Creating Housing Choices to Promote Lifelong Communities

Date: Tuesday Aug. 30, 2011
Time: Registration: 8:00 am
Program: 8:30–10:30 am

Presenter: Kirk McClure
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University of Kansas
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Creating Housing Choices to Promote Lifelong Communities

Goals:

Examine housing markets
  Identify the ranges of housing options provided
  Identify shortfalls

Explore a technique for market analysis
  Using Census data (American Community Survey)
  Examine individual housing submarkets
  Gain insights on how the submarkets perform

Identify the policy responses
  Appropriate for different housing conditions

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EXAMINE HOUSING MARKETS

*Topic:* Housing Affordability in the Greater Kansas City Area

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EXAMINE HOUSING MARKETS

**Topic:** Housing Affordability in the Greater Kansas City Area

**Definition:** Housing is affordable if a household can spend less than 30 percent of income on housing.
EXAMINE HOUSING MARKETS

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*Data:* American Community Survey 2009
EXAMINE HOUSING MARKETS

Topic: Housing Affordability in the Greater Kansas City Area

Definition: Housing is affordable if a household can spend less than 30 percent of income on housing

Data: American Community Survey 2009

Geography: Metropolitan Area
Counties (11)
Cities with Population over 20,000 in 2009 (17)

United States for comparison
Measure: Percent of Households Paying More than 30 percent of Income on Housing

<table>
<thead>
<tr>
<th></th>
<th>Owners All</th>
<th>Owners Income &lt; $20,000</th>
<th>Renters All</th>
<th>Renters Income &lt; $20,000</th>
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</thead>
<tbody>
<tr>
<td>KC Metro</td>
<td>24.2</td>
<td>78.0</td>
<td>44.4</td>
<td>87.1</td>
</tr>
<tr>
<td>Nation</td>
<td>30.1</td>
<td>71.3</td>
<td>50.0</td>
<td>87.2</td>
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</tbody>
</table>
Sources:
Demand: Too little income seeking housing
Supply: Too few units or prices too high
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Demand

Household Growth
Change 2000 to 2009 85,000
Percent 12.2%

Income Growth
Change 2000 to 2009
Owners 23.7%
Renters 7.3%
Sources: Demand: Too little income seeking housing  
Supply: Too few units or prices too high

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<thead>
<tr>
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<tr>
<td><strong>Household Growth</strong></td>
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<tr>
<td>Change 2000 to 2009</td>
<td>85,000</td>
<td>119,000</td>
</tr>
<tr>
<td>Percent</td>
<td>12.2 %</td>
<td>16.1 %</td>
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| **Income Growth**    |        |        |
| Change 2000 to 2009  |        |        |
| Owners               | 23.7 % |        |
| Renters              | 7.3 %  |        |
**Sources:** Demand: Too little income seeking housing  
Supply: Too few units or prices too high

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<td><strong>Unit Growth</strong></td>
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<td>Renters</td>
<td>7.3 %</td>
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<td></td>
<td>48.7 %</td>
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<td>29.4 %</td>
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TECHNIQUE FOR MARKET ANALYSIS

Submarkets: Matchup by Tenure and Income Category
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Matching Owner-Occupant Households by Income Category with Owner Units by Value Category
Kansas City Metropolitan Area 2009

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Submarkets: Matchup by Tenure and Income Category

Matching Renter-Occupant Households by Income Category with Renter Units by Rent Category
Kansas City Metropolitan Area 2009
Submarkets: Matchup by Tenure and Income Category for Low-Income Households
Submarkets: Matchup by Tenure and Income Category for Low-Income Households -- Owners

Shortage of Owner Units for Households with Income Below $20,000 as a Percent of Units

Counties and Cities with Population Greater than 20,000
Category of Shortage or Surplus
- Shortage 300+ %
- Shortage 200 to 299 %
- Shortage 100 to 199 %
- Shortage 0 to 99 %
- Surplus 0 to 60 %

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**Submarkets:** Matchup by Tenure and Income Category for Low-Income Households -- Renters

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POLICY RESPONSES

“The Housing Policy Debate”

Do we attach subsidy to the unit or the household?

Quick History of programs

Twin approaches

Supply side: Production
Demand side: Consumption

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POLICY RESPONSES

General rule

Where low-income demand exists

Add units if there is a shortage of supply
Augment demand if the supply is adequate

Where the low-income demand is absent

Facilitate entry by augmenting demand
Mandate inclusion of units for low-income