

TOPEKA HOUSING AUTHORITY



2012 ANNUAL REPORT

April 23, 2013

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
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The Commissioners' Message

From the Board Chair

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.

Looking forward, I would be remiss if I did not report that we as a board expect 2013 to be the most challenging funding environment that THA has faced in its history. We are committed to addressing this challenge successfully and fully expect that we will do 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

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From the Executive Director

The Topeka Housing Authority provided decent, affordable housing for 2,173 Topeka families in 2012 – 12% more families than in 2011.

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 2009 – 2012 are taken from THA's internal benchmarking system.

A. OVERALL PERFORMANCE

1. Families Housed	2009	2010	2011	2012
THA Housing	627	621	649	719
Section 8 Rental Assistance	1,113	1,118	1,287	1,454
Housing Choice Voucher	1,067	1,060	1,188	1,331
Veterans Assisted Housing	27	40	75	104
Mainstream (Adults w Disabilities)	19	18	24	19
Total – THA Housing & Section 8	1,740	1,739	1,936	2,173

2. Related Activities (Inputs)	2009	2010	2011	2012
THA Housing				
Applications Received	1,408	1,275	1,343	1,804
Move-Ins	220	237	327	344
Move-Outs	208	248	304	284
Vacancy Rate	5.0%	5.9%	6.6%*	3.0%

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

Section 8 Rental Assistance

Applications Received	0*	2,265	0*	2,885
New Vouchers Issued	0*	911	0*	935
Section 8 Vouchers Used	99.4%	95.9%	100.0%	108%

*The Section 8 waiting list was closed for calendar years 2009 & 2011 due to federal funding constraints.

3. Performance Analysis

Total 2012 occupancy increased by 237 households or 12% when compared to the prior calendar. This increase was due in part to the addition of 82 new units to the THA Housing inventory. Additionally, THA's Section 8 Program was awarded increased funding for Veterans Affairs Supportive Housing, concurrent with THA acceptance of 47 Section 8 vouchers previously HUD-assigned to an apartment complex that chose to terminate its Section 8 participation.

Another factor driving these changes was THA's internal initiative to streamline the process of admission, eligibility verification and vacant unit turnaround – to house more families more quickly at the point in time when they are ready and able to move. The Section 8 Program handled a record number of admissions and lease-ups to keep pace with newly authorized vouchers mentioned earlier.

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 1,400 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 2012 THA received 92% 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 2012.

C. HOUSEHOLD AND COMMUNITY DEMOGRAPHICS

Race & Ethnicity	THA Housing	Section 8	Topeka Households with Annual Incomes Below \$15,000 by Race & Ethnicity*
White	64%	57%	67%
Black/African American	33%	39%	20%
American Indian	2%	2%	2%
All Other	1%	2%	11%
Hispanic of Any Race	6%	8%	11%
Average Annual Household Income	THA Housing 2012	Section 8 2012	Topeka, KS 2006-2010*
	\$9,303	\$12,647	\$53,415

*B19001: Household Income In The Past 12 Months (In 2010 Inflation-Adjusted Dollars) & DP03 Selected Economic Characteristics- Universe: Households, 2006-2010 American Community Survey Selected Population Tables, U.S. Bureau of the Census

High Rise and One-Bedroom Developments

Jackson Towers Marshall Square
Polk Plaza Tyler Towers
Tennessee Town I & II

Residents by Age & Disability Status

<u>Category</u>	<u>Persons</u>
Working Age (18-61) with a Disability	168
Working Age (18-61) No Disability	118
Retirees (Age (62+)	85

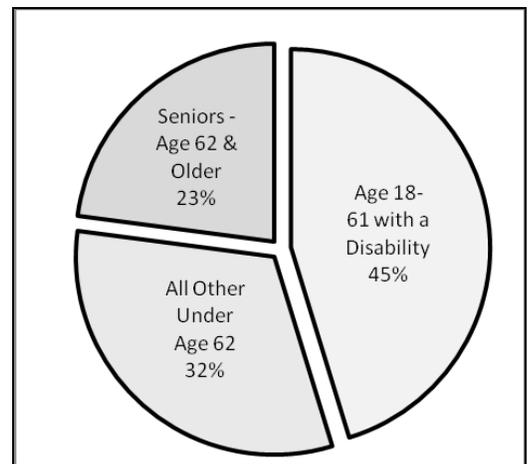


Figure 1: Age & Disability Characteristics

Family Housing Developments

Deer Creek Village *Echo Ridge*
Pine Ridge Manor *Western Plaza*

Residents by Age & Disability Status

<u>Age Group</u>	<u>Persons</u>
Birth thru 4	203
Ages 5-11	209
Age 12-17	99
Age 18-54	435
Age 55-61	25
Age 62+	13

