
Johnson County, Kansas
Housing Choices
Task Force Report

May 2008

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HISTORY OF HOUSING TASK FORCE

In 2004, a Housing Market and Needs Analysis Study was conducted to examine housing challenges across Johnson County. The comprehensive study estimated that approximately 50,000 Johnson County households are expected to face significant housing challenges by 2010 and swell to roughly 60,000 by 2015. The most notable problem was paying more than 30 percent of household income for housing costs, the nationally accepted standard for housing affordability.

Additional key points in the 2004 Housing Market and Needs Analysis Study include:

- Soaring housing prices in Johnson County have risen faster relative to income, forcing poor, middle, and working class people to live farther and farther from their work and social environment.
- Many workers cannot live in Johnson County or near the communities they serve because their incomes make renting or owning a home unaffordable.
- Young adults are often unable to live in the communities in which they were raised.
- Rising property values have also increased tax bills and placed added burden on senior citizens, single-adult households, and others who live on limited and fixed incomes.
- The current housing market is clearly not providing the necessary levels of affordable housing.

In April 2007, Johnson County Commission Chairman Annabeth Surbaugh formed an Affordable Housing Task Force as a community wide effort to conduct a comprehensive review of current affordable housing needs in Johnson County and prepare a future action plan involving local governments, the housing industry, professional planners, financial experts, interested citizens, and others with expertise in the challenging issue.

The task force was led by a steering committee co-chaired by Gary Anderson, a former county commissioner and board member of United Community Services of Johnson County (UCS), and local homebuilder Paul Robben of Robben Development. Other steering committee members were Mike Scanlon, City of Mission; Carol Smith, United Way of Greater Kansas City (former staff UCS); and Dave Holtwick, Homebuilders Association of Greater Kansas City.

At a working breakfast in May 2007, a planning group convened to determine a course of action. As a result, four study areas were formed:

- Study Group 1: Looking at affordable housing efforts and types of housing units in other counties in the nation that might benefit our community.
- Study Group 2: Exploring financing options and incentives.
- Study Group 3: Studying possible city and county regulatory issues involving planning, zoning, and codes decisions.
- Study Group 4: Recommending an action plan for the Johnson County community for future consideration and participation by county and city governments, the home-building industry, and other stakeholders.

Study Groups 1, 2, and 3 met from June through December 2007 to examine their assigned housing components. Each of the three groups was chaired by one or two members of the steering committee who relayed the group's findings back to the full steering committee. In January 2008, Study Group 4 was assembled to combine each group's findings into this final report to the Board of County Commissioners.

Attached as **Appendix B** is a listing of all the Task Force and Study Group members.

INTRODUCTION

There are many unfilled housing needs in Johnson County, including those for a growing number of moderate income households, seniors and persons with special needs. There is no single housing development strategy that addresses all these needs. Solutions will require the cooperation of entities from multiple sectors, including governmental and non-governmental, for-profit and non-profit. The Johnson County Housing Coalition is a non-profit that currently operates in the County in providing some affordable housing, but there remains significant need for additional affordable housing.

To assist in addressing the most effective solutions, a Tool Box has been developed to be used by cities and County governments in the partnership role they play in preserving and advancing quality, appropriate housing choices across our communities. By design, this Tool Box contains numerous strategies, recognizing that different communities face different housing challenges and will not choose the same strategies. In addition, specific recommendations for the County and the 20 cities in the County are provided in this report.

Affordable housing choices are highly affected by housing density and by available public transportation options. In order to make any meaningful impact on affordable housing choices in the County, density is a key. Helping a few homeowners rehabilitate their single family homes or purchase a single family home will not meet the challenge of expanding housing choices for Johnson County's growing workforce. The greatest impact will occur with a variety of housing types achieved through increased density. This approach supports increasing emphasis on quality of life choices and sustainable communities. In a County dominated by single family housing, housing density will need to be located primarily along transportation corridors. Therefore, affordable housing choices also will likely need to be clustered near transportation corridors.

While transportation corridors within the County have not been officially identified, existing traffic patterns provide a good starting point. As cities update their comprehensive plans, a critical component must be coordinated comprehensive transportation plans for the County that can also extend to the region as a whole.

The placement of more dense housing with a variety of choices near transportation corridors will support other important objectives. Housing with greater density will result in expanded use of public transportation, which will reduce reliance upon the automobile and the need for additional roads and highways. Public transit as a component of a balanced transportation system not only aids in creating housing choices but also achieves the triple bottom line of sustainability, social, economic and environmental goals of our various cities and the County. In addition it will foster sustainability as urban growth is curtailed resulting in decreased demand on expanding infrastructure, such as roads, water and sewers.

The close relationship between affordable housing choices and public transit alternatives was not expected when the work of the Task Force began. Increasingly, public transit's link to creating housing choices for the future became clear. At the same time, we offer the Tool Box with its multiple strategies as a resource that can be used today to advance and preserve housing choices. We hope that this report will help all of us grapple with the very important issue of this County's proud tradition of offering quality housing choices for the people who want to make Johnson County, Kansas their home.

HOUSING CHOICES: A CASE FOR CHANGE

If you are a person with disabilities, a person past retirement age, a teacher, policeman, fireman or a business owner seeking to hire blue collar or entry level white collar employees, you do not need to be convinced that affordable housing in Johnson County is a problem. **Appendix A** lays out the detailed statistics that define the needs and the lack of fulfillment of these needs.

Johnson County, Kansas is an affluent county with a rapidly growing population. The County's economy has continued to grow, fueled in part by new housing construction and rising property values even though there has been a decrease in residential building permits in recent years. Despite a thriving economy, questions have begun to arise regarding who is being served by the existing housing market in the County. The fundamental questions to be answered are whether there is a lack of housing choices in the County and what should be done to remedy the situation.

