KCStat Follow-Up Memo

Housing KCStat Meeting

July 17, 2018 9:00 AM

The July 17 KCStat meeting focused on reporting progress toward the objectives and strategies under the goal of Housing, as outlined in the 2017 Update to the Citywide Business Plan. Major discussion points, follow-up items, and data questions are summarized below, organized around the Housing objectives and strategies. Follow-up items will be discussed at the next Housing KCStat meeting, which is anticipated in early 2019. For questions, please contact Kate Bender (kate.bender@kcmo.org).

Objective 1
Support rehabilitation and construction of housing for the purpose of revitalizing neighborhoods in the City.

Strategy A
Perform targeted housing condition surveys to define or refine improvement activities.
- City Planning and Development staff has been piloting a camera-based survey tool in the Santa Fe neighborhood, with a plan to evaluate the resources needed to deploy it more broadly in the Central City sales tax area and Heart of City TIF area.

Strategy B
Support the establishment of a new local housing financing mechanism that offers single-family rehabilitation and new infill construction to support home ownership opportunities.
- The need for a financing tool to fill the "gap" for rehab projects has been supported in feedback sessions for the five-year housing policy.
- Neighborhood and Housing Services staff is close to finalizing the financial structure of this loan pool with the banks who are interested in participating. Planning is also underway on an RFP to select an organization to service/manage these loans.

Strategy C
Utilize the Market Value Analysis (MVA) as the basis for identifying opportunities for housing development and revitalization opportunities in neighborhoods with similar development patterns and characteristics across the City.
- City Planning and Development has looked at the MVA categories within the Santa Fe neighborhood, which demonstrate different markets in an area and can inform interventions for infill and reinvestment.
- The city conducted a housing survey with residents as part of the housing policy feedback process, and the results were overlaid with MVA categories, which gives us information about how residents in different MVA neighborhoods feel about housing.
- Overall, poor condition and challenges in paying rent and mortgage are aligned with weaker (yellow, on the MVA spectrum) residential housing markets. There is strong interest in a housing policy in all MVA groups, and especially the more distressed markets. More than half of renters in the more distressed markets would like to become homeowners, but the vast majority of them face barriers.
- **FOLLOW-UP:** Demonstrate how survey results have been utilized to frame and create the housing policy recommendations, and/or other policy decisions (City Manager's Office-OPM)

Objective 2

Increase accessibility to socially and physically diverse quality housing throughout the City for all income groups.

Strategy A
Ensure that implementation of the Annual Action Plans meet Affirmatively Furthering Fair Housing (AFFH) goals.

- For FY 2017-18 (May 2017 to April 2018), the Consolidated Plan had $14.5M in expenditures, not all of which was received in FY18. Expenditures were across a range of categories, from housing to public facilities and services, to blight elimination and homeless services.
- While the previous Governor recommended that low-income housing tax credits not be funded for the current year, the new Governor may be reconsidering the issue.
- **FOLLOW-UP:** Identify locations to demonstrate the impact of low-income housing tax credits on projects in KCMO (i.e. CHOICE projects) and create one-page overview that includes before and after pictures for Governor's visit on August 2 (Housing Division and City Planning and Development).

Strategy B
Ensure that City housing policies encourage the creation and retention of housing units at all levels of affordability and emphasize mixed-income housing.

Strategy D
Identify criteria to define and address the creation of workforce housing units through developing a comprehensive housing strategy.

- Per the housing survey, affordability is important to all residents.
- Cost burden is significant, with 27.6% of homeowners and 49.4% of renters spending more of 30% of their income on mortgage or rent costs. Cost burden is more concentrated in lower income households. Senior homeowners are also significantly cost-burdened.
- The $30 million CHOICE Neighborhoods Grant continues implementation, with 3 new housing projects underway along Independence Avenue and a demolition data for Chouteau Courts being finalized. A list of Critical Community Improvement (CCI) projects has been submitted to HUD, and we will hear back in 30-60 days. Projects total $4.5 million in CCI funds, leveraged by $14.6 million other funds.
- **FOLLOW-UP:** Break down housing survey preferences for housing by whether people have children and other demographic factors (City Manager's office-OPM)

Strategy C
Undertake data analysis to integrate the understanding of supply and demand into the City's housing policies.

