

Lawrence-Douglas County Housing Authority Board of Commissioners' Study Session

February 19, 2009

Mission Statement of the LDCHA

To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

Primary Objective of the LDCHA

- Our Primary Objective is to be good stewards of the housing programs we are charged with managing and administering.
- Fundamental to this is the sound management, maintenance and preservation of our public housing inventory according to the highest standards of the housing industry, while at the same time providing responsible and responsive assistance to those we serve.
- We are committed to serving all our residents, participants, and the public in a manner consistent with the principles of respect, fairness and equity. We are dedicated to insuring that the policies and practices we follow foster both resident responsibility and program integrity. We recognize and seek to balance our duty and responsibility to our residents, our property and the public trust.

Primary Roles of the LDCHA

The LDCHA's primary role is as a Housing Provider

Low income rental housing provider

- As a landlord through the Public Housing Program, Multi-Family Housing Program and LDCHA-owned housing (9 developments / 433 units)
- Through Grants and Contracts under the Section 8 and HOME Tenant Based Rent Assistance Programs (620 units)

Maintain and steward the Agency's housing stock

- \$21,402,000 per 2007 City of Lawrence tax assessments

Test new models for delivering Public Housing and Section 8 assistance under the MTW Program

Additional Roles of the LDCHA

- Function as a Resource Center and conduit to community services to support fulfillment of lease and program obligations.
- Partner with other agencies to provide housing assistance to special populations
Transitional Housing for the homeless and HOPE Building.
- Education and community outreach to landlords and prospective tenants through landlord workshops and renter education programs.
- Support Service Provider to Current Residents.
- Advance economic uplift through employment assistance and MTW.
- Facilitate healthy families through therapeutic, recreational and educational programs for adults and youth.
- Promote healthy aging in place for elderly.
- Facilitate homeownership preparation opportunities for residents desiring to transition from rental market.

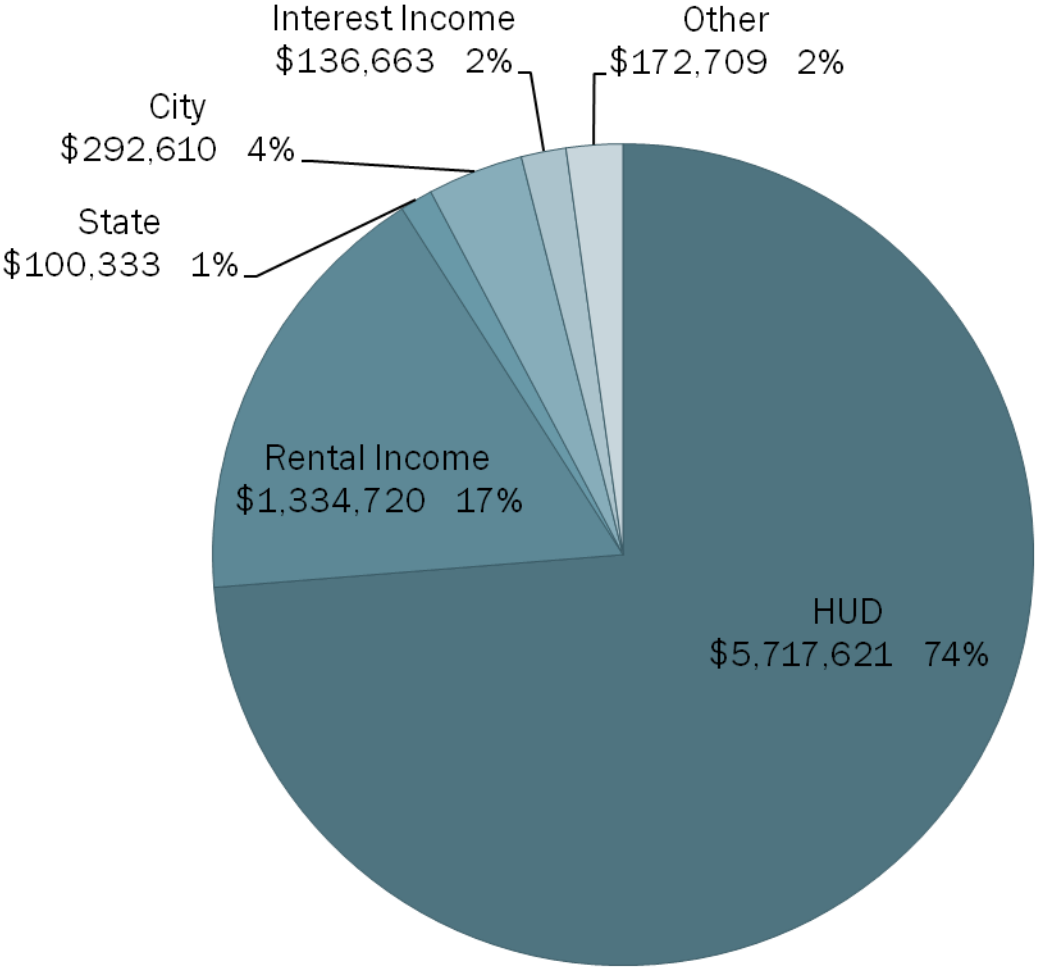
Internal Role

To steward the housing programs that we own and operate to the highest standards possible in the interest of the community and the residents we serve.

