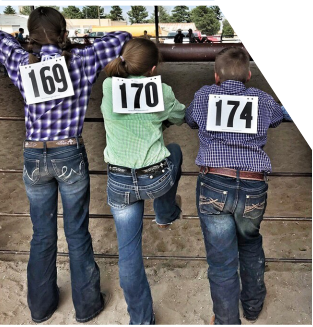


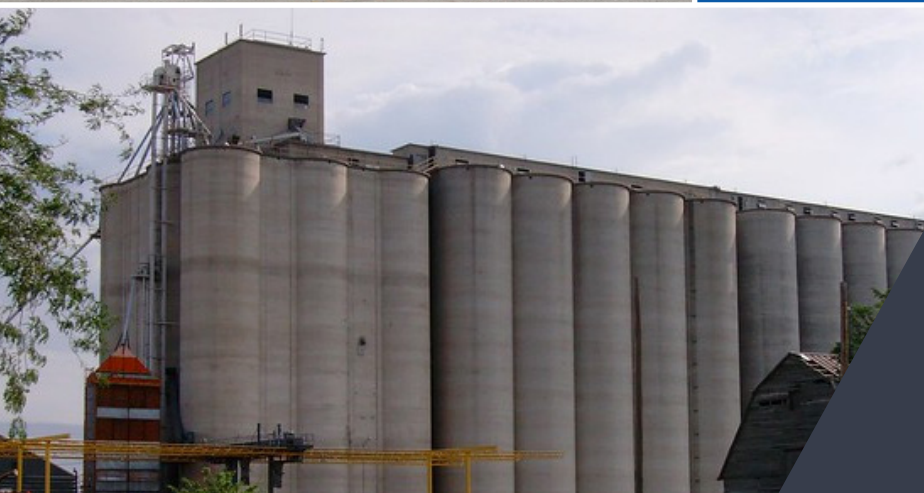
# WICHITA COUNTY HOUSING INITIATIVE

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Received August 2022



Wichita County Economic Development, Inc.



# Acknowledgments

The project team would like to acknowledge the contributions from members of the Steering Committee. We were fortunate enough to receive in-depth feedback from the public throughout the community survey and small group discussions with the assistance of these local leaders. It is the combination of the community and these leaders that will provide the spark for change and further expand the housing market in Wichita County.

## Steering Committee

Nikki Bjurstrom	Wichita County Economic Development
Krystal Cox	Wichita County Economic Development
Carol Laws	Wichita County Economic Development
Jeannine Hassell	City of Leoti
Adam Marcotte	City of Leoti
Travis Seaton	City of Leoti
Keith Bryant	Cobalt Cattle Company
Allen Baker	Kansas State Research & Extension
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Leslie Niswonger	USD 467 - WCJSHS
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Completed with assistance from:



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# DEMOGRAPHIC TRENDS




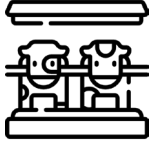








## DATA DRIVEN APPROACH

- + DATA SOURCES
- + DEMOGRAPHIC SHIFT
- + WORKFORCE TRENDS
- + HOUSING TRENDS

# CHAPTER

# 01

# Wichita County | By the Numbers

 <p><b>-3.2%</b></p> <p>overall population decline of 82 people since 2010</p>	 <p><b>2.0%</b></p> <p>unemployment rate in 2021, below Kansas rate of 3.2%</p>	 <p><b>22.6%</b></p> <p>share of workforce in education and healthcare sector</p>	 <p><b>21.0%</b></p> <p>local employment in agriculture, fishing, and mining compared to 2.9% statewide</p>
 <p><b>-4.6%</b></p> <p>median household income below the statewide figure</p> <p><i>\$58,819 vs \$61,091</i></p>	 <p><b>5.4%</b></p> <p>poverty rate</p> <p><i>below state statewide figure of 11.1%</i></p>	 <p><b>75.0%</b></p> <p>households are owner-occupied</p> <p><i>higher than statewide figure of 66.2% owners</i></p>	 <p><b>25.0%</b></p> <p>households are renter-occupied</p> <p><i>lower than statewide figure of 33.8% renters</i></p>
 <p><b>\$47,969</b></p> <p>median household income of Hispanic/Latino households</p> <p><i>26.9% below white households</i></p>	 <p><b>51.5%</b></p> <p>of renters are cost-burdened</p> <p><i>compared to 45.7% statewide figure</i></p>	 <p><b>8.6%</b></p> <p>of owners are cost-burdened</p> <p><i>compared to 16.5% statewide figure</i></p>	 <p><b>\$690</b></p> <p>average monthly rent expense</p> <p><i>below statewide average of \$863</i></p>

