		Kansas City MSA	
	Number	Share	Number	Share
Total Housing Units	20,979	--	876,997	--
Occupied Housing Units	19,694	93.9%	792,793	90.4%
Vacant Housing Units	1,285	6.1%	84,204	9.6%
Homeowner Vacancy Rate	1.5%	--	1.9%	--
Rental Vacancy Rate	4.9%	--	7.8%	--

Source: 2010-2014 5-Year American Community Survey Table DP04

A rental market vacancy rate in the range of 5% is generally considered to represent a market in equilibrium. Some amount of vacancy is always present due to natural friction in the market such as the time it takes to turn over a unit between successive renters or landlords temporarily holding units off the market for repairs or maintenance. Lenexa’s rental vacancy rate has trended below – but close to – this 5% rule of thumb. The most current ACS puts the figure at 4.9% while the 2006-2010 ACS estimated a rental vacancy rate of 4.5%. Over the interceding four years, approximately 940 rental units were added to the

city’s inventory and, as will be discussed later in this section, median rents rose over 14%, yet even with the additional supply and increased rents, vacancy rates remained under 5%.

Under such tight market conditions, especially relative to the region, Lenexa should expect to see continued demand for construction of additional rental units and further increases in area rents.

The vacancy rates of ownership units are typically much lower than those for rental units and Lenexa’s current rate of 1.5% is within the range expected of a normal, balanced market. Nationally, the owner vacancy rate has traditionally ranged between 1% and 2% since at least the mid-1990s, with the exception of the recession and recovery from 2006-2013. Compared with the Kansas City MSA’s rate of 1.9%, finding available homes for sale in Lenexa may be somewhat more challenging than in other area communities, but should not be unreasonably difficult.

Of the occupied housing units in Lenexa, a majority (62.6%) are occupied by homeowners, a slightly smaller share of the total than for the Kansas City region as a whole, where the homeownership rate is 66.3%. Conversely, Lenexa’s share of renter-occupied units was 37.4%, a higher share than the region’s 33.7%. Lenexa’s share

Occupancy Status and Tenure		
Tenure	Lenexa	Kansas City MSA
Occupied Units	19,694	792,793
Renter-Occupied Units	7,356	267,043
Renter Share	37.4%	33.7%
Owner-Occupied Units	12,338	525,750
Owner Share	62.6%	66.3%

Source: 2010-2014 5-Year American Community Survey Table DP04

of renter-occupied units has increased by over three percentage points between the 2006-2010 and the 2010-2014 ACS estimates, from 34.3% to the current 37.4%.

Perhaps unsurprisingly, at 31.1%, multifamily housing units make up a larger share of Lenexa’s housing inventory than they do the region as a whole. Detached, single-family structures make up 59.8% of Lenexa’s housing supply compared with nearly 70% for the region. Of Lenexa’s multifamily units, the most common structure type is buildings with between five and nine units; 11.3% of the city’s housing units were in such buildings, compared with only 5.3% for the region. Lenexa’s housing stock has a smaller share of duplex, triplex, and quadplexes than the region, but a greater share of all other multifamily building types and sizes.

Housing Units by Structure Type				
Units in Structure	Lenexa		Kansas City MSA	
	Number	Share	Number	Share
1, detached	12,535	59.8%	611,951	69.8%
1, attached	1,885	9.0%	55,931	6.4%
2-4	849	4.0%	53,319	6.1%
5-9	2,380	11.3%	46,722	5.3%
10-19	1,322	6.3%	39,257	4.5%
20 or more	1,980	9.4%	51,884	5.9%
Mobile home	28	0.1%	17,675	2.0%
Other	0	0.0%	258	0.0%
Total	20,979	100.0%	876,997	100.0%

Source: 2010-2014 5-Year American Community Survey Table DP04

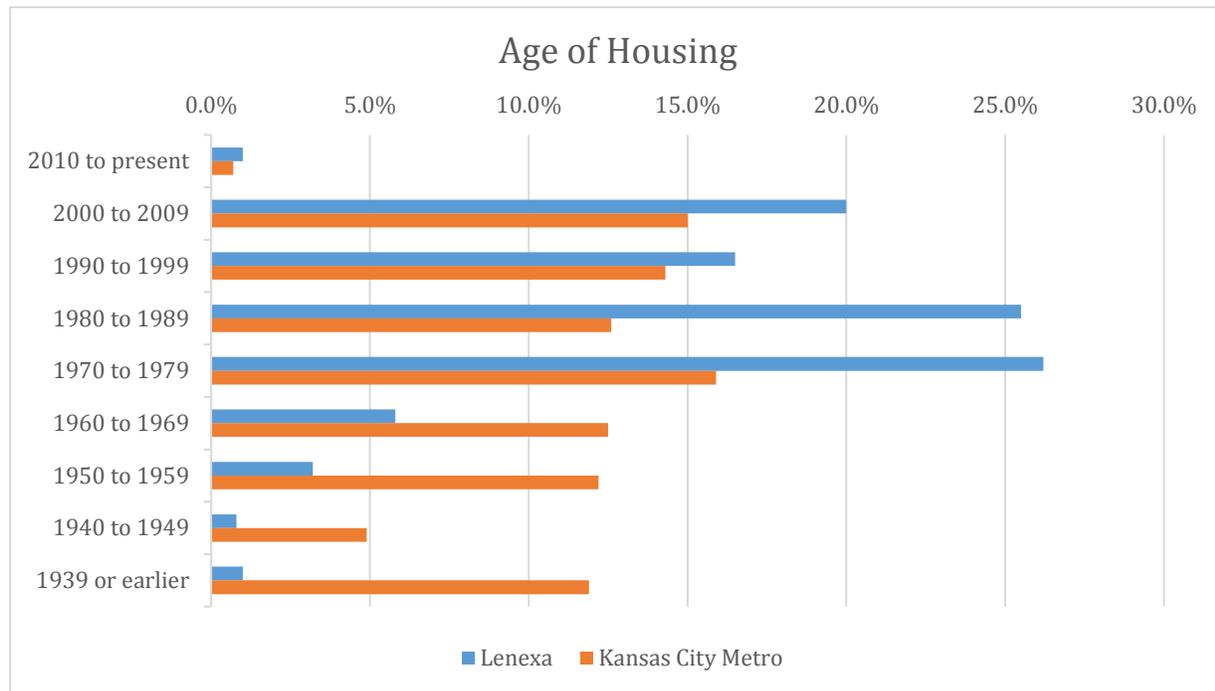
Variety in terms of structure type is important in providing housing options suitable to meet the needs of all residents. Multifamily housing, including rental apartments, are often more affordable to low- and moderate-income households than detached single-family homes. Multifamily units may also be the preference of elderly and disabled householders who are unable or do not desire to maintain a single-family home.

While not all multifamily housing is comprised of rental units, and not all of them are affordable, limitations on apartment development are more likely to impact housing affordability. Other portions of report including the Affordable Housing Delivery System delve further into the link between multifamily housing regulations and potential impacts on affordability.

The age of an area's housing stock can have substantial impact on housing conditions and costs. As housing ages, maintenance costs rise, which can present significant affordability issues for low- and moderate-income homeowners. Aging rental stock can lead to rental rate increases to address physical issues, or deteriorating conditions if building owners opt to defer maintenance. Additionally, homes built prior to 1978 present the potential for lead exposure risk due to lead-based paint. The figure on the following page depicts the age of Lenexa's and the MSA's housing stock by the decade in which it was built.

