

# TOPEKA HOUSING AUTHORITY



## 2018 ANNUAL REPORT

**April 2019**

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.

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The Commissioners' Message

To: Mayor De la Isla  
Members of the City Council  
Brent Trout, City Manager

From: Robert Banks, Chair  
THA Board of Commissioners

Date: April 23, 2019



Re: Annual Report for 2018

The attached Annual Report summarizes Topeka Housing Authority (THA) activities and accomplishments in 2018.

Although there was a slight increase in funding for 2018 in comparison to 2017, the funding picture for the Topeka Housing Authority and other housing authorities across the nation is unclear at this time.

In my message accompanying last year's Annual Report I also noted that our board was committed to addressing the challenges facing THA in 2018 successfully, and that we fully expected to do so. Simply put, we did and will continue to do so.

Going forward, we expect that the number of Topeka households that need affordable housing assistance will grow while resources available to meet this growing demand for affordable housing will shrink. Our board assumes that the business model that THA has used for the past 20 years will not carry THA through the next 20 years. We are hard at work identifying new, cutting edge ways to provide affordable housing assistance to Topeka residents.

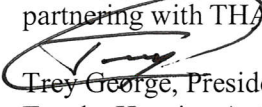
On behalf of my colleagues on the THA Board of Commissioners, we thank you for the opportunity to serve in this capacity.

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**From the President and CEO of the Topeka Housing Authority**

In the face of continued major federal funding cuts the Topeka Housing Authority was able to provide safe, decent, affordable housing for approximately 2000 Topeka families in 2018. We sleep approximately 4,000 individuals between Public Housing and the Housing Choice Voucher Program on a nightly basis. This is due to a great deal of hard work on the part of both THA's Board and staff.

There is much thinking and effort ahead of us, but we continue to work with our valued partners, the United Way of Greater Topeka, Topeka Public Schools USD 501 and Washburn University to transform THA's Pine Ridge Manor into an innovative model that allows access to many support services not typical in a low-income neighborhood. Where pre-school aged children receive the support and assistance they need to start kindergarten ready to learn, where parents are taught how to be parents and be their child's first teacher and neighbors are listened to and encouraged to gather for events and rely on one another. We successfully completed our first full year of the Pine Ridge Family Health Center, which would not be possible without our over 50 partners, in particular, Washburn University. This Nurse Practitioner led Primary and Urgent Care Center is the only Primary Care Center owned and operated by a public housing authority in the country and allows access to high quality health care to our residents directly in their neighborhood. Since opening the Pine Ridge Family Health Center has established over 500 unique patients and has had over 1000 encounters. We continue our partnership with the Topeka and Shawnee County Library at the Deer Creek community center through the Deer Creek Training Center to better serve our families, along with our amazing East Topeka Community Police Office. We cannot do what we do without our men and women in blue. We owe them a huge debt of gratitude. We look forward to another successful year of service to the Topeka community. THA, Inc. started construction on a new development, Ybarra Place II. This is a 14-unit infill development at the site of the exiting Ybarra Place. THA, Inc. is currently working on 4 other possible developments. The need for quality affordable housing continues to be a top priority in Topeka and we appreciate so many great organizations, including the City of Topeka, for partnering with THA and THA, Inc. to meet the need. We look forward to another great year in 2019!



Trey George, President and CEO  
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.

Enrollment and performance statistics for calendar years 2015 – 2018 are derived from THA's Public Housing and Section 8 housing management information system.

### A. OVERALL PERFORMANCE

<b>1. Families Housed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>THA Public Housing</b>	<b>720</b>	<b>701</b>	<b>698</b>	<b>693</b>
<b>Section 8 Rental Assistance</b>	<b>1,333</b>	<b>1,223</b>	<b>1,261</b>	<b>1,292</b>
Housing Choice Voucher	1,199	1,099	1,132	1,158
Veterans Assisted Housing	114	104	109	114
Mainstream (Adults w Disabilities)	20	20	20	20
 <b>Total – THA Housing &amp; Section 8</b>	 <b>2,053</b>	 <b>1,924</b>	 <b>1,959</b>	 <b>1,985</b>

<b>2. Related Activities (Inputs)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>THA Housing</b>				
Applications Received	2,901	1,551	2,049	2,173
Move-Ins	289	265	234	229
Move-Outs	287	289	237	234
Vacancy Rate	2.6%	3.6%	3.0%	3.95%
 <b>Section 8 Rental Assistance</b>				
Applications Received	1,511	671	1,267	1,513
New Vouchers Issued	201	279	400	375
Section 8 Vouchers Used	100%	100%	96%	96%

### **3. Performance Analysis**

In 2018 we were able to issue more Section 8 vouchers compared to 2017 to spite a reduction in funding. This resulted in a higher total enrollment although we lose a fair amount from natural attrition (each month some families leave the program voluntarily and some leave as a consequence of violating program rules).

THA Housing occupancy held steady for 2018 with a less than one percent variance from the prior year. Vacancy rates for THA Housing have trended downward over the past four years, largely the result of streamlining the processes of admission, eligibility verification and vacant unit turnaround – with a goal of housing more families, more quickly, at the point in time when they are ready and able to move.