1937 Housing Act

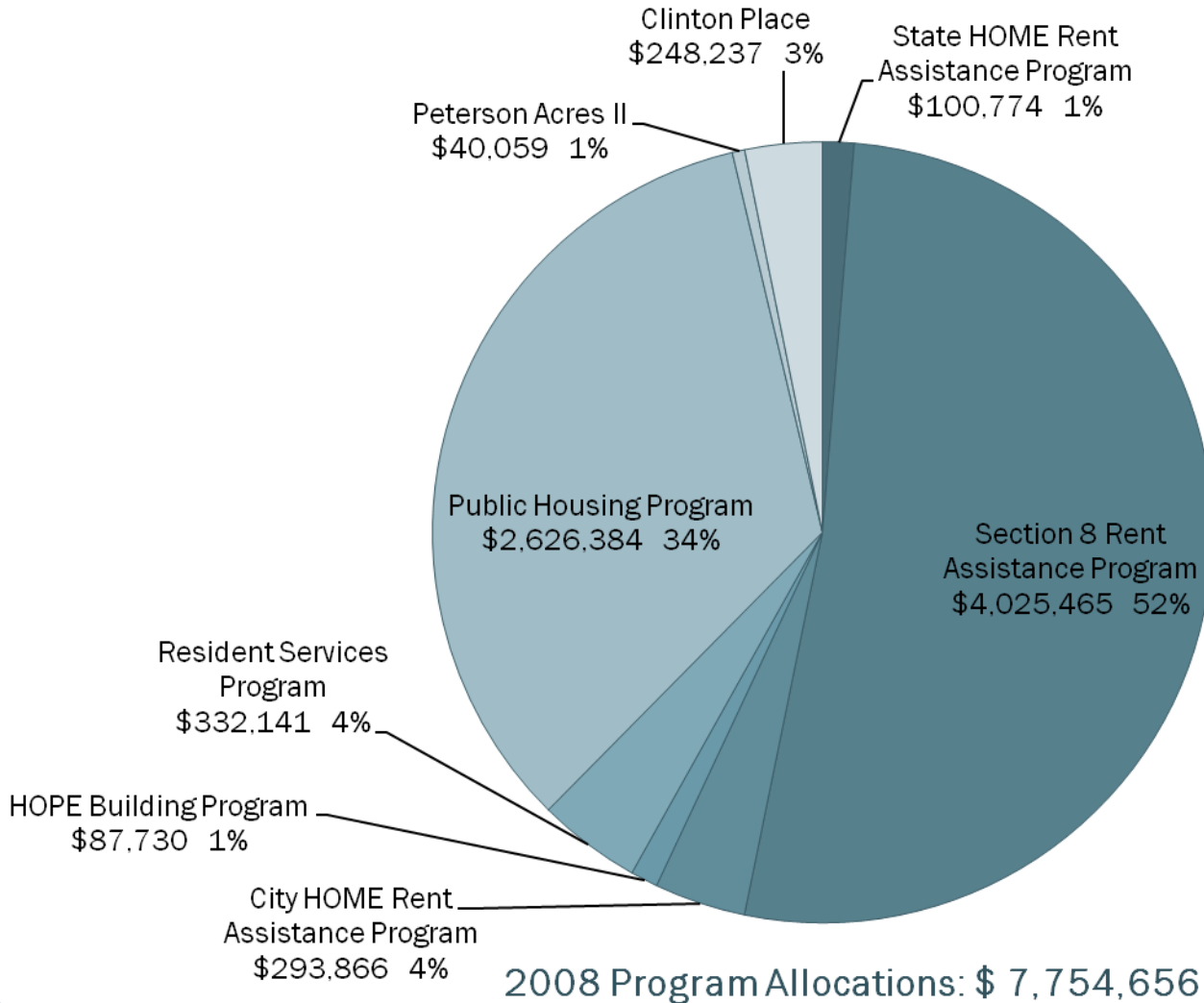
<p>Public Housing 1972</p> <p>Edgewood Homes 1972 130 Units</p> <p>Babcock Place 1973 120 Units</p> <p>Scattered Sites I 1984 46 Units</p> <p>Scattered Sites II 1988 23 Units</p> <p>Scattered Sites III 1992 25 Units</p> <p>Peterson Acres 1995 25 Units</p>	<p>Section 8 Housing Choice Voucher Assistance 1977</p> <p>1977: 50 Units</p> <p>↓</p> <p>2000: 591 Units</p>	<p>State HOME Tenant Based Rental Assistance 1992</p> <p>15 Units</p>	<p>City HOME Tenant Based Rental Assistance 1995</p> <p>20 Units</p>	<p>HOPE Building 2005</p> <p>6 Units</p>	<p>Clinton Place 2006</p> <p>58 Units</p>	<p>Peterson Acres II 2007</p> <p>8 Units</p>
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2008 Funding from All Sources



2008 Total Funding: \$7,754,656

2008 Program Allocations



Who are the residents that we serve?