Housing in Lenexa tends to be newer than that of the surrounding communities in general. While nearly nine in ten (89.2%) of the city's housing units has been built since 1970, that figure is only 58.4% for greater Kansas City. The largest share of homes in Lenexa were built

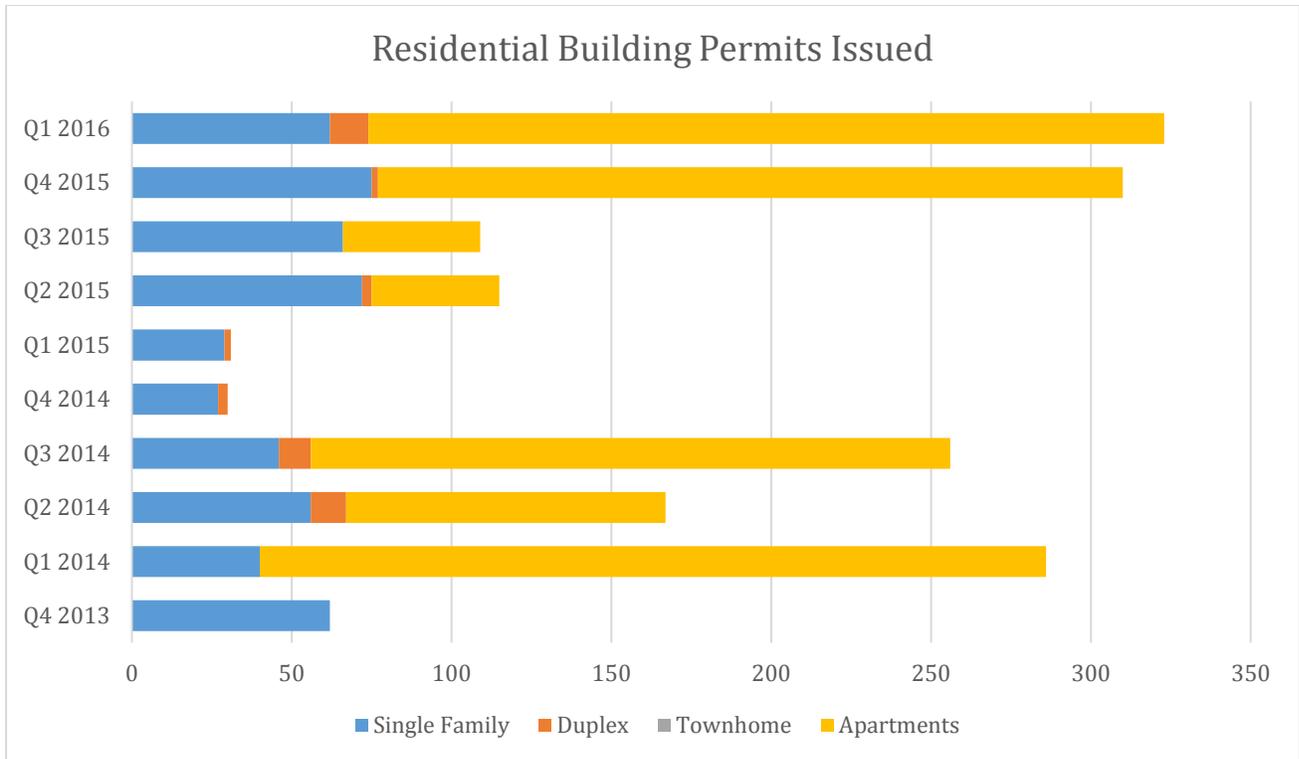
during the 1970s (26.2%), followed by the 1980s (25.5%). Recent home construction (since 2000) constitutes 21.0% of housing in Lenexa, compared to 15.7% for the region.



Source: 2010-2014 5-Year American Community Survey Table DP04

Although the preceding chart appears to reflect a much curtailed pace of new housing construction, there is an important caveat to make. The data source for the chart is the 2010-2014 ACS estimates, the most accurate estimates available at the time of this report. The data’s accuracy is due to the fact that it is collected from a large sample over a period of years, in this case from January 1, 2010 to December 31, 2014. Such a sampling methodology is likely to undercount new construction starts during the timeframe in which the data is being collected. An analysis of more current local data provides a better picture of the state of the current housing construction market.

According to building permit reports published by the City of Lenexa’s Department of Community Development, over the ten most recent quarters (October, 2013 to March, 2016), the City has permitted 535 new single family homes, 43 duplex units, and 1,111 new apartment units in 27 buildings. These permits total 1,689 new housing units, 68.3% of which are multifamily units. Annualized and extrapolated over a ten year span, this rate of development would result in over 6,700 new units over a decade, a number outstripping the numbers of homes built in the city in the 1970s and 1980s, the busiest decades to date in terms of home construction in Lenexa.



Source: City of Lenexa Dept. of Community Development, Building Permit Reports

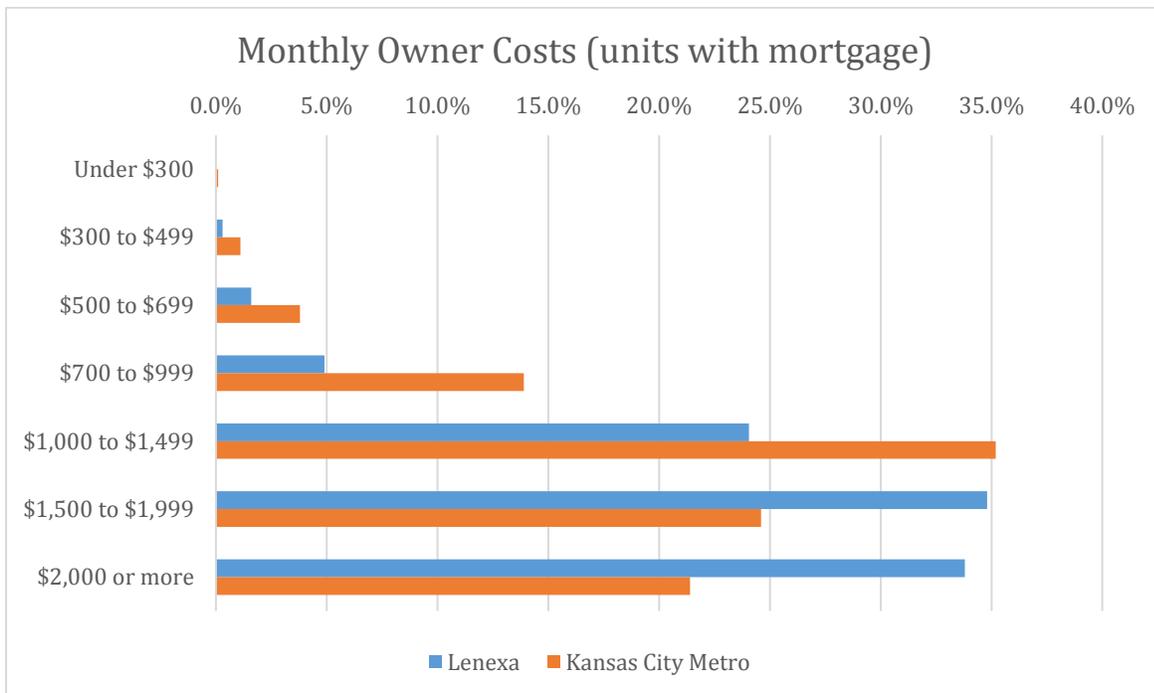
Lenexa’s housing stock stands out from that of the region for having a larger share of both 1-bedroom units as well as 4+ bedroom units. Nearly two in five housing units in the Kansas City region has three bedrooms, but only a quarter of Lenexa’s do. The pattern is reversed for units of four or more bedrooms: nearly 40% of Lenexa’s housing units has at least four bedrooms while the same is true only for about a quarter of those in the metro area.