## **B. FINANCIAL MANAGEMENT**

THA owns and rents 736 Public Housing units to low income families. These households pay 30% of their adjusted income for rent and utilities, and the U.S. Department of Housing and Urban Development (HUD) provides THA a subsidy that partially reimburses THA for the cost of making these affordable rental units available. THA also uses funds provided by HUD to reduce the housing costs for 1,261 households that rent units from private sector landlords. Currently THA houses 4% of all Topekans and 21% of Topekans with an annual household income below \$20,000.

In 2018 Housing Authorities nationwide received 86% of the formula amount for Public Housing subsidies, 100% of the formula amount for Capital Improvements, and 89% of the administrative funding required to operate the Section 8 Program. Beyond this, HUD systematically drained Public Housing and Section 8 Program reserves from Public Housing Authorities nationwide by short funding Housing Authorities in the amount of the reserves they had on hand. The funding percentages for 2019 are based on a continuing resolution and maintains funding at the 2018 level to spite the Presidents proposed budget that would shrink funding as well as eliminate capital funds for public housing authorities. This is not only irresponsible but illogical and we are pleased to see congress found a way to keep public housing funded at an acceptable level.

THA has not received full formula funding for Public Housing and the Section 8 Program since 2002. Despite more than a decade of underfunding, THA has been able to balance revenues and expenditures because THA programs are operated more efficiently than those of Housing Authorities in other communities. THA will have to continue to find ways to do more with less and one key strategy to do so is to collaborate with other housing entities, forge public/private partnerships and create new revenue streams to diversify the funding streams available to THA.



## C. HOUSEHOLD DEMOGRAPHICS AND COMMUNITY INDICATORS

### 1. Household Income

THA Housing and the Section 8 Program provide safe, affordable housing to Topeka households with annual incomes significantly below the city-wide average for Topeka. The typical resident of THA Housing is trying to manage on a household annual income of less than one-fourth the Topeka average. Economic security for Section 8 households is not significantly better, with an average annual income that falls below one-third of Topeka's annual average. For these families, the availability of affordable housing is a lifesaver.

Average Annual Household Income	THA Housing	Section 8	Topeka, KS 2017** Median Income
All households	\$12,161	\$14,384	\$56,834

*\*\*U. S. Census Bureau, American Community Survey (ACS) and Puerto Rico Community Survey (PRCS), 5-Year Estimates. The PRCS is part of the Census Bureau's ACS.*

### 2. Race and Ethnicity

The table below shows the race and ethnicity of households served by THA Housing and the Section 8 Program compared to characteristics of Topeka's poor – local households with annual incomes below \$15,000. For each count or estimate listed, demographic information for the head of household is the basis for racial and ethnic classification of the household.

According to 2016, 5-year income estimates from the U.S. Bureau of the Census, 73% of Topeka households with incomes under \$15,000 are headed by a white person while black households in this income category account for 17%. Based on these city-level estimates, THA enrollment statistics show white households somewhat underrepresented among THA Housing leaseholders (64%) and Section 8 participants (55%) in comparison to their prevalence among households with incomes below \$15,000 per year (73%). In contrast, households headed by a black person account for 33% of THA Housing leases and 41% of Section 8 participants, a rate somewhat higher than the percentage of black households (17%) in the income range used for this comparison.

Householders self-identified as Hispanic (of any race) make up 10% of Topeka households in this income category but only 7% and 6% respectively of households served by THA Housing and the Section 8 Program.

Race	THA Housing Tenants by Race	Section 8 Participants by Race	Topeka Households with Annual Incomes Below \$15,000 by Race & Ethnicity* (as a percent of all households below \$15,000)
White	63%	59%	59%
Black/African American	34%	36%	29%
American Indian	1%	2%	2%
All Other	2%	3%	10%
<b>Ethnicity</b>			
Hispanic of Any Race	9%	6%	10%

*\*B19001, B19001A, B19001C, B19001H, B19001I: Household Income In The Past 12 Months (in 2013 Inflation-Adjusted Dollars) & Selected Economic Characteristics- Universe: Households, 2012-2016 American Community Survey Selected Population Tables U.S. Bureau of the Census*

### 3. Household Characteristics

Household composition for both THA Housing and the Section 8 Program are likely different than common stereotypes about persons living in federally assisted housing. Single person households are the most prevalent living arrangement for both programs – three out of five THA Housing tenants and half of all Section 8 households. For THA Housing, the higher rate of single person occupancy is influenced by the high ratio of studio and one bedroom units in THA's inventory. Families with children take up the second position, occupying one-third of THA Housing units and just over two out of five families housed through the Section 8 Program. Together these two household configurations account for more than nine out of ten families housed by both programs.

Among households with children, large families are rare. Looking at just families with children from birth through age 17, the average for THA Housing is 2 children and for Section 8 only slightly higher at 2.6 children per household.

