

# **TOPEKA HOUSING AUTHORITY**



## **2011 ANNUAL REPORT**

**April 24, 2012**

This Annual Report is submitted to the Clerk of the City of Topeka by the Board of Commissioners of the Topeka Housing Authority (THA) pursuant to the requirements of K.S.A. 17-2363 of the Municipal Housing Law of the State of Kansas.

THE TOPEKA HOUSING AUTHORITY  
2010 SE CALIFORNIA  
TOPEKA, KANSAS 66607  
785 357-8842

## The Commissioners' Message

### From the Board Chair

Before addressing 2011 events I want to acknowledge the contributions of my predecessor. Joseph E. Marshall served as the Chairman of the THA Board of Commissioners for seven years, and led THA with care, thoughtfulness, and a deep commitment to the people THA serves.

The most exciting changes at THA in the past year were the opening of two housing complexes, THA's first new units in more than 30 years. Tennessee Town II is a 16 unit complex of one bedroom units for elderly persons and persons with disabilities. This in-fill project was built on five lots in the 1100 block of Lincoln, four provided by the City of Topeka and one by Kaw Valley Bank. The units have a variety of energy saving features, high efficiency appliances, and water saving fixtures.

Echo Ridge is a 66 unit "green" community made up of one, two, and three bedroom family units located east of THA's Office at 2010 SE California. These extraordinarily energy efficient units were built, in part, with sustainable products and recycled materials. The units are heated and cooled by a geothermal system that circles the complex. Nut trees and berry bushes are planted throughout the site. Each unit has a rain barrel and its own mini-garden space, and there is an area for a large community garden. We anticipate that many features of Echo Ridge will be standard in apartment complexes in another decade or so.

In behalf of my colleagues on the THA Board of Commissioners, thank you for the opportunity to serve in this capacity.

Frank Ybarra, PhD, Chair  
THA Board of Commissioners

### From the Executive Director

The Topeka Housing Authority provided decent, affordable housing for 1,936 Topeka families in 2011 – 11% more families than in 2010.

THA's vision is that all low-income renters in Topeka will have decent, affordable housing. With federal funding for affordable housing development projects shrinking THA is exploring increasingly more innovative ways to address local affordable housing needs. We see no other way to bridge the affordable housing gap for high priority Topeka families---the working poor, those affected by disabilities and senior citizens.

We look forward to another successful year of service to the Topeka community.

John Johnston  
Executive Director  
Topeka Housing Authority

## INTRODUCTION

This Annual Report is submitted to the Clerk of the City of Topeka by the Board of Commissioners of the Topeka Housing Authority (THA) pursuant to the requirements of K.S.A. 17-2363, the Municipal Housing Law of the State of Kansas.

The Report has six parts: Overall Performance, Financial Management, Household Demographics and Community Indicators, New Programs and Initiatives, THA's Future, and Recommendations for Legislation or other action.

Comparisons for calendar years 2008 – 2011 are taken from THA's internal benchmarking system.

### A. OVERALL PERFORMANCE

1. Families Housed	2008	2009	2010	2011
<b>THA Housing</b>	626	627	621	649
<b>Section 8 Rental Assistance</b>	1,112	1,113	1,118	1,287
Housing Choice Voucher	1,073	1,067	1,029	1,113
Veterans Assisted Housing	19	27	40	75
Mainstream (Adults w Disabilities)	20	19	18	24
Non-Elderly Adults with Disabilities		(new in 2010)	31	75
<b>Total – THA Housing &amp; Section 8</b>	<b>1,738</b>	<b>1,740</b>	<b>1,739</b>	<b>1,936</b>

2. Related Activities (Inputs)	2008	2009	2010	2011
<b>THA Housing</b>				
Applications Received	1,215	1,408	1,275	1,170
Move-Ins	279	220	237	327
Move-Outs	268	208	248	304
Vacancies	5.4%	5.0%	5.9%	6.6%*

\* 2011 vacancies are affected by the addition of 82 new housing units which begin with a vacancy rate of 100%.

#### Section 8 Rental Assistance

Applications Received	550	0*	2,265	0*
New Vouchers Issued	547	0*	911	0*
Section 8 Vouchers Used	100.0%	99.4%	95.9%	100.0%

\*The Section 8 waiting list was closed for the entire 2009 & 2011 calendar years.

### 3. Performance Analysis

Calendar year 2011 saw an increase in the number of families residing in THA Housing and those renting from private landlords participating in the Section 8 Program. Altogether an additional 197 families, an 11% increase, received federally funded rental assistance of some type when comparing year-end enrollment statistics to 2010.