Size of Housing Units				
Bedrooms	Lenexa		Kansas City MSA	
	Number	Share	Number	Share
None	235	1.1%	13,522	1.5%
1	2,750	13.1%	89,814	10.2%
2	4,318	20.6%	212,048	24.2%
3	5,299	25.3%	347,044	39.6%
4	6,982	33.3%	174,733	19.9%
5 or more	1,395	6.6%	39,836	4.5%
Total	20,979	100.0%	876,997	100.0%

Source: 2010-2014 5-Year American Community Survey Table DP04

Housing Costs

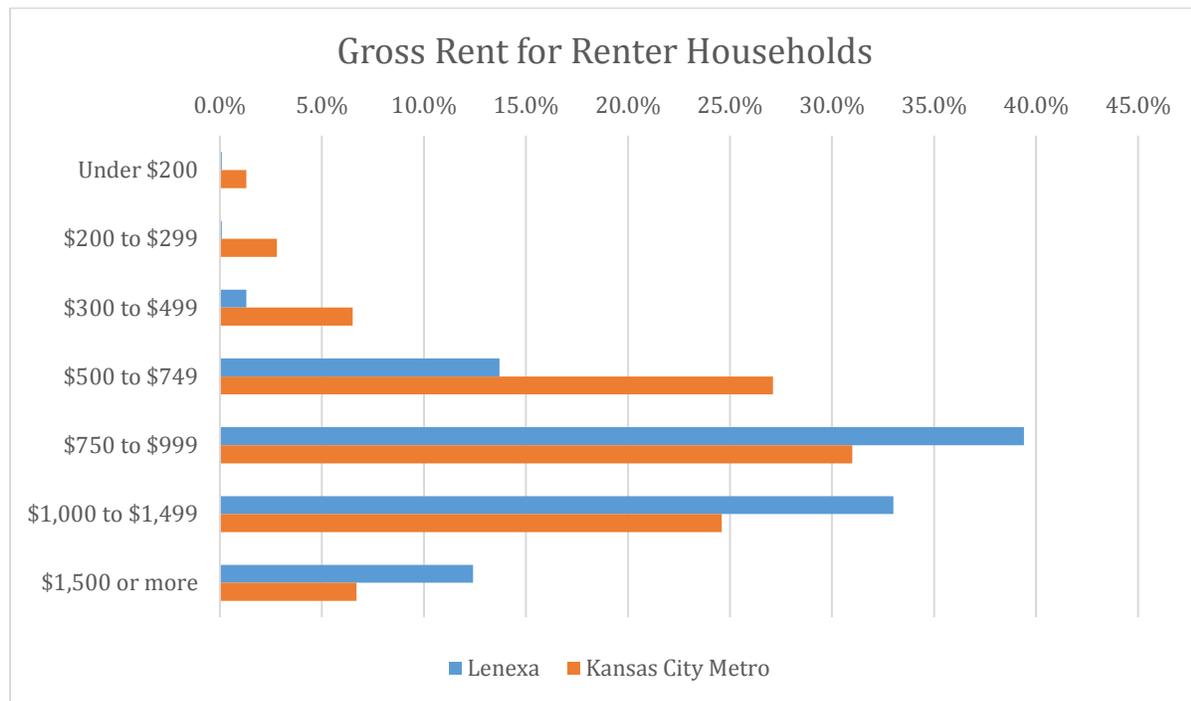
The distribution of monthly owner costs, including mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees, for those owner households in Lenexa and the Kansas City MSA with a mortgage is provided in the table below. The most common range of monthly housing costs in Lenexa is from \$1,500 to \$1,999 (which comprises 34.8% of the city’s homeowners). Over a third (33.8%) of Lenexa homeowners spent over \$2,000 per month on housing costs and the median is \$1,737. These figures indicate a generally higher cost in Lenexa than in the region. Taking the Kansas City area as a whole, the median monthly housing cost for homeowners with a mortgage was \$1,443 and 35.2% spent between \$1,000 and \$1,499 on their monthly housing costs. While Lenexa’s homeowners tended to spend more on the costs of homeownership than their peers elsewhere in the region, the share of the city’s homeowners with lower-cost mortgages and other monthly owner costs was relatively low. Only 6.8% of Lenexa homeowners (with a mortgage) had monthly housing costs of less than \$1,000 while nearly one in five homeowners (18.9%) in the region did.



Source: 2010-2014 5-Year American Community Survey Table DP04

Gross rent, which includes contract rent plus utilities (electricity, gas, heating fuel, and water and sewer), for renter households in both Lenexa and greater Kansas City is shown in the chart on the following page. The largest share of Lenexa renters (39.4%) spend between \$750 and \$999 on housing costs each month. Another 33.0% spend between \$1,000 and \$1,499 per month and the city’s median gross rent is \$960. As with monthly owner costs,

these gross rent figures are higher than for the region as a whole. In the Kansas City metro area, the most common range of gross rents was also the \$750 to \$999 band, however the second-most prevalent range was \$500 to \$749. The metro area’s median gross rent is \$839, 12.6% less than Lenexa’s. In Lenexa, 15.1% of renters paid less than \$750 per month in gross rent whereas 37.7% did in the region.



Source: 2010-2014 5-Year American Community Survey Table DP04

The cost of housing alone does not determine whether it is affordable; that is a question that is answered relative to other factors. For example, if incomes in Lenexa are sufficiently high to support the city’s higher rent and ownership costs, housing in Lenexa may be relatively affordable. These and other important considerations related to housing affordability are considered in a later section of this report.

For-Sale Supply

The vast majority of new for-sale housing development in Lenexa is occurring west of I-435, primarily in detached single-family subdivisions. Several communities along Clare Road and Prairie Star Parkway are active with lots and completed homes for sale. While most recent residential construction around City Center has been apartments, Cross Point Creek Cottages is a single-family development at Barstow and Cardinal Streets with several recently-constructed homes. A summary of selected active single-family for-sale developments is provided on the following page.

Summary of Selected For-Sale Communities in Lenexa, April 2016						
Development Location Unit Type Builder(s)	Total Units	Price Range		Size Range		Average Price/SF
		From	To	From	To	
Cross Point Creek Cottages Barstow St & Cardinal St Single-Family Detached Tom French Homes	31	\$335,000	\$396,500	1,742	2,641	\$167/SF
Floorplans consist of 3 bed/2-3 bath and 4 bed/3 bath options. All homes have 2-car garages. Of 31 total parcels, there have been 23 sales, with 7 lots and 1 home currently available. Asking prices for lots range from \$68,000 to \$73,750. Community amenities include walking trails and proximity to City Center. Lawn maintenance, snow removal, and trash pickup are included in HOA dues of \$200/month.						
Timbers at Clear Creek W 86 th Terrace & Clare Rd Single-Family Detached Calyn Homes Gabriel Homes Hilman Homes Pauli Homes	132	\$320,000	\$400,000	2,315	2,957	\$136/SF
Floorplans consist of 3 bed/3 bath and 4 bed/3-3.5 bath options. All homes have 3-car garages. Neighborhood amenities include a clubhouse and pool. Of 132 total parcels, there have been 82 sales, with 35 lots and 15 homes currently available.						
Arbor Lake W 91 st Terrace & Clare Rd Single-Family Detached Darol Rodrock Homes Reilly Homes	54	\$375,000	\$450,000	2,585	2,947	\$149/SF
Floorplans consist of 3 bed/2.5 bath and 4 bed/3.5 bath options, all with 3 car garages. Neighborhood amenities include a pool. Eight homes currently available with asking prices from \$399,000 to \$466,250. Additional adjacent lots platted for future development. Asking lot prices from low \$60,000s to mid \$80,000s.						
Canyon Creek Highlands W 97 th Terrace & Clare Rd Single-Family Detached Multiple Builders	174	\$411,900	\$561,950	1,910	3,200	\$191/SF
Floorplans consist of 4 bed/3.5 bath and 5 bed/4.5 bath options, all with 3 car garages. Of the total 174 parcels, there have been 131 sales, with 24 lots and 19 homes currently available. Neighborhood amenities include a pool and playground. HOA dues of \$450/year.						