The elderly – defined here as persons at least 62 years of age, the eligibility threshold for receiving early Social Security retirement benefits – make up one out of seven persons living in THA Housing and one in five persons in the Section 8 Program. Overwhelmingly these seniors are widows, widowers, divorced or never-married persons in single person households. Only one in five is a member of a household composed of two or more persons.

Persons with work-related disabilities account for a sizeable portion of the low income population in the community, as reflected in enrollment statistics for heads of household enrolled in housing programs served by the Topeka Housing Authority. Working age (age 18-61) householders affected by one or more disabilities make up one third of THA Housing leaseholders and account for two out of five heads of household served by the Section 8 Program.

These household characteristics 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.

Household Characteristics	THA Housing	Section 8
Average Household Size (Persons)	1.8	2.07
Single Person Households ( <i>as a percent of all households</i> )	58%	56%
Households of Two or More Persons	41%	44%
Households with Children ( <i>as a percent of all head of households</i> )	33%	41%
Average Number of Children ( <i>in households with children</i> )	2	2.24
Persons Age 62 and Older ( <i>as a percent of all persons</i> )	12%	11%
Head of Household (age 18-61) with One or More Work-Related Disabilities ( <i>as a percent of all heads of household</i> )	34%	49%

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

### **1. Pine Ridge Partnership**

THA has been working very diligently on an endeavor, now well known as the Pine Ridge Partnership. The Pine Ridge Partnership is a nationally recognized collaboration between THA, United Way of Greater Topeka, Topeka Public Schools USD 501, Washburn University and countless other volunteers and donors.

The Pine Ridge Partnership is a truly innovative and dynamic approach that has proven that with intentional dedication and the targeting of resources you can transform a neighborhood into a community. We have used the Pine Ridge Partnership as an incubator to test the results and we have found a model that works. The next step is reaching every household and every person in those households to improve their lives with a focus on health and wellbeing, financial stability and breaking the generational poverty by targeting the youth to ensure a healthy and productive adulthood.

Parents as Teachers (PAT), Pine Ridge Prep Preschools (PRP), and the United Way Young Leaders Society Born Learning Trail (BLT) and the Pine Ridge Family Health Center (PRFHC) collectively are known as the Pine Ridge Partnership. The Partnership is located in the middle of the community in repurposed buildings that used to be rental units and an underused community center. The Partnership provides housing, education and resources to the entire neighborhood that otherwise would not have access.

PAT serves families with children age 0-3 to ensure a good start to a healthy life. PRP serves families with kids ages 3-5. It is an Early Learning Community Preschool where 51 kids attend school every day. BLT is an educational walking trail that has various stops along the trail that are intended to stimulate educational conversations between parents and youth. The initial design was just the trail, however the final design turned into an entire park that has become a hub in the community for gatherings, birthday parties, and the playground for the preschools. PRFHC is a nurse practitioner led urgent and primary care center. PRFHC is the only Primary Care Center in the Country owned and operated by a Public Housing Authority. PRFHC is also a dedicated training site for Washburn University School of Nursing students.

In 2018 THA added a new building to the PRP campus to allow more space for the students and teachers to collaborate and work with families. This model of community development is one that we feel should be replicated in other neighborhoods in Topeka.

Another new program is Topeka Housing Management Services (THMS). THMS was created to allow THA to manage property it does not own. THMS currently manages a 16 unit market rate apartment and three single family homes. This is an endeavor that will grow in the coming years.

### **2. Portfolio Renovation**

THA has an aging housing stock that dates back as far as 1959 with the exception of Echo Ridge and a small portion of Tennessee Town. Over the last few years THA has explored numerous different funding possibilities to start the process of renovating the entire THA public housing portfolio. This will be a lengthy process but one that is much needed and will be a benefit not only to the families that THA serves but to the entire City of Topeka.

## **E. THA, INC.**

THA, Inc. is the qualified 501 (c)(3) non-profit development partner of the Topeka Housing Authority. Part of THA, Inc.'s mission is to "complement the work and activities of the Topeka

Housing Authority”. THA, Inc. does this by looking for new and different ways to increase the number of affordable housing units available for the Topeka community. This is accomplished by acquiring affordable housing developments, exploring the viability of building new affordable housing developments and completing mixed finance packages utilizing numerous sources of development funds such as Low Income Housing Tax Credits (LIHTC). Currently THA, Inc. has a 16-unit affordable housing development, Ybarra Place, Ybarra Place II which is 14 new homes will be completed and occupied in 2019 and eight single family home affordable rentals. THA, Inc. has applied for LIHTC’s to build three new developments, Johnston Village, THA Casson and THA Van Buren. The LIHTC process is highly competitive and successful allocation of LIHTC’s are not guaranteed. In addition, THA, Inc. will be acquiring an existing LIHTC development, Pioneer Curtis in 2019 after completing a 4% LIHTC “Refresh” of the property and when ownership changes it will be called THA Curtis.

## **F. THE FUTURE**

Unquestionably, over the next decade finding the resources needed to provide affordable housing to Topeka residents will be a challenge as the need for affordable housing grows, operating costs rise, and HUD support shrinks. To continue to be successful THA will need to find different and better ways to provide affordable housing.

## **G. 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.