This increase in the number of families occupying THA Housing was due in large part to the addition of 82 new homes to the THA property inventory, increasing the total available housing stock by 12%. July 1 marked the completion of 16 new "Tennessee Town II" one-bedroom units followed by the December 1 opening of "Echo Ridge," a green housing development of 66 one, two and three bedroom homes.

These mid and late year additions to the THA portfolio included a corresponding statistical downside because these units are counted toward the vacancy rate as they come online, beginning with zero occupancy. Secondly, THA's best long-term tenants were offered the opportunity to transfer from their current home to these new units which resulted in one vacancy for each new occupancy reported – meaning these transfers result in zero net gain in occupancy rates. These factors also affected move-in and move-out statistics, with both posting significant increases over the prior year due in large part to the effect of these old-to-new-unit transfers by current tenants.

The Section 8 Program benefitted from an increase in rental assistance funding made available the prior year. This was the result of federal authorization to increase the number of rental housing vouchers for two separate target populations: Formerly homeless military veterans (95 renter households) and non-elderly persons with disabilities (75 renter households). These new categories of funding are welcome but, as indicated below, total funding falls far short of addressing the need.

Families who do not qualify under either of these two categories are awaiting the opportunity for rental assistance. At year-end there were still 572 applicants on the waiting list from the prior year. The Section 8 waiting list has not been open for new applications since the close of business on July 30, 2010. It is typical that the number of families seeking Section 8 rental assistance far exceeds the number of rental assistance vouchers available. No new Section 8 applications were accepted in 2011 because all available rental vouchers were in use.

#### **B. FINANCIAL MANAGEMENT**

THA is funded by the U.S. Department of Housing and Urban Development (HUD) to provide housing assistance to low income families in Topeka. To meet this need THA owns and manages 744 housing units while providing rental assistance in the private market for more than 1,200 families enrolled in the Section 8 Program.

This federal funding has historically been provided at a level that is less than the amount HUD acknowledges as fair reimbursement of operating costs. In 2011 THA received 88% of the HUD determined cost of operating THA housing units and 91% of the cost of administering the Section 8 Program.

Unfortunately, this has not been a one-year phenomenon. THA has not received full formula funding since 2002. Despite a decade of underfunding THA has been able to balance revenues and expenditures because THA programs operate at a level of efficiency substantially higher than the performance reported by Housing Authorities in other communities. In recent years THA has posted new highs in the number of families served and experienced a record-breaking year in 2011.

### C. HOUSEHOLD AND COMMUNITY DEMOGRAPHICS

#### 1. Race and Ethnicity of the Head of Household - 2011

Race & Ethnicity	THA Housing	Section 8	Topeka Households with Annual Incomes Below \$15,000	
White	63%	59%	White (non-Hispanic)	64%
Black/African American	34%	38%	Black/African American	20%
American Indian	2%	2%	American Indian	2%
All Other	1%	1%	All Other	14%
Hispanic of Any Race	6%	8%	Hispanic of Any Race	11%

Table 1: U.S. Census Bureau, 2006-2020 American Community Survey 5-Year Estimates, Tables B19001 & B19001A, B, C, & 11.

#### 2. Average Annual Household Income

Year	THA Housing	Section 8	Topeka Average Household Income	
2008	\$8,106	\$12,066	2008	\$53,144
2009	\$7,962	\$11,767	2009	\$52,017
2010	\$8,670	\$12,249	2010	\$48,923
2011	\$9,251	\$12,335		

Table 2: U.S. Census Bureau, 2010 American Community Survey 5-Year Estimates, Selected Economic Characteristics

#### 3. Age and Disability Characteristics by Housing Type

##### THA Housing for the Elderly and Persons with Disabilities

*Jackson Towers*                      *Polk Plaza*  
*Tennessee Town I & II*           *Tyler Towers*

##### Residents by Age & Disability Status

Age 18-61 with a Disability	163
Age 62+	79
All Others	89

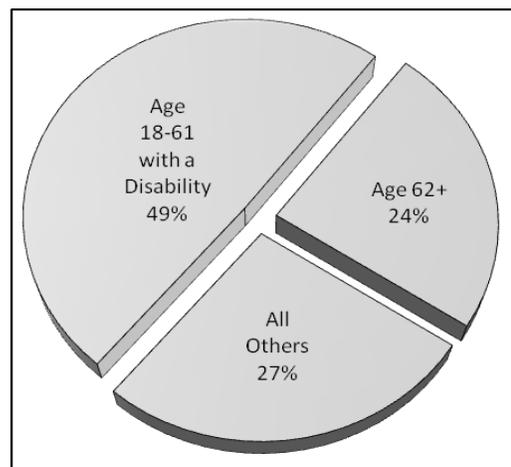


Figure 1: Age & Disability Characteristics – Senior Housing

### THA Family Housing

Echo Ridge    Deer Creek Village  
 Marshall Square    Pine Ridge Manor  
 Western Plaza