Source: Mosaic Community Planning, LLC

As shown, price points range from the mid \$300,000s to mid \$500,000s for completed homes and \$60,000s to \$80,000s for lots. Three of the four communities surveyed offer 3 and 4 bedroom units, while Canyon Creek Highlands has 4 and 5 bedroom homes. Canyon Creek also includes three other developments – Canyon Creek by the Lake, Canyon Creek by the

Park, and Canyon Creek Shores – which together consist of an additional 217 4 and 5 bedroom homes/lots.

As the survey shows, single-family subdivisions currently under construction in Lenexa are not affordable to households with incomes at or below 80% of AMI. Affordable for-sale single-family homes in the City is limited to resales of older, smaller units, predominately located in Old Town and other areas in east Lenexa. However, stakeholder input indicates that resale volume is relatively low and that very little vacant land is available for new development in east Lenexa.

Rental Supply

A search for apartments in Lenexa provides a listing of 26 apartment complexes. The City has four low-income and income restricted properties and most apartments offer 1, 2, and 3 bedroom homes. The table on the following pages provides a brief survey and summary of the apartment communities.

As shown, occupancy rates at all the rental communities surveyed are high, ranging from 90% at the Domain at City Center which opened to in 2015 to 100% at each of the Low Income Housing Tax Credit (LIHTC) developments. Market rate rents for one bedroom units range from \$665 at Madison Woodbridge to \$1,095 at Domain at City Center. For two bedroom units, market rate rents range from \$695 at Madison Woodbridge to \$1,795 at Domain. In general, older properties tend to have lower rental rates in comparison to newer developments, including the three City Center communities surveyed (Domain, Water Crest, and West End).

The survey includes Lenexa's four apartment developments built using LIHTCs. Together they provide 863 1, 2, and 3 bedroom units affordable to households with incomes of 60% AMI or below.

Survey of Rental Apartment Communities in Lenexa, April 2016

Apartment Name and Year Opened	Unit Mix	Property Type	Types of Units	Rates	Occupancy Rate	Community Amenities
Barrington Park (1985; 2006 renovation)	408 1/1.5 2/1.5 3/2	Market Rate	1, 2, and 3 bedrooms	1/1.5 (895) 2/1.5 (\$925) 3/2 (\$1,275)	97%	Playground
Domain at Center City (2015)	200	Market Rate	Studio, 1 and 2 bedrooms	Studio (\$995) 1/1 (\$1,095) 2/2 (\$1,795)	90%	Elevator, pool, courtyard
Lenexa Crossings	208 2/2-148 3/2-60	Market Rate	1, 2 and 3 bedrooms	1/1 (\$710) 2/2 (\$810) 3/3 (\$1,190)	93.5%	Exercise facility, club house, business center, pool, pets allowed
Lenexa Pointe (1991)	289 1/1-148 2/1-141	Income Restricted Property LIHTC	1 and 2 bedrooms	1/1 (\$658) 2/2 (\$688)	100%	Fitness center, pool, spa
Madison Woodbridge (1985)	248 1/1-90 2/2-158	Market Rate	1, and 2 bedrooms	1/1 (\$665) 2/2 (\$697)	99%	Fitness center, pool, sauna, club house, tennis court view, laundry facilities
The Meadows (2003)	434 1/1-158 2/2-236 3/2-136 174-low-income	Income Restricted Property LIHTC Market Rate	1, 2, and 3 bedrooms	1/1 (\$604) 2/2 (\$650) 3/2 (\$866)	100%	Fitness center, pool, club house, business center, sauna

Survey of Rental Apartment Communities in Lenexa, April 2016

Apartment Name and Year Opened	Unit Mix	Property Type	Types of Units	Rates	Occupancy Rate	Community Amenities
Oak Park Village (1960)	511	Market Rate	1, 2, and 3 bedrooms	1/1 (\$675) 2/2 (\$865) 3/3 (\$1,000)	98%	Fitness center, pool, clubhouse, business center, tennis court
Park Edge	Not available	Market Rate	2 and 3 bedrooms	2/2 (\$1,101) 3/2 (\$1,428)	Information not available	Fitness center, pool, pets allowed, fitness center, storage, pool, business center
The Reserve (2001)	256	Income Restricted Property LIHTC	1, 2, and 3 bedrooms	1/1 (\$720) 2/2 (\$859) 3/2 (\$984)	100%	Fitness center, playground, pool, club house
Rosehill Pointe	498	Market Rate	1,2, and 3 bedrooms	1/1 (\$693) 2/1 (\$775) 3/2 (\$1,055)	94%	Fitness center, onsite laundry, club house, courtyard, business center, pool, sauna
Rosewood Place (2006)	144 1/1-47 2/2-97	Income Restricted Property LIHTC	1 and 2 bedrooms		100%	
Water Crest at City Center (2014)	306	Market Rate	1 and 2 bedrooms	1/1 (\$1,010) 2/2 (\$1,353)	92%	Fitness center, yoga studio, tanning beds, dog park, club house, pool, spa
West End at City Center (2011)	309 1/1-60 2/1-201 3/3-48	Market Rate	1, 2 and 3 bedrooms	1/1(\$845) 2/2 (\$1,139) 3/3 (\$1,573)	94%	Fitness center, club house, pool, business center, storage

Source: Mosaic Community Planning, LLC

Special Populations Housing Supply

In addition to low and moderate income households, CDBG funds can also be used to provide services or address the housing needs of other special needs populations, including the homeless, the elderly, persons with disabilities, persons with alcohol or drug addiction, and victims of domestic violence.

Typically, the primary housing and supportive needs of these subpopulations include affordable, safe housing opportunities in areas with access to transportation and paratransit, commercial and job centers, and social services including counseling, case management, and subsidies for childcare, and for education regarding fair housing rights and actions that can be taken in the event those rights are violated.

Housing for People with Disabilities

As a protected class, people with disabilities have a right to fair housing choice, a standard that must be met by CDBG entitlements. Yet the housing needs of this population can diverge significantly from the needs of other groups. People with mobility impairments are likely to need housing with features that improve accessibility and facilitate maneuverability within the unit, (i.e. first floor units, elevators, ramps, floor level bathrooms tubs. etc.) People with visual and hearing deficiencies may need accommodation for service animals, alternative types of fire and smoke alarms, alternative phone services, communications in braille, etc. People with cognitive disabilities may require the assistance of live-in aids or group home settings. Group homes are discussed elsewhere in this report in sections related to zoning, however the availability of accessible units is generally discussed here.

Based on HUD's Inventory of Units for the Elderly and Disabled, the City of Lenexa has one multifamily housing development that serves the elderly population and persons with disabilities, the Quail Family Cooperative located at 8801 Noland Road, which has 20 assisted living units available out of 100 overall units. This inventory database is designed to assist prospective applicants with locating units in HUD insured and HUD subsidized multifamily properties that serve the elderly and/or persons with disabilities. These units tend to offer rental assistance and housing credit programs funded through federally funded programs.

Community Living Opportunities, a local non-profit, offers residential services in small Intermediate Care Facilities for residents diagnosed with mental retardation (ICF/MR) and/or developmental disabilities. These services also include specialized education, employment, case management, ongoing nursing and medical care, and/or assistance with self-care and activities of daily living services. Living arrangements include homes of four to eight persons with supportive services and homes staffed with caregivers in shifts 24 hours per day. These living arrangements generally offer a staff to individual served ratio of 1:2.

Johnson County Development Supports (JCDS) also provides housing and services for persons with mental and developmental disabilities. JCDS operates 51 residential sites throughout the County, including 11 single-family homes and several group homes for 3 to 5 people. While Lenexa residents are eligible for assistance through JCDS, none of the organization's homes are located within Lenexa due to a limited supply of ranch housing that would be affordable for purchase by JCDS. In addition to providing housing, JCDS also offers employment and case management services and provides intake and referral services for other Johnson County nonprofits serving persons with mental or developmental disabilities.