Some key observations are:

1. While the County continues to thrive, the population is getting older and increasing in diversity. The number of Johnson County families in financial distress is rising at a faster rate than population, along with the demand for human services. The number of individuals and families whose income falls below the federal poverty level is rising in Johnson County.
2. The costs of both new and resale homes in Johnson County significantly exceed those in all other counties in the metropolitan area.
3. Johnson County continues to issue the most single-family residential permits in the Kansas City area. However, the total number of permits issued in Johnson County is declining as well as the county's overall portion of the Kansas City market share of new permits. The number of permits issued by Cass and Platte Counties is increasing, although Johnson County still issues significantly more permits than both counties combined.
4. With only a few exceptions, teachers, police officers, firepersons, janitors, clerical employees and others in similar income categories cannot afford houses at the median sales prices in most Johnson County cities. Home prices are growing faster than incomes, preventing further potential residents from moving into the County. Should interest rates increase in the future even more persons would have to locate outside the County.
5. Even for those persons residing in the County, the number of households that are paying more than 30% of their income on housing has increased from 20.2% in 1990 to 26.5% currently. Some of these households may be forced to move to more affordable locations outside the County as this pressure continues.
6. Currently, unbalanced and unsustainable housing growth is occurring, resulting in families living far from their places of work in large lot neighborhoods lacking in density and/or connectivity to transportation aside from cars. A greater portion of household income is being used for transportation costs, which generally means less household income is available for housing.
7. Johnson County needs to grow in sustainable ways. This growth should include additional housing choices, including higher density transit-oriented development. Policies should promote this type of growth. In the long-term this will make Johnson County more competitive, save public resources, and lower costs to working families.

The Bottom Line

Despite a thriving economy and an increasing median household income, more and more Johnson County residents and workers are finding it impossible to find affordable housing in the County. The price of homes as well as monthly house and rent payments have continued to increase. Therefore, the household income required to keep pace with these rising housing costs is also escalating. Also increasing are foreclosures, requests for emergency assistance, residents below federal poverty guidelines, and households that are cost-burdened by housing costs. The current housing problems across the US are not as severe in this area. However, such problems have caused disruption in the local housing market in the form of some declining values, mortgage financing challenges and rising foreclosures. Also, personal income of many families has stagnated.

The combination of these issues further intensifies the need for additional affordable housing and for this issue to be a top priority for our community.

Housing Policy Goals

The following four goals have been identified as housing policy goals to achieve the desired outcome for housing choices in the Johnson County community.

- GOAL 1: Provide a broad range of housing choices in Johnson County, including affordable housing for senior citizens, persons with special needs and our more vulnerable citizens.**
- GOAL 2: Encourage the development of an integrated County-wide transit system that promotes transit-oriented development and housing choices.**
- GOAL 3: Encourage sustainable housing choices that maximize existing infrastructure and preserve green space.**
- GOAL 4: Use County resources to encourage cities within the County to stimulate housing choices.**

ACTION STEPS TO IMPLEMENT HOUSING POLICY GOALS

Johnson County Government

- ✓ ***Provide incentive funding, such as a County housing trust fund, for current housing challenges.***

In the course of developing recommendations for this report, the task force recognized the need for resources to address current workforce housing gaps, as well as to increase housing rehabilitation to help prevent neighborhood decline and preserve existing housing quality. In recognition that multiple approaches might be beneficial or that housing issues vary by community, it is felt that the best way to provide such resources is through the development of a county housing trust fund. Such a trust fund could be designed as a flexible resource in advancing varied housing choices, including direct assistance to renters and homeowners, reports and education materials for planning commissions and city governments, and incentives to developers for the creation of workforce housing in new and/or rehabilitated housing.

- ✓ ***Consider aligning a portion of County Arterial Road System (CARS) and Stormwater Management Assistance Committee (SMAC) to assist projects that promote housing choices.***

The task force recognizes that for workforce housing to be successful, this housing should be located near public transportation nodes. Johnson County, however, has yet to articulate or encourage the development of transportation corridors with robust transit facilities such as light rail, bus rapid transit or other heavy-use systems. To encourage the development of these transportation nodes critical to creating an environment for workforce housing, the task force recommends that the County consider aligning a portion of current county funds for CARS and SMAC projects be channeled toward CARS and SMAC projects that will develop such transportation nodes.

- ✓ ***Consider using a dedicated revenue stream for transit tied into housing (choices and sustainability).***

Similarly related to the first action step, this goal recognizes the need to have dedicated funds to support large transit projects.¹ An ongoing, dedicated source could be used to finance debt which in turn can be used to promote transportation nodes which can facilitate the development of transportation oriented developments (TODs). TODs by themselves do not guarantee the availability of housing choices; however, they do create an environment that encourages housing choices and makes them more feasible.

- ✓ ***Create a County Housing Resource Center.***

The task force recognizes that programs to improve the availability of workforce housing are constantly evolving. In that regard, resources should be dedicated to capturing this information and making it available to cities, Johnson County Government, and developers on a regular and reliable basis. The development of a housing resource center within Johnson County Government would help facilitate the collection and dissemination of “best practices” and promote adequate workforce housing for the community. This resource center may include full-time funding for a dedicated staff person to monitor, collect and disseminate information regarding contemporary workforce housing programs.

¹ For example, a 1/8 cent sales tax raises \$14.5M and 1 mill of property tax would generate \$7.9M (2007 estimate).

Municipalities in Johnson County

- ✓ ***Modify comprehensive plans to include transit-oriented development with housing choices.***

In its research the housing task force realized that many of the “tools” in **Appendix D** of this document can only be implemented through city governments. One tool that will provide the greatest impact is the clear policy directive by cities to include workforce housing in their comprehensive plans. This creates the clear desire of the community to have workforce housing integrated into the entire fabric of the community. The comprehensive plan of each city should specifically define the city’s approach to transit corridors and to encouraging more dense and diverse housing choices.

- ✓ ***Encourage rehabilitation and maintenance of existing housing in communities.***

Currently, much of the moderate income housing is older single family and multifamily properties in Johnson County. Each city should work to preserve and maintain quality single family and multifamily properties within their community.

CONCLUSION

This report is intended to encourage County and city community leaders to begin implementing the specific recommendations and to use various programs from the tool box to implement the housing policy goals.

The trends and statistics presented in this report demonstrate the need for additional housing choices in Johnson County. Despite a thriving economy and an increasing median household income, more and more Johnson County residents and workers are finding it impossible to find affordable housing in the County.

The price of homes as well as monthly house and rent payments has continued to increase in Johnson County. Therefore, the household income required to keep pace with these rising housing costs is also escalating. At the same time, also increasing is foreclosures, requests for emergency assistance, residents below federal poverty guidelines, and households that are cost-burdened by housing costs.

The combination of rising housing costs along with an increase in the number of families in financial distress further intensifies the need for additional affordable housing. Additionally, the problem is compounded when comparing Johnson County's condition with the rest of the Kansas City area. New and resale home prices are the highest in Johnson County. Furthermore, the gap between home prices in Johnson County and the rest of the metropolitan area continues to widen.

More affordable housing choices, especially in connection with transit-oriented development, should be a top priority for the community.