- An analysis of supply and demand from the rental housing market (via the Census) suggests that our supply deficit is concentrated in units that are affordable to very low income households. For homeownership, there is a surplus of affordable units, which could also be framed as a deficit of low-income residents who are able to navigate the barriers of homeownership. It is also important to remember that this analysis of supply/demand does not consider quality of housing.
- A 2017 update to evictions data shows that filings as a result of rent nonpayment are increasing, and filings are concentrated in particular neighborhoods. One factor is the concentration of investor-owned property in some areas of the city.
- **FOLLOW-UP:** Consider redoing supply/demand analysis with most recent ACS numbers, and possibly using a lower threshold for affordability (i.e. 20% or 25%) due to the known costs of utilities (City Planning and Development).

- **FOLLOW-UP:** Neighborhoods and Housing staff should connect with Law staff to determine whether we can develop a creative way to address problem landlords, i.e. pursuing some sort of consent settlement (Neighborhood and Housing Services).

Objective 3

Improve the conditions and livability of housing throughout the City.

Strategy A
Expand the reach of Project LeadSafeKC through increased awareness, communication, and testing.
- The percent of children with elevated blood lead in FY18 was 5.1%, meeting the target of 5%. On a year to date basis, 14 new cases of lead poisoned children (ebl > 15 ugl/dl) have been opened for investigation and case management.
- Since the start date for the new LeadSafeKC grant from HUD (December 1, 2017), 157 applications have been received, 15 completed, and 10 are in progress. Targeted marketing has resulted in applications being concentrated in lower life expectancy zip codes.
- The housing survey shows that the presence and knowledge of lead in housing is tied to income – lower income households are more likely to have lead in their homes, and also more likely to not know if there is lead in their homes.
- **FOLLOW-UP:** Analyze housing survey data on lead by renters and owners (City Manager's Office-OPM).

Strategy B
Implement a Healthy Homes inspection program to protect rental property occupants from environmental hazards.
- In 2017, 349 complaints about housing quality came to the healthy homes program, but due to constraints in resources and enforcement capability, the program was able to respond to only 1% of them. In 2018, 112 complaints have been received on a year to date basis, and the program has not been able to respond to any of them.
- The Healthy Homes ordinance that is currently held in Housing Committee was been submitted by external stakeholders as an initiative petition and will be on the ballot for residents' consideration on August 7.

Strategy C
Identify funding sources to improve and maximize energy efficiency in order to reduce costs for residents, particularly on low-income households and multi-family low-income housing.
- Based on national studies, KCMO's energy cost burden (the percent of income spent on energy costs) is very high compared to other cities, ranging from 4.5% for all households to 6.1% for renter households, to 8.5% for low-income households. These high costs mean that households have less dollars available for mortgage and rent. Water and sewer costs are not included in the above percentages.
- KCMO continues to work with the Midwest Energy Efficiency Alliance – Low Income Working Group on how to provide benefits of energy efficiency in housing to lower-income residents in Missouri. The City is also coordinating conversations between the Community Action Agency, which provides weatherization via funding from utilities, and the city's minor home repair program.
- **FOLLOW-UP:** Report back on outcomes from facilitated discussion between weatherization and minor home repair providers (City Manager's Office-Office of Environmental Quality).

Strategy D
Utilize the City's Transit Oriented Development Policy to encourage higher density for new housing developments within close proximity of frequent public transit service.
- KCATA is seeking development opportunities along the 18th Street Corridor that promote vertical density and mixed uses, which is aligned with TOD policy. A mobility hub is also being considered for 75th and Prospect.