Housing for the Homeless

The US Department of Housing and Urban Development (HUD) defines a homeless person as someone who is:

- Sleeping in an emergency shelter;
- Sleeping in places not meant for human habitation, such as cars, parks, sidewalks, or abandoned or condemned buildings;
- Spending a short time (30 consecutive days or less) in a hospital or other institution, but ordinarily sleeping in the types of places mentioned above;
- living in transitional/supportive housing but having come from streets or emergency shelters;
- Being evicted within a week from a private dwelling unit and having no subsequent residence identified and lacking the resources and support networks needed to obtain access to housing; or
- Being discharged from an institution and having no subsequent residence identified and lacking the resources and support networks needed to obtain access to housing.

While the City of Lenexa does not have a homeless shelter, Lenexa homeless residents can receive shelter and services through organizations working in Johnson County, including:

- Salvation Army Johnson County Family Lodge in Olathe – provides shelter to families in the Johnson County area that are homeless. Families must have at least one dependent under the age of 18 that is currently in school to be eligible for the program; can stay at the shelter for 3-6 months.
- North Central Multiservice Center in Lenexa – operated by Johnson County and offers assistance with rent and utilities for households at-risk of homelessness.
- Catholic Charities – provides food, rent assistance, utility assistance, transitional housing assistance, and case management services out of Emergency Assistance Centers in Olathe and Overland Park.
- Johnson County Interfaith Hospitality Network – serves homeless families in Johnson County with emergency shelter and meals through partnerships with 12 host

congregations throughout the County. Host congregations provide overnight accommodations and meals for up to 5 homeless families for one week every three to four months. Interfaith recently opened a small shelter for single women.

- Hillcrest Transitional Housing in Overland Park – provides homeless families, singles, and youth with transitional housing for up to 90 days during which they must search for full-time employment and attend life skills classes. Also offers a rapid re-housing program, which includes case management, budgeting and financial counseling, and financial assistance for rental housing.
- KidsTLC Street Outreach Services (SOS) in Olathe – SOS provides social services to youth age 12 to 21 who are experiencing homelessness or at-risk of homelessness, including access to shelter or other housing options, case management, and food, clothing, and hygiene items.

Other facilities located in Kansas City include:

- Forest Avenue Family Shelter – provides, an initial, first-response 30-day stay, a 90-day stay, and a multi-phase phase-up program and case management services to women and children.
- Joyce Williams Shelter – provides emergency shelter to domestic violence victims.
- Mt. Caramel Community Outreach Services – provides emergency and transitional housing services to families.
- Shalom House – operated by Catholic Charities of Northeast Kansas and provides shelter, food, clothing, and medical referrals to males.
- City Union Mission – provides shelter to men, women, children, and families.

Domestic Violence

There are no domestic violence shelters located in Lenexa, although Lenexa residents may be served by SAFEHOME in Overland Park. SAFEHOME provides shelter, transitional housing, counseling, healthcare advocacy, court advocacy, education and prevention, legal services, and outreach advocacy related to domestic violence. During 2015, SAFEHOME provided shelter for 207 women and 154 children and provided counseling for 1,241 clients.

Housing Need Assessment

This section estimates levels of existing and future housing need by tenure and income level using Comprehensive Housing Affordability Strategy (CHAS) data provided by the U.S. Census Bureau. Projected growth in households with needs is based on growth rates for the City of Lenexa provided by the Mid America Regional Council (MARC). This section also examines indicators of potential need for special needs housing, including housing for the homeless, unaccompanied youth, persons with disabilities, and victims of domestic violence.

Affordability and Housing Problems

To assess affordability and other types of housing needs, HUD identifies four types of housing problems:

1. A household is cost burdened if monthly housing costs (including property taxes, insurance, energy payments, water/sewer service, and trash collection for owners and utilities for renters) exceed 30% of monthly household income. A severe cost burden occurs when more than 50% of monthly household income is spent on monthly housing costs.
2. A household is overcrowded if there is more than 1.0 persons per room, not including kitchens and bathrooms.
3. A housing unit lacks complete kitchen facilities if it lacks one or more of the following facilities: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit lacks complete plumbing facilities if it lacks one or more of the following facilities: hot and cold piped water, a flush toilet, and a bathtub or shower.

To estimate levels of need, HUD receives a special tabulation of data from the U.S. Census Bureau's American Community Survey that is largely not available through standard Census products. This data, known as the Comprehensive Housing Affordability Strategy (CHAS) data, counts the number of households that fit certain combinations of HUD-specified criteria, such as housing needs by income level, race, and ethnicity. CHAS data for low and moderate income households in Lenexa (households with incomes of 80% area median income or less) is provided on the following page.

As shown, the City of Lenexa has a total of 3,770 low or moderate income households with one or more housing needs. By far the most common housing need is affordability – nearly 70% of both renters and owners with incomes below 80% AMI spend more than 30% of their incomes on housing. Half of low/moderate income owners (49.6%) spend more than 50% of their income on housing, as do one-third (34.3%) of renters. As these numbers indicate, substantial portions of Lenexa's lower income populations have difficulty affording housing in the City.

Housing Problems for Households with Incomes 80% AMI or Less in Lenexa						
Housing Problem	Renter Households		Owner Households		All Households	
	Count	Percent	Count	Percent	Count	Percent
Cost Burden	2,605	69.6%	1,155	68.1%	3,760	69.1%
Severe Cost Burden	1,285	34.3%	840	49.6%	2,125	39.1%
Overcrowded	220	5.9%	0	0.0%	220	4.0%
Lacking Complete Kitchen/Plumbing	100	2.7%	10	0.6%	110	2.0%
Total with a Housing Problem	2,605	69.6%	1,165	68.7%	3,770	69.3%
Total Low/Mod Income Households	3,745	100.0%	1,695	100.0%	5,440	100.0%
Total Households at All Incomes	7,110		12,105		19,215	

Source: 2008-2012 CHAS

Looking at low/moderate income households with needs as a share of total households shows that 28.3% of households in Lenexa have a housing need according to the 2008-2012 CHAS data. These rates vary considerably by tenure: 36.6% of renter households are low/moderate income households with one or more housing needs versus 9.6% of owners. Thus, renters in Lenexa are 3.8 times more likely to face a housing need than owners.

The table on the following page looks at need by income level for the 0-30% AMI, 30-50% AMI, and 50-80% AMI income categories by tenure. At the lowest income level, nearly four out of five households spend more than 50% of their income on housing, regardless of tenure. At the 30-50% AMI income level, severe cost burdens are reduced, but rates for cost burdens remain high: 87.2% of renters and 76.9% of owners spend more than 30% of their income on housing. These figures suggest that there is limited availability of housing for households with incomes below 50% of the area median. The large majority of both renters and owners are cost burdened, and most are severely cost burdened.

At moderate incomes (50-80% AMI), housing need lessens. A little over two out of five renters in this income category have a housing problem, compared to about three out of five owners. Overall, this data shows that a mix of subsidy levels may be required to address housing need in Lenexa, including programs with deep enough subsidies to reach the lowest income groups where affordability issues are most acute.