APPENDIX A

AFFORDABILITY FACTS

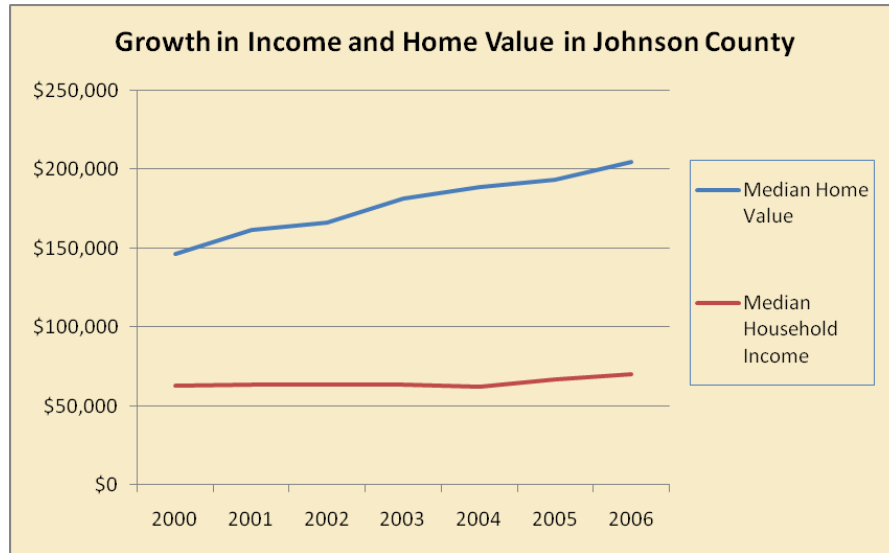
Affordability of Housing

Affordability can be measured by examining which households can afford housing in each of the cities. The matrix below, prepared by using information from the Johnson County Appraiser's Office and County Economic Research Institute (CERI), compares average annual wages to the 2006 average sales prices of homes in Johnson County and its cities to see if homes were affordable. Registered nurses earning the median nurse's wage could afford average homes in nine of the county's cities, police patrol officers earning the median officer's wage could afford an average home in six cities and elementary school teachers earning the median teacher's wage could afford an average home in just one city. Janitors, retail sales persons, food prep workers and customer service workers could not afford an average home in any of the cities.

When this study was conducted in 2002, both police patrol officers and elementary school teachers could afford average homes in three additional cities, and customer service workers could afford a home in one city.

Who can afford single family homes in Johnson County?									
2006	2006 Average Sales Price	Income Required to Afford Price	Elementary School Teacher	Police Patrol Officer	Registered Nurse	Janitor	Retail Sales Person	Food Prep	Customer Service
Edgerton	\$136,198	\$36,400	Yes	Yes	Yes	No	No	No	No
Gardner	\$177,389	\$47,400	No	Yes	Yes	No	No	No	No
Merriam	\$157,249	\$42,000	No	Yes	Yes	No	No	No	No
Mission	\$164,614	\$43,960	No	Yes	Yes	No	No	No	No
Roeland Park	\$152,956	\$40,840	No	Yes	Yes	No	No	No	No
Spring Hill	\$175,791	\$46,960	No	Yes	Yes	No	No	No	No
De Soto	\$210,132	\$56,120	No	No	Yes	No	No	No	No
Prairie Village	\$208,964	\$55,800	No	No	Yes	No	No	No	No
Westwood	\$197,469	\$52,760	No	No	Yes	No	No	No	No
Johnson County	\$264,816	\$70,720	No	No	No	No	No	No	No
Fairway	\$297,287	\$79,400	No	No	No	No	No	No	No
Lake Quivira	\$495,808	\$132,440	No	No	No	No	No	No	No
Leawood	\$484,753	\$129,480	No	No	No	No	No	No	No
Lenexa	\$280,667	\$74,960	No	No	No	No	No	No	No
Mission Hills	\$856,909	\$228,880	No	No	No	No	No	No	No
Mission Woods	\$728,163	\$194,520	No	No	No	No	No	No	No
Olathe	\$225,116	\$60,120	No	No	No	No	No	No	No
Overland Park	\$287,782	\$76,880	No	No	No	No	No	No	No
Shawnee	\$241,387	\$64,480	No	No	No	No	No	No	No
Westwood Hills	\$336,341	\$89,840	No	No	No	No	No	No	No

Nationwide, housing costs are growing at a faster rate than household income. The graph below compares household income and home values in the Johnson County. Similar to national trends, home values have increased at a significantly faster rate than income since 2000.



Source: US Census

During the six year period, median household income increased at a rate of 1.9% per year. Median home values increased at a significantly higher rate of 5.8% each year.

The following table demonstrates how sales prices and mortgage rates have affected monthly payments for homes in the Kansas City area. The combination of rising rates and prices significantly impact affordability at all price points.

	2000	2005	2006	2007
Average Sales Price	\$148,186	\$183,295	\$191,580	\$200,578
Average Mortgage Rate	7.86%	5.90%	6.5%	6.7%
Income Needed	\$42,920	\$43,479	\$48,440	\$51,760
Monthly Payment	\$1,073	\$1,087	\$1,211	\$1,294

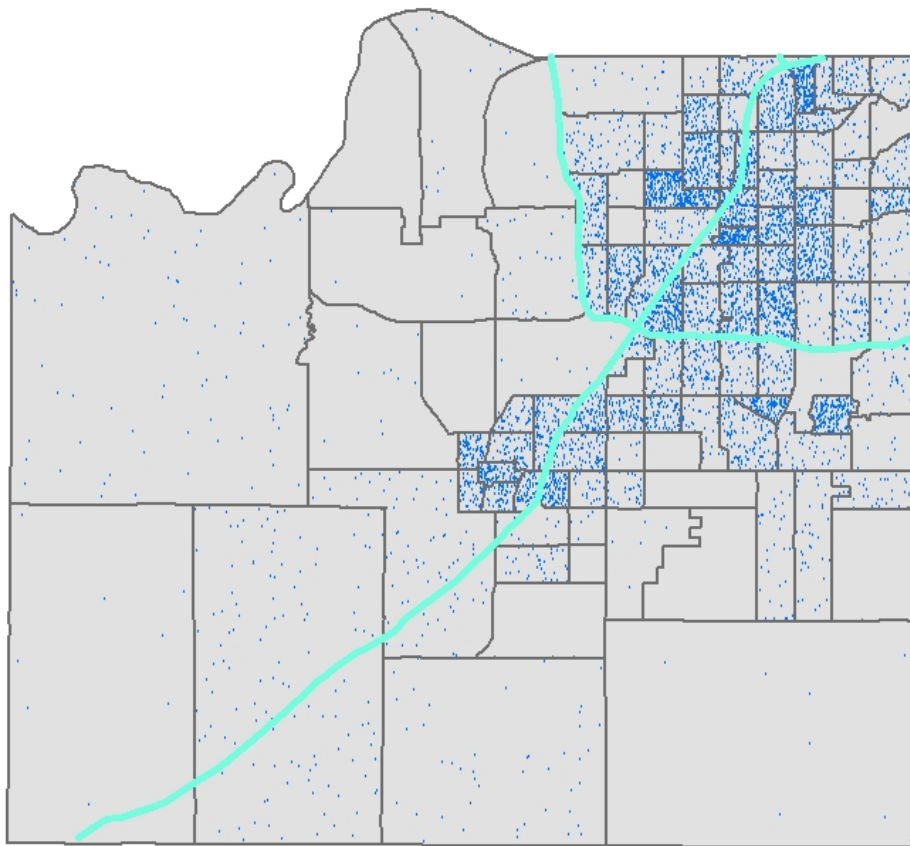
Source: Homebuilders Association of Greater Kansas City