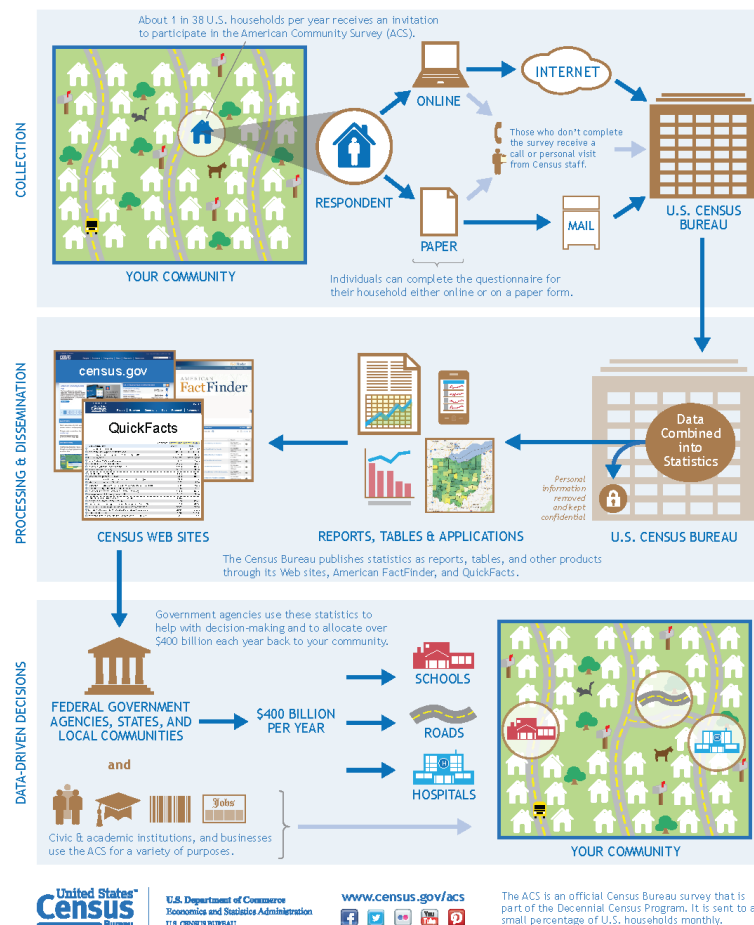
# Data Sources

The United States Census is conducted every ten years to update information throughout census tracts. The decennial census supplies information that shows both past trends of a community and helps to prepare for its future. Starting in 2010, the Census created a shortened 10-question form that goes out to every household to be completed and returned every ten years.

## American Community Survey (ACS)

The American Community Survey (ACS) is an ongoing statistical survey that samples a small percentage of the population every year, replacing the extended census form completed every ten years. **Figure 1** below depicts the American Community Survey process. The survey asks about age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, place of work, mode of transportation, place of residence and costs for essentials. These surveys are combined with previous years' surveys to form a composite estimate. ACS statistics give the community relevant information they need to plan for investments and services. This annual program has five-year estimates that give a more accurate account of local data and trends. The ACS has a margin of error, but it is the most accurate and recent information available without conducting a full community survey or waiting until the next Census. The data presented in this report is from 2020, the most recent dataset publicly available.