Housing Problems for Low and Moderate Income Households by Income in Lenexa						
Housing Problem	Renter Households		Owner Households		All Households	
	Count	Percent	Count	Percent	Count	Percent
Households with Incomes from 0-30% AMI						
Cost Burden	685	82.0%	290	86.6%	975	83.3%
Severe Cost Burden	670	80.2%	260	77.6%	930	79.5%
Overcrowded	35	4.2%	0	0.0%	35	3.0%
Lacking Complete Kitchen/Plumbing	15	1.8%	0	0.0%	15	1.3%
Total with a Housing Problem	685	82.0%	290	86.6%	975	83.3%
Total 0-30% AMI Households	835	100.0%	335	100.0%	1,170	100.0%
Households with Incomes from 30-50% AMI						
Cost Burden	1,225	87.2%	250	76.9%	1,475	85.3%
Severe Cost Burden	530	37.7%	215	66.2%	745	43.1%
Overcrowded	150	10.7%	0	0.0%	150	8.7%
Lacking Complete Kitchen/Plumbing	65	4.6%	0	0.0%	65	3.8%
Total with a Housing Problem	1,225	87.2%	250	76.9%	1,475	85.3%
Total 30-50% AMI Households	1,405	100.0%	325	100.0%	1,730	100.0%
Households with Incomes from 50-80% AMI						
Cost Burden	695	46.2%	615	59.4%	1,310	51.6%
Severe Cost Burden	85	5.6%	365	35.3%	450	17.7%
Overcrowded	35	2.3%	0	0.0%	35	1.4%
Lacking Complete Kitchen/Plumbing	20	1.3%	10	1.0%	30	1.2%
Total with a Housing Problem	695	46.2%	625	60.4%	1,320	52.0%
Total 50-80% AMI Households	1,505	100.0%	1,035	100.0%	2,540	100.0%

Source: 2008-2012 CHAS

Future Housing Need

To estimate potential increases in housing need through 2030, projected household increases for the City of Lenexa (taken from MARC June 2015 projects) were segmented by tenure and rates of housing need. The table on the following page provides the results of this estimate. As shown, an additional 982 low and moderate renter households with one or more housing needs and an additional 507 low and moderate owner households with one or more housing needs are projected through 2030. Note that this projection assumes that tenure trends and rates of housing need by tenure remain steady in Lenexa through 2030. Growth

in housing need may be affected by a variety of factors including single- and multifamily housing development levels and prices, changes in wages and employment, and the success of efforts to expand the availability of affordable housing in Lenexa.

Existing and Projected Housing Need by Low and Moderate Income Households in Lenexa				
Tenure	Existing Need (2008-2012)	Projected Future Increase in Need		Existing and Projected Future Need
		Present to 2020	2020 to 2030	
Renter Households	2,605	518	464	3,588
Owner Households	1,165	267	240	1,672
Total Households	3,770	786	704	5,260

Source: 2008-2012 CHAS, 2010-2014 5-Year American Community Survey estimates, and Mid-America Regional Council (MARC) 2040 Forecast retrieved from <http://www.marc.org/Data-Economy/Forecast/Forecast-Process/2040-Forecast>

Special Populations Housing Need

People with Disabilities

Disability is defined by the Census Bureau as a lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from being able to go outside the home alone or to work. According to 2010-2014 5-Year American Community Survey data, the City had a disability rate of 8.6%, which represented 4,230 Lenexa residents living with a disability. Nearly one in three (31.7%) of residents age 65 or older was disabled while more than one in ten (12.9%) of those under 65 had a disability.

The most common disability is an ambulatory difficulty, which affects 40.6% of the disabled population. Housing needs for persons with ambulatory difficulties may include accessibility improvements such as ramps, widened hallways and doorways, and installation of grab bars, along with access to community services such as transit. Persons with cognitive difficulties are the second largest share of the disabled population (38.4%). For some people with these disabilities, housing in a group home or other supportive setting/services may be necessary.

Disability Status of the Population in the City of Lenexa		
Disability Status	Count	Share of Total
By Age		
Total population	49,152	100.0%
With a disability	4,230	8.6%
Population under age 65	43,818	100.0%
With a disability	2,538	12.9%
Population age 65 and over	5,344	100.0%
With a disability	1,692	31.7%
By Type of Disability		
Total disabled population	4,230	100.0%
Hearing difficulty	1,407	33.2%
Vision difficulty	512	12.1%
Cognitive difficulty	1,624	38.4%
Ambulatory difficulty	1,717	40.6%
Self-care difficulty	808	19.1%
Independent living difficulty	1,514	35.8%

Source: 2010-2014 5-Year American Community Survey Tables B18101 to B18107

Homelessness and Unaccompanied Youth

While the City of Lenexa does not conduct a count of homeless persons, a point-in-time count was conducted for Johnson County in January 2015 by the Johnson County Continuum of Care on Homelessness. A total of 174 persons were counted, including 94 children, 13 young adults age 18-24, and 67 adults over age 25. The majority of homeless persons were in either emergency shelters or transitional housing (151 people or 86.9%); the count identified 23 unsheltered homeless persons (13.1% of the total). While seven out of ten homeless households contained children, no unaccompanied youth were identified.

The Department of Education also provided counts of homeless students, although used a broader definition of homelessness than HUD. This definition also includes students who are staying temporarily with family or friends (either individually or with their families). Unlike the point-in-time count, Department of Education numbers reflect total number of homeless students throughout the school year, not the count at a particular point. According to reports from the six different school districts in Johnson County, there were a total of 1,106 homeless students in the County during the 2013-2014 school year, up considerably from 682 during the 2009-2010 school year. The school systems report that about 85% of these students are living with their families but “doubled up” in the home of family or friend.

Although veteran status was not identified in the Johnson County point-in-time count, approximately 1,800 homeless veterans live in the Kansas City area. About 87% of homeless veterans suffer from a mental illness or substance abuse. Nationally, veterans account for only 11% of the adult U. S. population, but they make up 25% of the homeless.

Housing needs and supportive needs for the homeless include: shelter, rapid rehousing, transitional housing, case management, medical and behavioral health services, and substance abuse treatment.

Women and Domestic Violence

No data regarding the incidence of domestic violence and related need for domestic violence shelters in Lenexa are available, although stakeholders interviewed for this research indicated that this may be a housing need within the city. According to national statistics, one in three women will be abused in her lifetime and 2,880 women are abused daily. SAFEHOME, which operates a shelter and other domestic violence services in Overland Park, reported providing 207 women and 154 children with shelter in 2015, along with serving 1,241 counseling clients, answering 3,294 hotline calls, providing legal advocacy/court services for 1,183 clients, and giving onsite support to 203 clients at local hospitals. These figures indicate a continued need for shelter and support services for victims of domestic violence, along with continued education and prevention efforts.

Affordable Housing Delivery System

With the rapid growth and rising housing costs in Lenexa, a strategy to ensure the long term affordability of housing in the city will be important. Fortunately there are many different programs, partners, and incentives that the city can harness to this end. Unfortunately, these pieces are not currently well coordinated and will require some investment of time and energy to coordinate them into a coherent strategy that works for Lenexa.

Current Affordable Housing Initiatives

Several City-sponsored affordable housing initiatives, an exterior grant program and a rehabilitation program, are already operating in Lenexa. Under the Exterior Grant Program, households in a designated Neighborhood Revitalization District who make qualifying repairs to their homes valued at \$3,000 or more may qualify for a grant from the city to pay the costs of exterior enhancements. The City has budgeted approximately \$40,000 for this program but was not able to spend the full amount in the first year of the program.

The second City initiative is a partnership between Habitat for Humanity of Kansas City and Lenexa's Community Standards Division. Under this program, homeowners who have been cited for code violations may apply for City funds for necessary rehabilitation work to be completed by Habitat. The City has budgeted \$10,000 for the new program and hopes to be able to assist 4-5 households. Results of this program are not yet available, as it was just initiated in March 2015.