#### Residents by Age & Disability Status

<u>Age Group</u>	<u>Persons</u>
Birth thru 4	152
Ages 5-11	165
Age 12-17	86
Age 18-54	397
Age 55-61	24
Age 62+	14

Adults Age 18-61 with Disabilities – 22%

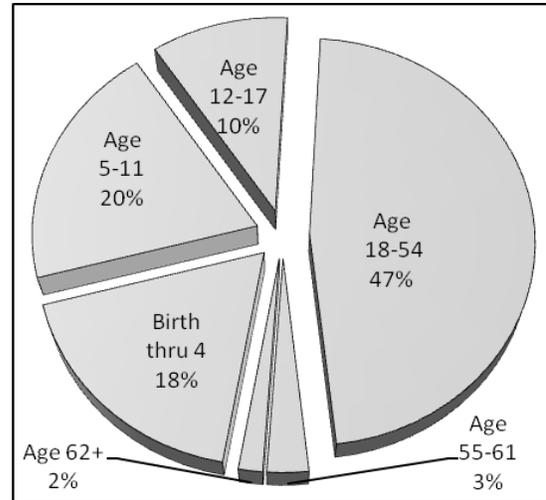


Figure 2: Age & Disability Characteristics – THA Family Housing

### Section 8 Program Participants

<u>Age Group</u>	<u>Persons</u>
Birth thru 4	331
Age 5-11	490
Age 12-17	254
Age 18-54	945
Age 55-61	163
Age 62+	182

Adults Age 18-61 with Disabilities – 37%

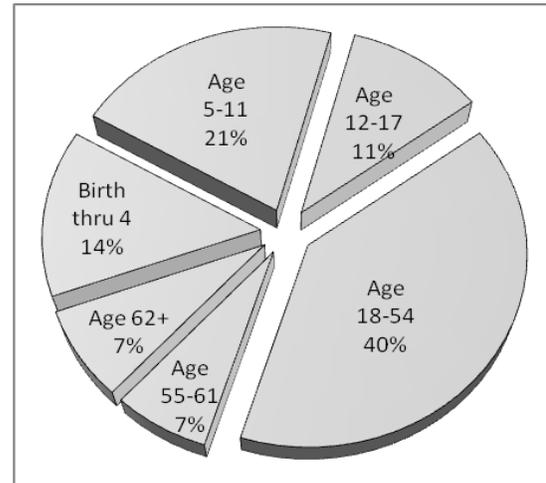


Figure 3: Age & Disability Characteristics – Section 8

#### 4. Participant Data Analysis

The average annual income for households served by THA Housing and Section 8 posted gains from 2010 to 2011 of seven percent and one percent respectively. In 2010, the year preceding this reporting year, the average household income of THA Housing residents amounted to less than one-fifth of the city-wide average for Topeka. Families served by the Section 8 Program (housed by private landlords) posted an average household income slightly higher but only one-quarter of the City's average. The families served by these two programs come from a variety of situations: rental housing that is unaffordable, cheap housing that is unsafe, family breakups and resulting loss of income, doubling up with friends or relatives, and sometimes from the Topeka Rescue Mission or the streets.

The racial and ethnic makeup of households served by THA Housing and the Section 8 Program reflects the racial and ethnic characteristics of Topeka families surviving on annual incomes below \$15,000. Low income families whose head of household is white, non-Hispanic account for three out of five Topeka families in this income category – a fraction reflected in the makeup of families served

by THA Housing and the Section 8 Program. Black/African-American families in this income range are somewhat overrepresented in both programs while Hispanics are underrepresented.

A significant percentage of those benefitting from THA Housing and THA's Section 8 Program are children in low-income families and low-income disabled adults. Children from birth to age 17 account for nearly half of all residents of THA family housing (48%) and Section 8 Program participants (45%).

Non-elderly adults with disabilities (under age 62) account for half of all residents of THA housing for the elderly and persons with disabilities. The ratio is lower in THA family housing developments where disabilities affect one out of five working-age adults. For the Section 8 program this ratio is roughly two out of five.

Census Bureau estimates for 2010 indicate Topeka has a higher than average population of working age adults affected by disabilities – 16% compared to state and national rates of 10%. Topeka is also home to a disproportionate share of persons affected by a cognitive disorder – a physical, mental, or emotional condition that results in serious difficulty concentrating, remembering, or making decisions. This last group accounts for 7.5% of Topeka's working age population, compared to state and national rates of 4.1%. Altogether working age adults with disabilities (some with multiple disabilities) account for a third of working age adults in Topeka living on below-poverty incomes.