- Households Under Lease: 1048
- 303 Elderly Households: 29%
- 364 Non Elderly Disabled Households: 35%
- 381 Non-Elderly / Non-Disabled Households: 36%
- 358 Households with Minor Children: 34%

Households by Bedroom Size

Unit Size	TOTAL	%
0 Bedroom	98	9%
1 Bedroom	444	42%
2 Bedroom	259	25%
3 Bedroom	194	19%
4 Bedroom	50	5%
5 Bedroom	3	0%
TOTAL	1048	

Income Data on Current Households Served

	Average Annual Income	% of AMI
Edgewood Homes	\$14,555	28%
Scattered Sites	\$22,686	45%
Babcock Place	\$15,068	33%
Peterson Acres I	\$15,161	33%
Peterson Acres II	\$17,145	36%
Clinton Place	\$12,057	27%
Section 8 TBRA	\$14,574	28%
HOME TBRA	\$8,039	17%

Average Monthly Rent Paid

Edgewood Homes	\$276
Scattered Sites	\$357
Babcock Place	\$315
Peterson Acres I	\$195
Peterson Acres II	\$340
Clinton Place	\$209
Section 8 TBRA	\$253
HOME TBRA	\$119

External Roles of the LDCHA

- Meet community need for affordable housing through new construction, acquisition, and additional housing grants under Section 8 and HOME Assistance.
- Contribute to the maintenance of the City's rental housing stock through the Section 8 inspection function. (Over 1000 inspections annually.)

Meeting Community Need

Determining Community Need for Additional Housing

- Census Data
- Waiting List Data
- LDCHA Program Turnover Rates

Census Data for Douglas County

(includes Student Population)

Families and Households with possible eligibility for housing assistance.

	Total Households	Total Families	Eligible Households *	%	Eligible Families *	%
Lawrence	33,743	17,017	11,202	33%	3,403	20%
48% Renters **	16,196	8,168	5,376		1,633	
Douglas County	42,662	24,140	12,830	29%	5,807	24%

Lawrence has a 7.6% rental vacancy rate per the Dec. 14 2008 Lawrence Journal-World.
In 2007 it was 6.7%.

* Eligibility based on 50% Area Median Income (AMI).

** 2008-2012 Lawrence Consolidated Housing Plan.

Applicant Household by Size of Unit Needed

Unduplicated Count of All Households on General, Senior and Transitional
Waiting Lists as of February 9, 2009

0 & 1 Bedroom without Minors	258	55%
Total Households without Minors	269	58%
Households with Minors	197	42%
Total Individuals	902	
Total Minors	355	39%

Current LDCHA Waiting List

- The waiting list numbers are based on a pre-application where applicants certify initial eligibility. 42% of those that apply are later determined ineligible for assistance or do not accept an offer of assistance. If this percent is applied to the current waiting list, 271 households will be housed.
- There are 5% more families with minor children on the waiting list in February 2009 than in July 2008.

Applicant Household by Size of Unit Needed

Unduplicated Count of All Households on General, Senior and Transitional
Waiting Lists as of February 9, 2009

Bedroom Size Needed	Elderly	Elderly with Minors	Disabled	Disabled with Minors	Family*	Family with Minors	TOTAL
0 Bedroom	4	0	14	0	3	0	21
1 Bedroom	36	0	92	0	109	0	237
2 Bedroom	3	1	16	13	104	98	123
3 Bedroom	0	0	5	5	47	47	52
4 Bedroom	0	0	2	2	29	29	31
5 Bedroom	0	0	0	0	1	1	1
6 Bedroom	0	0	1	1	0	0	1
TOTAL	44	1	130	21	293	175	467

* Per HUD's definition, a "Family" may include one or more members.