Cost-Burdened Housing

An increasing number of Johnson County homeowners and renters are cost-burdened by their housing. The national definition for being cost-burdened by housing is paying 30% or more of household income on housing-related expenses.

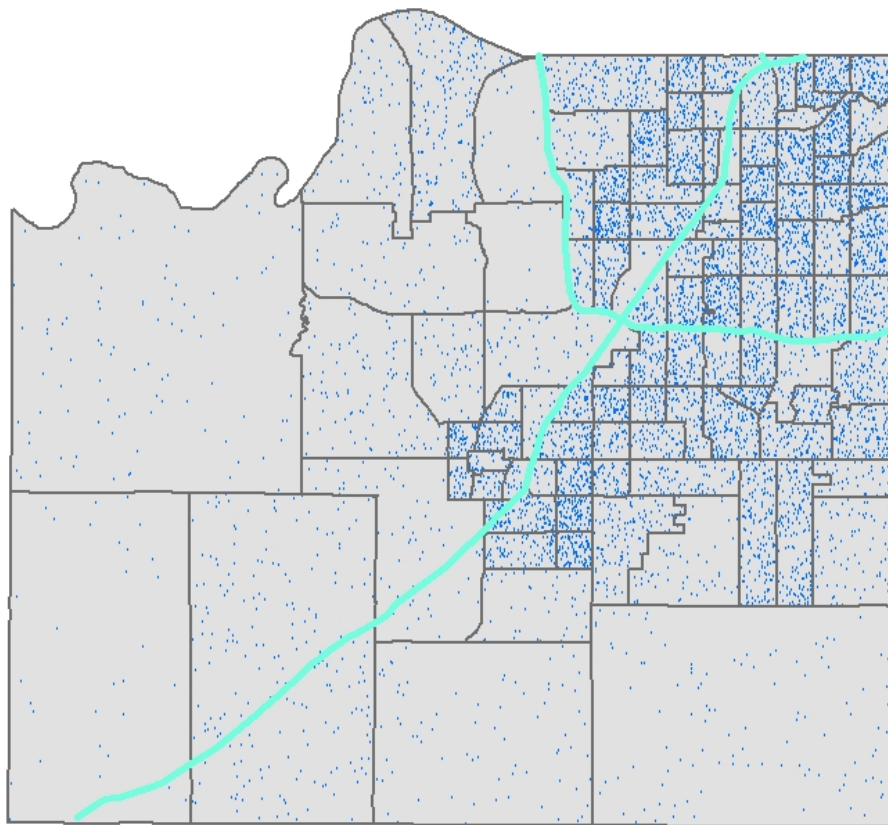
The blue dots on the two maps of Johnson County below represent households in Johnson County that were cost-burdened by their housing in 2000. Each dot represents two households. The first map shows renter-occupied households, and the second map shows owner-occupied households. On both maps there is a concentration of dots in the northeastern and central portion of the County.

Households Paying More Than 30% for Housing (Renter Occupied)



Source: 2000 US Census

Households Paying More Than 30% for Housing (Owner Occupied)



Source: 2000 US Census

The following table provides additional information about households in Johnson County that are cost-burdened by housing using data from 1990-2006. Between 1990 and 2000, the number of cost-burdened households increased by 7,332; however, the percentage of cost-burdened households in the County remained steady.

A significant increase in cost-burdened households is seen between 2000 and 2006. The number of cost-burdened households grew by nearly 20,000. In addition, there is a 6.4% increase seen across the County's population. This growth occurs in both renter- and owner-occupied households.

This increase in cost-burdened households has averaged 3,325 per year or 60% between 2000 and 2006. This compares to a 14% increase in population during the same time period, indicating that this demographic is growing at a faster rate than population.