Lenexa's Community Standards Division also plays an important role in maintenance of the city's affordable housing stock through its inspection functions relative to annual rental licenses. Rental property owners are required to register their property and apply for an annual license from the City. Before issuing the license, the Community Standards Division conducts a physical inspection of the exterior of the property. If requested to do so by the occupant, the Division's staff also inspect the interior. These inspections play an important role in preventing the deterioration of existing affordable housing stock in several important ways. The City's rental inspection program identifies and, when necessary, initiates corrective actions with property owners to maintain quality housing conditions. This has the effect of preventing tenant health impacts from mold, pests, lead, or unsafe building condition. By preventing a state of disrepair in any one rental unit, the program also avoids the negative effects of neighborhood blight. Finally, by maintaining housing conditions and property values, the program also stabilizes the local tax base.

Besides these City initiatives, other programs are operated locally by neighboring communities. For example, Johnson County operates a consortium to receive funds from HUD under the Home Investment Partnerships Act (HOME) Program. Under this program,

Johnson County offers a housing rehabilitation program for income-qualified homeowners. The City of Lenexa has opted not to join Johnson County's HOME Consortium, however, because Johnson County's allocation of HOME funds is based on the County's (including Lenexa's) population and housing characteristics, Lenexa is ineligible to participate in HOME-funded programs of the Kansas Housing Resources Corporation.

The Kansas Housing Resources Corporation offers or facilitates the offering of a number of other affordable housing initiatives to communities across the state. These include the following:

- The Low Income Housing Tax Credit (LIHTC) program annually allocates 9% tax credits to affordable housing projects on a competitive basis. The project's investors syndicate the tax credits to raise capital for the project. The capital invested by investors can offset land and development costs in order to make the project affordable. Housing units benefiting from the LIHTC subsidy must be kept affordable for at least 30 years to households at or below 60% of the area median income.
- The Moderate Income Housing (MIH) program is funded by the State Housing Trust Fund and provides grants or loans to units of local government for the development of affordable housing in their jurisdictions. The Kansas legislature has typically provided \$2 million in annual funding to the trust fund to capitalize the program.
- The State's Private Activity Bond (PAB) authority allows local governments to issue tax exempt bonds that can be used to finance multifamily housing. The bond financing allows cities and counties to access more favorable lending terms than a conventional loan would provide. These debt service savings can enable a project to operate successfully on a lower rental revenue stream than would otherwise be required. Lenexa currently uses this program to issue Industrial Revenue Bonds to encourage multifamily apartment development in the City, but could amend its process to require developments using IRBs to maintain a share of their units as affordable.
- The 2008 Housing and Economic Recovery Act (HERA) established a National Housing Trust Fund that is only now beginning to be funded. The State of Kansas expects to receive approximately \$3 million from the Trust Fund in late 2016. These funds will be distributed by the Kansas Housing Resources Corporation through a competitive application process. By 2017, the State expects to begin funding projects that will create rental housing targeted to households under 30% of the Area Median Income.

These varied programs represent a significant amount of capacity for affordable housing preservation and production, but the funding for them, particularly for those programs intended to serve the entire state, is insufficient to meet the demand for affordable housing in Lenexa. A strategic combination of these and other programs, however, could prove an effective solution.

Regulatory Impacts on Affordable and Accessible Housing

Although comprehensive plans and zoning and land use codes play an important role in regulating the health and safety of the structural environment, overly restrictive codes can negatively impact housing affordability and accessibility within a jurisdiction. Examples of zoning provisions that most commonly result in barriers to fair and affordable housing include:

- Restrictive forms of land use that exclude any specific form of housing, particularly multi-family housing, or that require large lot sizes or low-density that deter affordable housing development by limiting its economic feasibility;
- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit;
- Placing administrative and siting constraints on group homes for persons with disabilities;
- Restrictions making it difficult for residents with disabilities to locate housing in certain neighborhoods or to modify their housing;
- Restrictions on occupancy of alternative sources of affordable housing such as accessory dwellings, mobile homes, and mixed-use structures.

Because zoning regulations present a crucial area of analysis for a study of housing affordability, Lenexa's Unified Development Code was reviewed for potential regulatory impacts on affordable or accessible housing.

Often one of the most scrutinized provisions of a municipality's zoning code is its definition of "family." Municipalities use this provision to limit the number of unrelated persons who may live together in a single dwelling. Unreasonably restrictive definitions may have the intended or unintended (depending on the motivations behind the drafting of the jurisdiction's definition) consequence of limiting housing for nontraditional families and persons with disabilities who reside together in congregate living situations.

Lenexa's zoning ordinance provides the following definition of family:

In all zoning districts, family shall be defined to mean:

- *a person living alone, or*
- *two or more persons related by blood, marriage, legal adoption, guardianship, or other legally authorized custodial relationship, or*
- *a group of not more than four (4) persons age eighteen (18) or older who are unrelated by blood, marriage, or legal adoption, living together as a single housekeeping unit in a dwelling unit; provided, that if any one of the adult persons is unrelated to another adult person in the group, the entire group shall be classified as unrelated.*

Sharing rent payments with unrelated roommates is a common method for low- and moderate-income individuals to achieve affordable housing with reduced cost burden. In that it would allow up to four unrelated persons to reside together in a dwelling unit, this definition does not appear to be unreasonably restrictive.

The Code's definition of family also includes a specific exemption for group homes, effectively increasing the rights of people with disabilities to select suitable housing in the locations of their choice. The Code distinguishes between two types of group homes, the smaller of which (termed a "Group Home, Limited") is permitted by right in every residential zoning district. A Group Home, Limited is:

A dwelling occupied by not more than 10 persons, including 8 or fewer persons with a disability, who need not be related by blood or marriage and not to exceed 2 staff residents who need not be related by blood or marriage to each other or to the residents, which dwelling is licensed by a regulatory agency of this state.

By allowing group homes of up to eight unrelated people with disabilities in every residential district, while the family definition would otherwise restrict such occupancy to no more than four unrelated individuals, Lenexa's zoning code expands the housing rights of people with disabilities.

Beyond these definitions, matters of minimum lot size, maximum density, maximum building height, and minimum open space requirements were reviewed for each residential zoning district. While there exist some residential zoning districts with high minimum lot sizes and low maximum densities (Agriculture (AG) and Residential Estate (RE) districts), there also exist other districts that should more readily accommodate affordable housing development.

In both the Residential Single Family (R1) district and the Planned Residential Low Density (RP1) district, minimum lot sizes are 8,000 square feet with a maximum allowed density of 3.5 units per acre. With approximate land costs of \$35,000 per acre, a one-acre property in such a district could support three detached, single-family units, defraying the land cost to \$11,600 per unit. After accounting for construction costs, the development of affordable housing should be possible in such a scenario, and this in one of the city's lowest density residential districts.

In the highest density residential district, the Planned Residential High Rise High-Density (RP5) district, up to 36 units per acre are allowed with a maximum building height of 48 feet (approximately four stories) and an open space requirement of at least 40%. There are at least eight different areas within the city, but all east of Woodland Road, that are zoned RP5.

In general, this review of Lenexa's Unified Development Code did not identify any provisions that would have an unreasonably negative impact on the provision of affordable or accessible housing within the city.

Barriers to Housing Affordability

In general, the primary barrier to housing affordability is related to market supply. Because of Lenexa's rapid growth, the housing supply has had some difficulty keeping up with demand. The relative scarcity drives up prices, both for for-sale and rental housing. Some programs address affordable housing needs by subsidizing the high cost of housing through vouchers, but such a solution would generally fail to address Lenexa's underlying supply problem. Rather, some combination of initiatives aimed at production of new affordable units and the preservation of existing units that are already affordable would be a prudent course.

Additionally, some stakeholders consulted in the development of this analysis have indicated a lack of awareness of affordability issues in Lenexa. Because the issue is not in the public discourse, there is less recognition that any action is needed to keep housing affordable. Others questioned whether it was necessary for Lenexa to be able to offer a range of housing options that would accommodate service industry workers and those with low incomes because options for those populations are available elsewhere in the region. While it may be true that other Kansas City communities have a larger share of housing affordable to those with low and moderate incomes, some education and awareness for Lenexans as to the benefits of a diverse local housing stock could help enhance public support for such programs.