2008 Move Outs

Based on Households Leaving the Programs

Year	Public Housing	Section 8	HOME	TOTAL
2005	79	107	14	200
2006	74	75	16	165
2007	72	83	13	168
2008	68	80	7	155

Households Housed from the Waiting List in 2008

	Public Housing	Section 8	HOME	TOTAL
Elderly	12	21	0	33
Disabled	10	24	14	48
Single Non Elderly, Disabled, HOME	4	6	7	17
With Minors	46	35	11	92
TOTAL	69	83	32	184

Net Housing Need

- Number on Waiting Lists that will be Housed: 271
- Number Housed in 2008: 184
- Average Number Housed in Past 4 Years: 175
- **Net Need (271 – 175): 96**

Average Wait Time for Housing in 2008

Public Housing

8 months

Section 8

25 months

HOME

11 months

Ways to Expand Affordable Housing

- New Construction
- Acquisition
- Housing Subsidies

Funding Mechanisms for New Construction/Acquisition Development

1. Federal Home Loan Bank Application.
2. Tax Credit Application.
(Requires limited partnership.)
3. Private Funding.
4. Agency Reserves

Development Constraints

- There are no dedicated funding sources for affordable housing development.
- Affordable housing development projects must be done through layered financing that can significantly reduce costs so that rents can be affordable.

Development Constraints

- If the LDCHA were to build or acquire property, the property would not carry any rent subsidy, i.e. Peterson Acres II.

Development Constraints

If the LDCHA builds or acquires property, the rents will need to generate sufficient lifetime rental income for:

Operations

Maintenance

Capital Improvements

Human Condition Constraints

- The question of rent affordability is relative.
- The average income of an LDCHA resident hovers around 30% AMI or \$15,000 a year. The rent affordability standard at this income level is \$300/monthly.

If We Build (or Acquire) It, Will They Come? (More Human Condition Constraints)

1. Unit size may not reflect family size.
2. Location may not be desirable / may limit choice.
3. Rents may not be affordable for the family in need.

In 2008 an average 2.69 offers to the waiting list were made for every public housing unit filled.

Reasons why applicants do not accept a unit at time of offer:

- No response to offer.
- Want to wait for a voucher.
- In a lease.
- Not ready to move.
- Location not desirable.
- Not Working.

Market Constraints

- Lawrence presently has a 7.6% vacancy rate, up from 6.7% one year ago.
- There are 557 multi-family units in Lawrence presently under construction.
- NIMBY.
- Current economic conditions.

Other Constraints

- Condition of acquisition at purchase, and possible need for infusion of cash for rehab and repair.
- Lag time for new construction.
 - (For Peterson Acres II – Board gave final approval April 2006, substantial completion date was October 2007.)
- LDCHA development activity requires City Commission approval.

Advantages of Acquisition / Development

- Create permanent housing stock.
- May not carry federal regulation.
- Source of income.

Housing Rent Subsidies Advantages

- Maximum Choice in Unit Selection.
- Can immediately address need if using agency reserves.
- No financial liability.

Disadvantages MTW of Housing Subsidy Program

- Not Renewable.

Illustration of New Construction Timeframe and Cost vs. Housing Subsidies

- Peterson Acres II, an 8 unit development, took 18 months from final approval to substantial completion at a cost of \$764,077, or \$95,509 per unit. There were no land costs.
- The average annual Section 8 subsidy is \$5000 / year.
- The agency could serve 150 families in one year or 30 families per year over five years with the funds spent on Peterson Acres II.
- Assistance could be issued immediately.

What is the LDCHA Doing to Meet Need?

Applications pending for:

- 20 units of Homeless Rent Assistance to include families.
- 50 units of Rent Assistance to support Family Unification.

Clinton Place Loan Repayment

- The annual loan amount that Clinton Place pays to the MTW program can be set aside for additional housing assistance.

Other Current Initiatives

Newly Reconvened Task Force on Affordable Housing which is beginning to explore the use of public lands for affordable housing development including Work Force Housing.

Housing Opportunities in the Stimulus Package

- Housing for the Homeless.
- Additional City and State HOME Formula Allocations.
- Additional Capital Fund Grant.

Other Initiatives the LDCHA Can Take

- Revise policies governing procedures on offers from the waiting list from sequenced offers to lottery offers. Result: reach faster the people on the waiting list who have current need and can accept a housing offer.
- Expand the role of the eHousing Connection.
- Create time limits for MTW families at 80% AMI and/or maximum rent. (There are 66 families in this category.)
- Revise the eligibility policy for City HOME funds from a dedicated source of funding for homeless to general population. (From 1998-2008, 254 homeless individuals have been served.)
- Grant housing preference to rent burdened households.

Other Initiatives the LDCHA Can Take

- Use agency reserves to generate more affordable housing
- Public Housing reserves: \$890,746
- Section 8 MTW: \$2.3 million

Major Considerations

- In using any federal funds for additional housing there is the complication of the waiting list practices and adherence to civil rights laws vis a vis preferences.
- If funds were to be used for acquisition or new development, the units would not carry any rent subsidy. The rent that is set may not be an amount that is affordable to the family.

Discussion