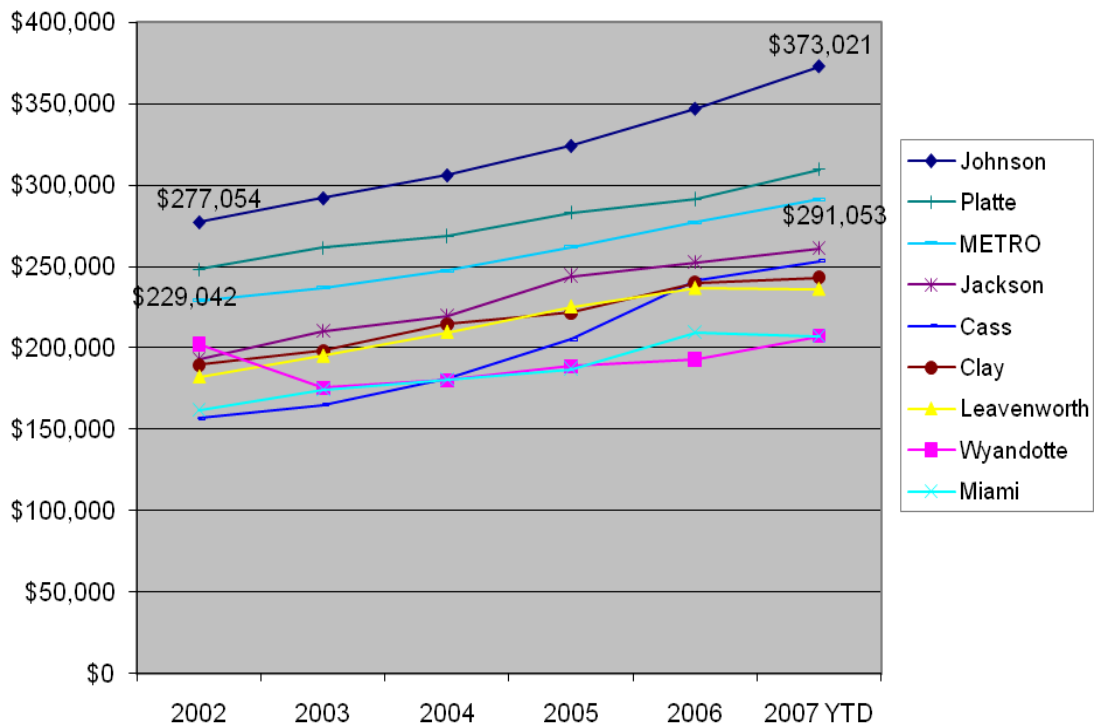
Year	# Cost-Burdened Households - Owner Occupied	% Cost-Burdened Households - Owner Occupied	# Cost-Burdened Households - Renter Occupied	% Cost-Burdened Households - Renter Occupied	# Cost Burdened Households - All	% Cost Burdened Households - All
1990	13,325	15.2%	12,710	30.7%	26,035	20.2%
2000	18,863	16.0%	14,504	30.2%	33,367	20.1%
2006	33,389	22.9%	19,923	36.0%	53,312	26.5%

Source: US Census

Comparison of Home New Prices in the Kansas City Metro Area

Johnson County has the highest median new home sale price in the metropolitan area. The median value in Johnson County is 28.2% higher than the metropolitan region as a whole. Since 2002, the gap between Johnson County and the other counties in the region has widened. Currently, the average new home in Johnson County is \$81,968 higher than the metropolitan average.

New Home Prices by County



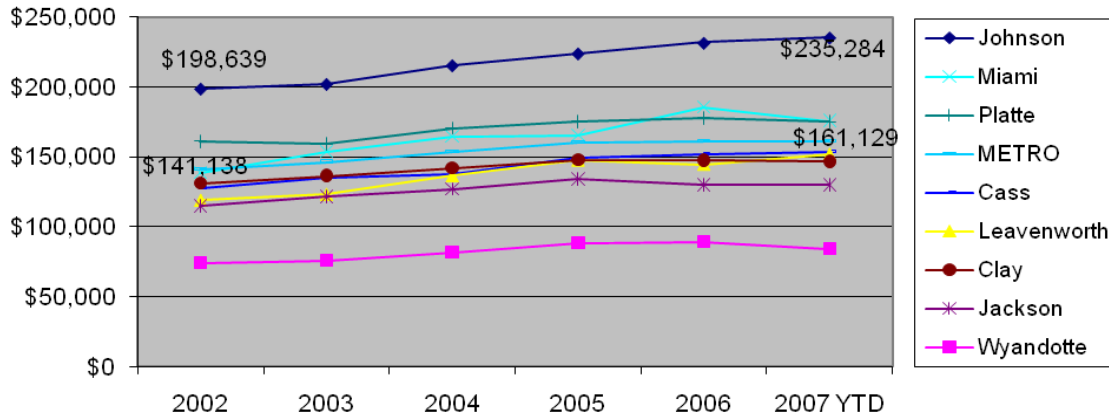
Source: Homebuilders Association of Greater Kansas City

Comparison of Resale New Prices in the Kansas City Metro Area

Johnson County has the highest median resale home sale price in the metropolitan area. The median value in Johnson County is 46.1% or \$74,155 higher than the metropolitan region as a whole.

Since 2002, the median value in Johnson County has steadily increased. However, most other counties in the region have experienced slight growth since 2002, including one or more years of declining home prices.

Resale Home Prices by County

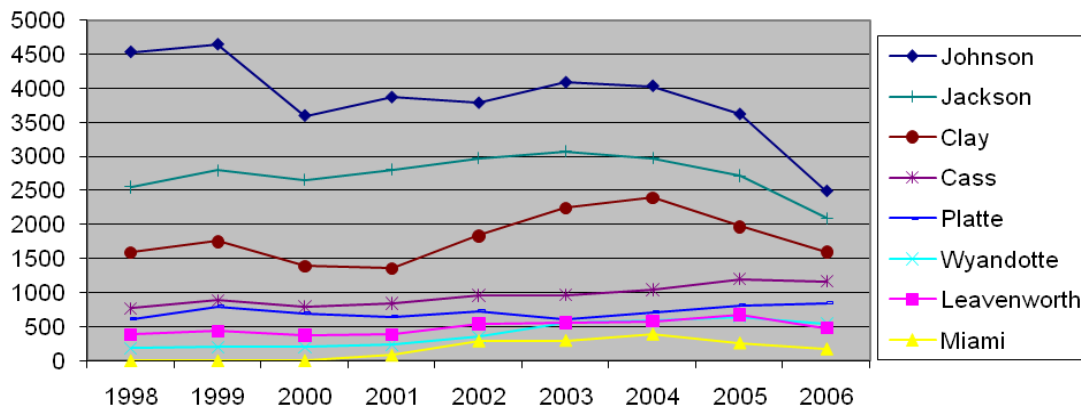


Source: Homebuilders Association of Greater Kansas City

Comparison of Single-Family Residential Unit Permits Issued

Johnson County continues to issue the most single-family residential permits in the Kansas City area. However, the total number of permits issued in Johnson County is declining as well as the county's overall portion of the Kansas City market share of new permits. The number of permits issued by Cass and Platte Counties is increasing, although Johnson County still issues significantly more permits than both counties combined.

Permits Issued for Single-Family Residential Units



Source: Homebuilders Association of Greater Kansas City

Income Trends

Johnson County continues to grow at a rapid pace and to prosper economically. The median household income in Johnson County was \$69,817 in 2006 compared to the national average of \$48,451. Ninety-six percent of residents graduated from high school, and fifty-one percent held bachelor’s degrees or higher, compared to eighty-four and twenty-seven percent nationally. The median home value was \$204,500 compared to the national average of \$185,200.

At the same time, significant percentages of Johnson County households live with modest incomes. Households that make less than 80% of median income are the threshold that U.S. Department of Housing and Urban Development tracks as ‘low-income’ and monitors for housing challenges, such as housing maintenance. Eighty percent of median household income in Johnson County in 2006 was \$55,853 – a typical income for many members of the Johnson County workforce.