Finally, the availability of resources to address affordability issues is limited. Lenexa's annual CDBG entitlement amount, even if completely devoted to affordable housing initiatives, would have minimal impact. The challenge for Lenexa will be to develop a comprehensive affordable housing strategy based on its CDBG award, but that coordinates the work and resources of other, larger partners. Identifying local developers, organizations, and foundations with an interest in affordable housing may be a first step. Determining which of the Kansas Housing Resources Corporation's programs are a good fit and pursuing funds through those may be another. In any case, the convening and coordination of various components into a singular local strategy will be an important role for the City in order to overcome barriers to housing affordability.

Recommendations

The housing need assessment indicates that there are 3,770 low or moderate income households in Lenexa with one or more housing needs. The vast majority of housing problems are related to affordability: 1,155 owners and 2,605 renters with low or moderate incomes spend over 30% of their income on housing. These cost burdened households constitute 9.5% of total homeowners and 36.6% of total renters in Lenexa. As the city continues to grow, the number of households with needs is also projected to increase.

These recommendations identify ways the City of Lenexa can address local housing needs using Community Development Block Grant funds, often in partnership with other agencies and in conjunction with other funding sources. They also provide strategies for promoting mixed-income development throughout the City. Two key long-term goals drive these strategies – increasing the supply of affordable housing and preserving existing affordable units.

Strategy #1: Single-Family Home Rehabilitation

Several stakeholders emphasized the importance of maintaining the City's existing single-family homes, specifically in older neighborhoods such as Old Town, as a method of preserving affordable housing. Unlike new homes being constructed in west Lenexa, the city's older neighborhoods tend to have smaller and lower-cost homes. Stakeholders indicate that residents in these areas include a mix of older homeowners, who are retired or may be retiring soon, and lower income families. With limited budgets, these groups are less able to maintain and repair their aging homes. The City recently initiated a partnership with Habitat for Humanity to help low income homeowners address code violations, however, this program could be expanded to assist more households through the use of CDBG funds. Given that parameters for the program are already established and a partnership in place, this strategy may be relatively easier to implement than others and can be scaled up or down depending on funding availability.

Strategy #2: Land Acquisition for Affordable Housing

Land costs are a critical factor affecting home prices. For nonprofit developers such as Habitat for Humanity, access to free or low-cost land is a determining factor in the ability to build housing affordable to low and moderate income homeowners. With little land available in east Lenexa and west Lenexa dominated by higher-cost development, there are few parts of the city with affordable land available. To develop an inventory of lots suitable for a build by Habitat or a similar developer, the City could use CDBG or other funding to acquire land for subsequent transfer for affordable housing development. The City has used public funds in the past to acquire properties with code violations for redevelopment into park space, and

could use a similar process to identify potential housing sites. While this approach would allow a developer like Habitat to build in Lenexa for the first time, there may be limited areas in the city where a large enough parcel or group of parcels are likely to become available to allow for the construction of more than one home at a time.

Strategy #3: Pursue Funding through Kansas Housing Resources Corporation

The first two strategies identify potential ways to preserve and expand the availability of affordable owned housing. However, as the housing needs data indicates, renters constitute the majority of households with needs in Lenexa, and are over three times more likely to face a housing need than owners. To improve rental housing affordability, Lenexa's CDBG funds could be used in partnership with funding from the Kansas Housing Resources Corporation, including:

- Kansas' Low-Income Housing Tax Credit (LIHTC) program. Lenexa could allocate CDBG funding and/or provide necessary infrastructure improvements to assist in a potential tax credit development in the City, thereby increasing the LIHTC application's competitiveness at the state level. A successful LIHTC development would provide rental units affordable to households at 60% or less of AMI for a minimum of 30 years. The State offers two LIHTC programs – one which offers 9% tax credits and a second which offers 4% credits.
- Kansas' Private Activity Bond (PAB) authority, which allows the City to issue a tax exempt bond to finance development of affordable multifamily housing. While Lenexa currently issues Industrial Revenue Bonds (IRBs) using this authority to encourage apartment development, the City could couple the use of IRBs with a requirement that the subject property maintain a certain share of their units as affordable.

Both of these programs would have the advantage of expanding the supply of affordable rental units in Lenexa, whereas a tenant-based subsidy would require recipients to secure private, market-rate rentals. As the supply analysis indicated, rents at many apartment complexes in the City exceed fair market rents for the Kansas City MSA, and would thus likely remain out of reach despite the rental assistance.

Strategy #4: Participate in a HOME Consortium

To expand access to federal funding for affordable housing, the City of Lenexa could consider joining the Johnson County HOME Consortium. Through the HOME program, additional funds may be available for a wider variety of housing-related activities such as tenant-based rental assistance or housing development. Additionally, as at the state level, 15% of the Consortium's allocation must be set aside for use by a Community Housing Development Organization (CHDO). If the City were able to identify and work with a successful local CHDO,

additional funding for affordable housing development, acquisition, or rehabilitation would be available through the Consortium.

If the City prefers not to join the Johnson County HOME Consortium, Lenexa could also explore the possibility of establishing a separate consortium to access HOME funds in partnership with adjacent geographies. While this approach may allow Lenexa more control over the Consortium, it may be difficult politically, especially if it would require jurisdictions to leave Johnson County's existing HOME Consortium.

Strategy #5: Convene Affordable Housing Partners

While Lenexa may contribute a portion of its CDBG funds to affordable housing construction, a housing development system that results in enough units to adequately address existing and future need will require a combination of funding sources and partners. To spur such an approach, the City could take a leading role in convening local and regional partners such as LIHTC developers/investors, local CHDOs (or organizations with the potential to become CHDOs), and other affordable housing advocates. Although this strategy has a longer-term timeline than others, it also has potential to be a more robust way to produce affordable rental units. A successful CHDO would allow Lenexa to compete for funding from the State's HOME program set-aside, while public-private partnership on LIHTC applications would increase their competitiveness. In both cases, the City would receive a greater return on the investment of its CDBG funds than may be possible through single-family rehabilitation.

Strategy #6: Consider Adopting an Inclusionary Zoning Ordinance

One method many jurisdictions have used to increase their supply of affordable housing in a mixed-income setting is inclusionary zoning. Such ordinances relax some zoning requirements in exchange for the production of some share of a project as affordable housing. For example, developers may be permitted to build at a higher density than would otherwise be permitted in return for setting aside ten percent of units for low or moderate income households.

Research indicates that the most successful inclusionary zoning programs are those that are mandatory rather than voluntary (i.e., regulations that require developers to include affordable units versus ones that give them the option to do so). Regardless of whether inclusion of affordable housing is mandatory or optional, regulations should set forth the income level at which units will be affordable, the share of units to be sold or rented at reduced rates, the resulting increase in density, the time period for which units must remain affordable, and mechanisms to insure compliance.

Inclusionary zoning ordinances work best in growing areas, where new housing is being constructed and thus triggering development of new affordable units. Lenexa's level of

multifamily permitting and construction activity over the last few years and projected continued population growth makes it an especially good candidate for success. Given that this approach is entirely policy-driven, no financial investment would be required of the City.

Strategy #7: Fund Special Needs Housing Organizations

There are currently no homeless or domestic violence shelters operating in Lenexa, although the Johnson County 2015 point-in-time homeless count, Board of Education homelessness data, and stakeholder interviews indicate a need. A long term strategy would be to develop a local organization to provide homeless services, emergency shelter, and/or rapid rehousing. In the interim, however, Lenexa can allocate a portion of its CDBG funding to organizations located in adjacent cities for the provision of services or housing assistance to Lenexa residents. These organizations are identified in the special needs inventory and include Catholic Charities, Salvation Army, and Safe Home.