Adults Age (18-61) with Disabilities – 18%

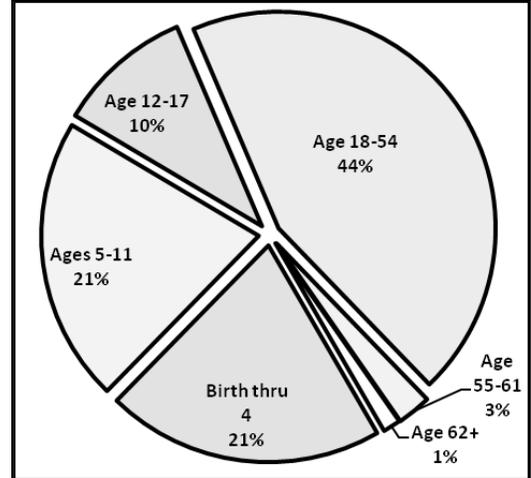


Figure 2: Age & Disability Characteristics – THA Family Housing

Section 8 Program Participants

Housing Choice Voucher *Mainstream Voucher*
Veterans Affairs *Supportive Housing*

<u>Age Group</u>	<u>Persons</u>
Birth thru 4	462
Age 5-11	660
Age 12-17	391
Age 18-54	1365
Age 55-61	250
Age 62+	252

Adults Age 18-61 with Disabilities – 41%

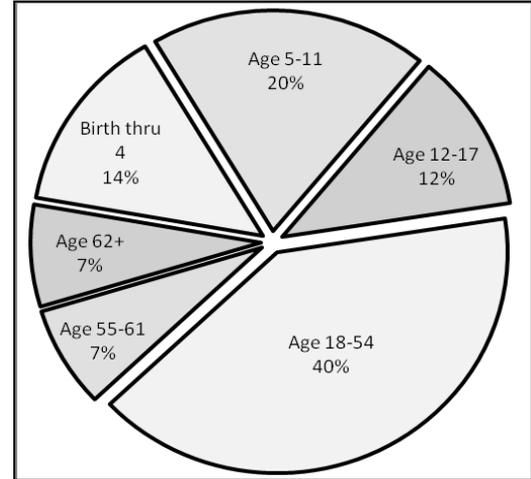


Figure 3: Age & Disability Characteristics – Section 8

4. Participant Data Analysis

THA Housing and the Section 8 Program exist to serve households whose annual income is far below the city-wide average for Topeka. For residents of THA Housing this amounts to less than a fifth of the Topeka average. Section 8 households fare only moderately better, with an average household income of less than one quarter of the Topeka average. This economic reality underscores the continuing need for affordable housing in Topeka.

Families served by THA Housing and the Section 8 Program 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.

THA Housing serves as the landlord for 1,355 residents in 719 Topeka households. THA's Section 8 Program is the source of affordable housing for 3,380 persons in 1,454 households served by private sector landlords. Together these affordable housing programs serve 4,735 persons in 2,173 low income households.

The racial and ethnic profile of households served by THA Housing and the Section 8 Program is comparable to characteristics of Topeka's poor – households surviving on annual incomes below \$15,000. Households headed by a white person account for two thirds (67%) of all Topeka households with incomes under \$15,000, a percentage that is somewhat higher than enrollment statistics posted for THA Housing (64%) and the Section 8 Program (57%).

Low income Hispanic households account for 11% of Topeka households in this income category but only 6% and 8% respectively of households served by THA Housing and the Section 8 Program. In contrast, households headed by a black person account for 20% in this income category city-wide, but more than a third of households served by THA Housing (33%) and the Section 8 Program (39%). American Indian households account for 2% of Topeka households in this income category, a rate that is mirrored in the enrollment figures for both THA Housing and Section 8.

A significant percentage of those benefitting from THA Housing and THA's Section 8 Program are children, disabled adults and retirees. A total of 511 children from birth through age 17 live in THA family housing developments, accounting for 51% of total residents. In THA high rise apartments and one-bedroom developments, working age adults with disabilities (age 18-61) account for 45% of total residents and retirees age 62 and older make up another 23%.

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. Among these are 250 adults with disabilities (age 18-61) housed by THA Housing or the Section 8 Program.

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

In 2011 Topeka's stock of energy-efficient affordable housing grew by 82 units with the completion of the Tennessee Town II addition (16 units) and the new Echo Ridge (66 units) development. These properties amounted to a 12% increase in the inventory of THA Housing stock available to low income Topeka households.

These new units are equipped with energy-saving appliances, high efficiency space heating/cooling systems and 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 – all reducing the load on Topeka's storm water drainage system. Neighborhood-scale ground source heat pump loops serve 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 120 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 2012 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 25 military veterans and their families through the Section 8 Program.

For the longer term the only certainty is that adequate funding has been and will continue to be a challenge. THA received 92% of the HUD-determined cost of operating THA Housing units in 2012 and expects to receive 79% of this calculated cost in 2013. Similarly, THA received 91% of the HUD-determined cost of administering the Section 8 Program in 2012 and expects to receive 68.5% of this amount in 2013. In combination this represents a one year funding reduction of 14.2%

Despite these challenges, 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.