The number of Johnson County families in financial distress is rising at a faster rate than population, along with the demand for human services.

The number of individuals and families whose income falls below the federal poverty level is rising in Johnson County.

The table below compares the number of individuals who fall below federal poverty guidelines in the Kansas City area. In 2006, 4.9% of Johnson County residents fell below guidelines compared to 3.6% in 1990 and 3.4% in 2000. The number of individuals has grown by 64% since 2000 to over 25,000.

Poverty by County

	1990	2000	2006
Johnson County	3.6%	3.4%	4.9%
	12,667	15,323	25,058
Wyandotte County	17.1%	16.5%	19.1%
	27,371	25,773	29,147
Clay County	5.9%	5.5%	7.4%
	8,818	9,898	15,133
Jackson County	13.0%	11.9%	15.5%
	81,142	76,808	101,140
Platte County	5.7%	4.8%	6.8%
	3,226	3,477	5,648

The percentage of residents below the poverty level remains lower in Johnson County compared to the rest of the metropolitan area. However, it is worth noting that the number of individuals below poverty in Johnson County is about the same as in Wyandotte County.

Johnson County has seen a considerable increase in the requests for emergency assistance to meet basic needs since 2001. The table below shows the number of requests per year since 2001. The County’s population is also shown. Since 2001, requests for emergency assistance have increased 249%. During the same period, the population increased 11%.

Requests for Emergency Assistance

Year	2001	2002	2003	2004	2005	2006
Requests	10,215	13,086	15,508	19,137	21,126	25,421
Population	464,066	476,130	486,698	496,791	506,172	513,195

More information on poverty and foreclosures is contained in **Appendix C**.

APPENDIX B

AFFORDABLE HOUSING TASK FORCE MEMBERSHIP LIST

The Honorable Annabeth Surbaugh

Group 1-Affordable Housing Models Chair: Carol Smith

Michael Avery
Tom Bassford
Rick Butterfield
Becky Fast
Cindy Green
David Kennedy
Mike Klein
A.J. (Tony) Lang
Char MacCallum

Lee McClelland
Trish Moore
Rep. Cindy Neighbor
Dick O'Leary
Mayor Ron Shaffer
Sherrelyn Smith
Howard Snyder
Linda Stinnett
Michelle Wolfe

Group 2-Financing Models Chair: Gary Anderson

Gregg Amos
Laurie Arnold
Brad Champlin
Jonathan Cohn
Matt Dennis
Robert Faunce
Steve Franks
Karen Garrett
Tom Kaleko
Shirley Kelso
Tom Lally

Henry Lyons
Jeff Nice
Dick Noon
Councilmember Donna Owens
John Paden
Mayor Steve Petrehn
Allan Quigley
Kathy Rankin
Kathleen Sloan Woods
David Solenberger
Gene Wilson

Group 3-Regulatory Models Chair: Mike Scanlon

Lawrence Andre
Laurie Arnold
Wes Ashton
Stephen Chinn
Rick Collins
David Conrad
Molly Deckert
Suzanne Gibbs
Victor Glover
Councilman Terry Goodman
Mark Greene
Councilwoman Terry Happer Scheier
Councilwoman Kathleen Huttman
Councilman David Janson

Karan Johnson
Councilwoman Diane Linver
Korb Maxwell
School Board member Susan Metsker
J. Reed Nixon
David Oliphant
John Petersen
Roger Peterson
Frank Pikus
Patrick Robinson
Councilman Mickey Sandifer
James Terrones
Brant Tidwell

Group 4- Proposed Action Plan
Co-Chairs: Dave Holtwick and Paul Robben

Gary Anderson
Lawrence Andre
Ken Bayer
Dennis Boody
Rick Collins
Paul Coquillette
Matt Dennis
Garry Dial
Cindy Green
David Kennedy

Greg Prieb, Jr.
Greg Prieb, Sr.
Kenneth Sanderson
Councilman Mickey Sandifer
Mike Scanlon
Carol Smith
Sherrleyn Smith
Gene Wilson
Michelle Wolfe

APPENDIX C

POVERTY AND FORECLOSURE INFORMATION

The federal poverty guidelines are shown in the table below. These guidelines are used to determine financial eligibility for certain federal programs. For example, in 2007, a family of four would require an income of less than \$20,650 to be classified as below the federal poverty level.

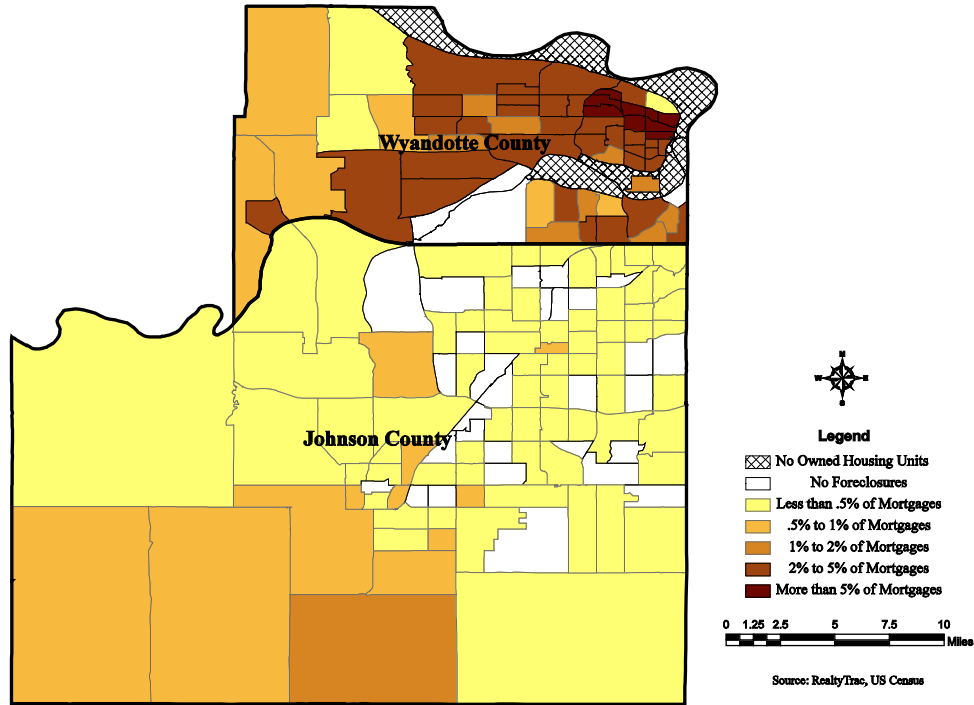
2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,210	\$12,770	\$11,750
2	13,690	17,120	15,750
3	17,170	21,470	19,750
4	20,650	25,820	23,750
5	24,130	30,170	27,750
6	27,610	34,520	31,750
7	31,090	38,870	35,750
8	34,570	43,220	39,750
For each additional person, add	3,480	4,350	4,000

Foreclosures

Wyandotte and Johnson County Foreclosure Rates

New Foreclosures from July 1, 2006 to June 30, 2007



Source: Federal Reserve Bank

The nation is realizing an increase in foreclosures and Johnson County is no exception. The map provided by the Federal Reserve Bank shows the percentage of homes foreclosed in 2006-2007 in Johnson County and Wyandotte County. The trend is expected to continue through 2009.