These demographic data on the age, race/ethnicity, income and disability characteristics of Topeka and the households served are indicative of Topeka Housing Authority's focus: Providing decent, affordable housing to very low income families and individuals, with a priority on serving working families, the elderly and persons with disabilities.

## **D. NEW PROGRAMS AND INITIATIVES**

### Green Initiatives

The THA inventory of housing units grew by 12 percent in 2011 with the addition of 16 units at Tennessee Town and the completion of Echo Ridge, a family housing development of 66 energy-efficient homes and a community center. These mixed finance developments were made possible by THA's success in winning grant awards totaling \$10.8 million from the American Recovery and Reinvestment Act. Another \$5.2 million for these developments came from private investors, thanks to federal tax credit allocations approved by the Kansas Housing Resource Corporation.

All 86 new units are equipped with energy-saving appliances and heating/cooling systems along with water-saving plumbing fixtures. Super-insulated walls and ceilings in these new homes mean lower utility costs and reduced consumption of non-renewable fuels for the entire life of these homes.

In addition, green community features at Echo Ridge include water permeable walkways and parking areas, a runoff retention pond and rainwater collection barrels for home gardening. A large scale ground source heat pump loop serves the entire development for space heating/cooling and water heating.

### Investing in Children

Early in 2011 THA joined with USD #501, the Parents as Teachers program, the United Way, the Topeka Community Foundation and local philanthropists to create the Pine Ridge Partnership, a loosely organized group dedicated to improving the lives of pre-school age children at THA's Pine Ridge complex and in the immediate neighborhood. The result is an ever expanding circle of support and assistance for parents and children in extremely poor families. The partners in this venture expect that these efforts will return substantial dividends in the future.

### Serving Vulnerable Populations

Thanks to a prior year authorization to add 25 vouchers to the Veterans Assisted Supportive Housing (VASH) program, THA was able provide housing to 95 veterans and their families. VASH provides Section 8 housing assistance to formerly homeless veterans who agree to accept case management and support services from the VA Medical Center – with the goal of reducing long-term homelessness of the nation’s military veterans.

Authorization was renewed in 2011 for 75 Non-Elderly Disabled (NED) households served by the Section 8 Program. NED funding allowed THA to first offer Section 8 private-sector housing opportunities to eligible residents of Tyler Towers, consistent with the federally approved designation of this high rise as an elderly-only development. After issuing Section 8 vouchers to eligible Tyler Towers residents who took advantage of this offer, THA provided the remaining NED vouchers to other non-elderly adults with disabilities.

### **E. THE FUTURE**

For the short term THA is positioned to serve a greater number of the community's low-income working families, along with the elderly and persons affected by disabilities. This increased capacity is due to the addition of 82 new energy-efficient THA rental homes in 2011, along with federal authorization to provide rental assistance to an additional 20 military veterans and their families through the Section 8 Program.

For the longer term the only certainty is that adequate funding will remain a challenge. Congress continues to struggle with the nation's ongoing budget deficits and long term debt. Consequently all discretionary federal spending is subject to budget cuts, a situation complicated by the fact that all members of the House of Representatives, one third of the Senate and the President face the electorate in 2012 at a time of economic uncertainty.

In view of the fact that uncertainty is the only long-term trend in federal housing policy, the board and staff of the Topeka Housing Authority continue to pursue the following goals.

#### Portfolio Upgrade

THA is working to replace or substantially upgrade its housing portfolio. With three quarters of THA's housing inventory more than 40 years old, THA's near-term strategy is focused on energy-efficiency upgrades and repair rather than replacement of older units – while continually seeking funding and investment opportunities to upgrade the property portfolio.

#### Acquire or Build Additional Affordable Housing Units

The completion of 82 new, energy-efficient housing units in 2011 moved the average age of THA's housing stock down from 44 years to 39 years. THA continues to seek opportunities to acquire or construct quality rental housing to increase the availability and affordability of decent rental housing in Topeka.

### **F. RECOMMENDATIONS**

This annual report is submitted in compliance with provisions of the Kansas Municipal Housing Law, specifically K.S.A. 17-2363, which calls for each municipal housing authority to annually submit a report on its activities for the preceding year and “make recommendations with reference to such additional legislation or other action as it deems necessary in order to carry out the purposes of this act.”

The Topeka Housing Authority makes no recommendations with reference to additional legislation or other action necessary to carry out the purposes of the Kansas Municipal Housing Act.