APPENDIX D

HOUSING DEVELOPMENT TOOL BOX

The tool box represents a listing of programs and practices that have been used successfully throughout the country to produce or maintain quality housing stock, and to make housing affordable to more households. The tool box focuses on approaches that are appropriate for communities like Johnson County – suburban communities that are experiencing both growth pressures, as well as rehabilitation challenges for housing stock beginning to mature.

The purpose of the tool box is to provide local decision-makers with a resource for preserving and creating quality housing opportunities for Johnson County residents. It recognizes that this community's relatively high cost of housing places challenges on some of today's workforce, such as the retail clerks, teachers, human service workers, firefighters and policemen – the workforce that contributes to Johnson County's quality of life every day, ensuring that the workforce of today and into the future can make their home in Johnson County. These same tools also address households with unique housing challenges, such as seniors, victims of domestic violence or persons with disabilities.

To be effective, these tools need to be integrated into an action set that takes into account the resources and strengths of each Johnson County city, and that considers the role that County Government can play in being a resource for promoting quality housing opportunities for residents now and into the future.

The housing development tools are organized into four topic areas:

- **Public Funding Tools** – these tools rely on monies obtained, rebated or credited from tax revenue or other governmental sources to support housing-related activities and programs. Public funding tools play a critical role in the successful implementation and sustained use of most, if not all, of the other tools
- **Physical Development/Maintenance Tools** – these tools provide direct support to the construction of housing by helping to defray or waive land or infrastructure costs; they contribute to long term affordability by limiting land or maintenance costs.
- **Programmatic Public/Private Tools** – these tools are distinguished by the collaborative efforts of public and private agencies; funding is often obtained from multiple sources.
- **Public Policy/Planning Tools** – these tools represent regulatory policies and techniques that can be enacted by local cities.

Four criteria were used to describe and evaluate each tool. In particular, responses to the funding need and impact questions are based on an overall collective assessment of cost and productivity across the tools. The four criteria are:

- Who would implement these tools?
- What would be the funding need?
- Are these new or existing tools?
- What is the potential impact?

In addition, the summary chart ranking offers a brief description of each of the affordable housing development tools and each tool is rated based upon an evaluation of its effectiveness in addressing Johnson County's unique housing challenges now and into the future. Each tool is rated on a three point scale [HIGH, MODERATE, and LOW] for each of the following criteria:

- Priority for implementation: Priority given to tools that would address current Johnson County-specific housing conditions and anticipate future housing needs for a rapidly growing, demographically changing population.
- Cash requirement: Considers potential resource investment by local cities and/or County government to leverage private resources to affordable housing activities. Lower investment leverages fewer private dollars and less housing activity.
- Impact on housing stock: Considers potential increase or maintenance quality workforce housing options through new development or rehabilitation of aging housing stock – recognizing the impact is relative to investment of resources.
- Administrative burden: Considers potential staffing required to manage activity, after the creation/development stage for that particular tool is completed. Assumes a low-to-moderate level of resources and resulting activity.

Housing challenges and how to respond to them are typically managed by city governments in Johnson County. Different cities have different problems and opportunities, therefore there is no “magic bullet” or “one-size-fits all” single solution to the challenges of housing for today's workforce and changing demographics.

Nevertheless, it is important for the BOCC Affordable Housing Task Force to evaluate and present a specific set of tools for County Government to pursue to serve as an on-going catalyst for promoting quality housing opportunities in Johnson County. Such a set of recommended tools will help County government serve as a partner and resource in ensuring that Johnson County continues to set a high standard in providing decent and safe housing for of all its residents.

THE AFFORDABLE HOUSING DEVELOPMENT TOOL BOX SUMMARY

Public Funding Tools	
<ul style="list-style-type: none"> • Federal Housing Trust Fund* • State Housing Trust Fund** • County Housing Trust Fund • City Housing Trust Fund • Property Tax Rebate Program • Federal and State Tax Credits • Nonprofit Tax Exempt Bonds • Industrial Revenue Bonds • Multifamily Housing Revenue Bonds 	<p>Who would implement these tools? Federal, state, county or city governments.</p> <p>What would be the funding need? Modest, relative to each jurisdiction.</p> <p>Are these new or existing tools? The federal, county and city trust funds would be new; the state trust fund is an existing entity, but it has no funding source.</p> <p>What is the potential impact? These tools offer the broadest impact by supporting many of the tools listed below.</p>
Physical Development/Maintenance Tools	
<ul style="list-style-type: none"> • Infrastructure Support • Land Bank (Purchase and Re-sale) • Community Land Trust • Housing Rehabilitation 	<p>Who would implement these tools? Johnson County, area cities, utility companies, for profit and non-profit developers, community development corporations</p> <p>What would be the funding need? High</p> <p>Are these new or existing tools within the county? Most of these are new to the area. Some rehabilitation activity is currently being done.</p> <p>What is the potential impact? These tools would offer the most immediate impact in terms of adding to the housing stock.</p>
Programmatic Public/Private Tools	
<ul style="list-style-type: none"> • Banking Partnerships • Grants to Affordable Housing Developers • Down payment Assistance/Closing Costs/Second Mortgages • Employee Homeownership Programs • Homeownership & Financial Literacy Education • Transportation Subsidy • Revolving Loan Funds 	<p>Who would implement these tools? Johnson County, area cities, financial institutions, social service agencies, community development corporations, area employers, Johnson County Community College</p> <p>What would be the funding need? Moderate</p> <p>Are these new or existing tools within the county? Some of these tools are currently being used; use could be expanded.</p> <p>What is the potential impact? These tools would offer a moderate impact, helping households to prepare for and manage ownership, and supporting the production of some housing stock.</p>
Public Policy/Planning Tools	
<ul style="list-style-type: none"> • Inclusionary Zoning • Fast Track Development Review • Development Fee Rebates • Special Consideration in Growth Management Initiatives • New Forms of Higher Density Housing • Residential Tax Increment Financing • Owner-occupied Property Maintenance Policies • Rental Property Maintenance Policies 	<p>Who would implement these tools? Planning departments in individual cities and the county</p> <p>What would be the funding need? Modest</p> <p>Are these new or existing tools within the county? These tools would be new to the area.</p> <p>What is the potential impact? These tools would offer a very modest impact in the short term, but potentially add to the overall affordable housing stock in the long term.</p>

* Currently under consideration

** Currently un-funded

SUMMARY CHART RANKING

Public Funding Tools	Priority for implementation	Cash requirement	Potential impact on housing stock	Administrative burden
Federal Housing Trust Fund: flexible funding resource to address priority housing challenges as determined by the Federal government.	Mod.	High	High	Mod.
State Housing Trust Fund: flexible funding resource to address priority housing challenges as determined by the State government.	Mod.	High	High	Mod.
County Housing Trust Fund: flexible funding resource to address priority housing challenges as determined by the County government.	High	High	High	Low
City Housing Trust Fund: flexible funding resource to address priority housing challenges as determined by the City government.	High	High	High	Low
Property Tax Rebate Program: rebates some or all of property taxes for affordable housing projects or portions of projects that are affordable	Mod.	Low	Low	Mod.
Federal and State Tax Credits: developers sell credits to raise capital for use in the construction of affordable housing	High	Low	Mod.	Mod.
Nonprofit Tax Exempt Bond: issued by any entity that has eminent domain authority with a maximum of \$10 million annually and can only be used for the creation of workforce housing	Mod.	Low	Mod.	Low
Industrial Revenue Bonds : used to provide property tax abatement and/or sales tax exemption on construction materials	Mod.	Low	Mod.	High
Multifamily Housing Revenue Bonds: tax-exempt bonds used to finance workforce housing multifamily projects	Mod.	Low	Mod.	High
<p>Comments and Recommendations:</p> <p>These tools offer government an opportunity to take an important leadership role in the production of quality workforce housing. Public dollars often serve as a critical resource to leverage private dollars to invest in a range of housing development that might otherwise not be created or maintained. Resources or incentives sustained on the county level would provide tools to cities within the county's jurisdiction to address housing needs.</p>				

Physical Development/Maintenance Tools	Priority for implementation	Cash requirement	Potential impact on housing stock	Administrative burden
Infrastructure Support: provision of water, sewer, drainage, or street improvements as a contribution to workforce housing development.	High	High	High	High
Land Bank (Purchase and Re-sale): city or county acquisition of land that is donated/sold at lower price/amortized at low interest to a workforce housing developer, who passes the savings on to the purchasers.	High	High	High	High
Community Land Trust: city or county contributes funds, and/or land, to a nonprofit land development company that retains ownership of land but sells units (less the cost of the land) to moderate-income families.	High	High	High	Mod.
Housing Rehabilitation: primarily for owner-occupants, cities or county can partner with the homeowner to provide additional resources to address substandard properties.	Mod.	Mod.	High	High
<p>Comments and Recommendations: Physical development and maintenance tools often play a vital role in the direct provision of workforce housing. Infrastructure support and land banks have the most immediate impact on lowering the costs of development. The community land trust model ensures that housing remains affordable to successive homeowners.</p>				

Programmatic Public/Private Tools	Priority for implementation	Cash requirement	Potential impact on housing stock	Administrative burden
Banking Partnerships: providing incentives to increase the proactive workforce housing activities of banks.	High	Mod.	Mod.	Low
County Resource Office: providing knowledgeable staff, website and other resources in a one-stop location to help cities, developers and nonprofits access resources and information. This tool might be provided through an existing organization or new staff.	Mod.	Low	Low	Low
Grants to Workforce Housing Developers: providing funds to help bring down the costs of rents and mortgages.	High	Mod.	High	Low
Downpayment Assistance/ Closing Costs/Second Mortgages: components of most “first time homebuyer programs” that contribute public funds to reduce the costs of homeownership.	High	Mod.	Low	Mod.
Employee Homeownership Programs: city or county, companies and financial institutions provide low-interest loans for helping moderate-income employees acquire a home.	High	Mod.	Low	Mod.
Homeownership Education: provided by housing agencies, banks, nonprofits, and others, often at little or no cost, to help “de-mystify” the home buying process and explain resources available for moderate-income buyers.	High	Low	Low	Low
Transportation Subsidy: provides subsidy to affordable housing development in transportation corridors	Low	High	Low	Low
Revolving Loan Funds: a pool of funds made available to homeowners for rehabilitation work; repaid loans are “re-cycled” to other homeowners.	Mod.	Mod.	Low	Low
<p>Comments and Recommendations:</p> <p>Programmatic public/private tools play a significant role in leveraging other dollars and creating an environment that is favorable to workforce and other housing developers, and to fostering and sustaining homeownership.</p>				

Public Policy/Planning Tools	Priority for implementation	Cash requirement	Potential impact on housing stock	Administrative burden
Inclusionary Zoning: local ordinance requiring developers to include a percentage of housing within the means of moderate income families.	Low	Low	High	Mod.
Fast Track Development Review: policy of giving priority to site and subdivision plans that include affordable housing.	Low	Low	Low.	Mod.
Development Fee Rebates: policy of returning all or a portion of impact and other fees to developers building affordable housing.	Low	Low	Low	Mod.
Special Consideration in Growth Management Initiatives: a policy of countering any clearly evidenced cost-inflationary impact of growth controls with allowances (or exemptions) for low-cost housing.	Low	Low	Mod.	Mod.
New Forms of Higher Density Housing: provisions in zoning and subdivision ordinances for accommodating smaller or clustered units and mixed use development to promote affordability. Examples: zero lot lines, tandem housing, accessory apartments	High	Low	High	High
Residential Tax Increment Financing: use of tax revenues above a base level to finance infrastructure improvements	Low	Low	Low	Mod.
Owner-occupied Property Maintenance Policies:	High	Low	High	Low
Rental Property Maintenance Policies:	High	Low		
Comments and Recommendations: Public policy and planning tools are generally simple short-term changes than can have a longer-term impact on workforce and other housing challenges.				