**Figure 1:** American Community Survey Process

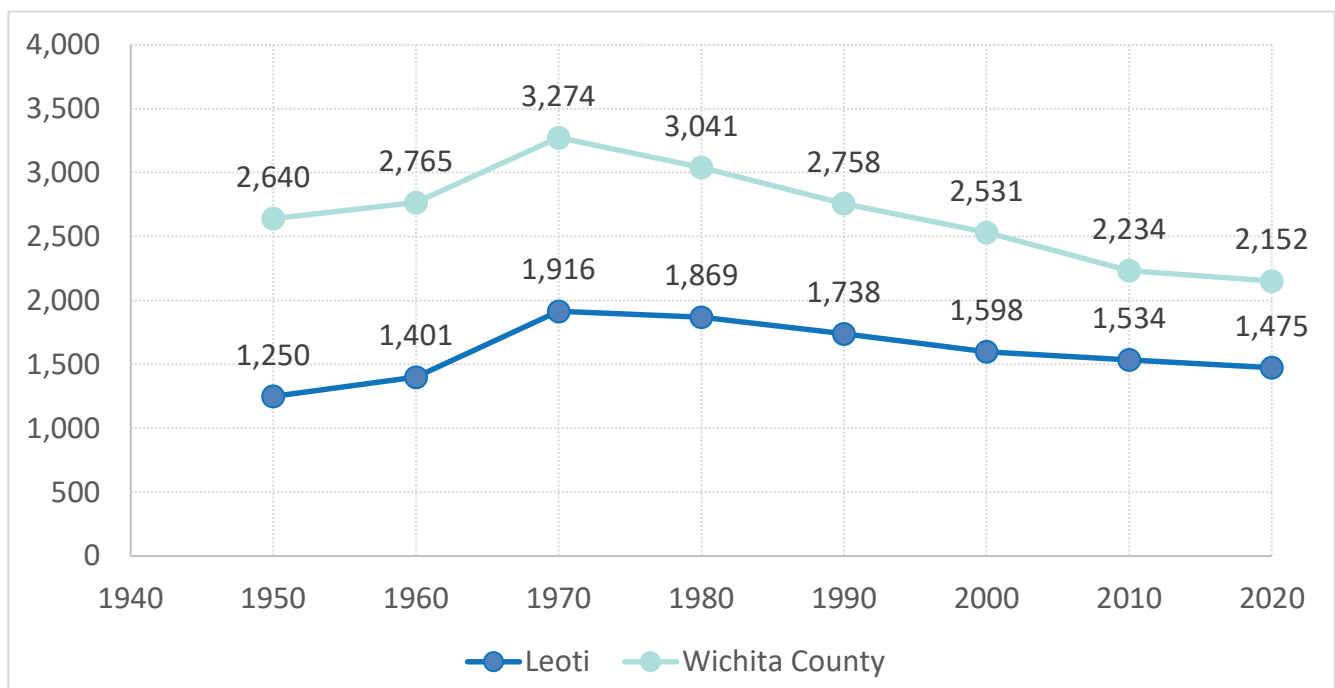


# Demographic Shift

## Population Trends

The basis for any housing study is understanding the population trends and then breaking down the data by other characteristics to determine the housing needs of the community. For Wichita County, the population has experienced consistent decline since 1980, peaking in 1970. The most recent census in 2020 noted an overall decline of 82 people, or a decline of 3.2% since 2010. Leoti experienced a decline of 59 people during this same period accounting for 71.9% of Wichita County's overall decline. During the previous ten-year period from 2000 to 2010, Wichita County saw a decline of 297 people, accounting for an 11.7% loss in population, the largest decline in population in over 50 years.

**Figure 2:** Population Change 1950 - 2020



Source: US Census Bureau 1950 - 2010; ACS Five-Year Estimates 2020

The map on the following page highlights the population change from 2010 to 2020 for each census tract within Wichita County. The only area to experience positive growth was the western half of Leoti with a 4.6% increase in population. The eastern half of Leoti experienced a decline of 12.8% during this ten-year period. The rural areas of Wichita County surrounding Leoti comprise of a single census tract that experienced a modest decline of 2.7%. Note, the boundary for Marienthal is highlighted in white as a census-designated place (CDP).

**Figure 3:** Wichita County Population Change 2010 - 2020 - Census Tracts



Source: US Census Bureau 2010; ACS Five-Year Estimates 2020



## Age Cohort Comparison

There are three primary age groups, or cohorts, in which people can be categorized – Adolescent (birth to 19), Workforce (20 to 59), and Seniors (60+). Each cohort represents a different set of housing needs, as Adolescents and their families will require more bedrooms than emptynesters in the Senior cohort. When comparing the 2010 Census data to the 2020 American Community Survey (ACS) Five-Year Estimates, some key trends emerge in Wichita County:

- The Adolescent cohort experienced the largest decline of 164 people, or a loss of 23.9%, from 2010.
- The Workforce cohort makes up the largest segment of the population, accounting for 48.9% of all residents in Wichita County.
- The Workforce cohort experienced a decline of 83 people, or decline of 7.6%, between 2010 and 2020.
- The decline of Adolescent cohort aligns with the average household size of 2.2 persons and the loss of the Workforce cohort: two adolescents for every adult.
- The Senior cohort experienced positive net growth of 100 people, representing a 21.7% increase over the 2010 cohort total.
- Despite the loss in both the Adolescent and Workforce cohorts, the median resident age only increased slightly from 40.0 years old in 2010 to 41.5 years old in 2020.

**Table 1:** Age Cohort Comparison - 2010 & 2020

	AGE GROUP	2010 POPULATION	2020 POPULATION	CHANGE 2010 - 2020	COHORT TOTAL CHANGE
ADOLESCENT	0 to 5	151	99	-52	-164
	5 to 9	167	193	26	
	10 to 14	242	78	-164	
	15 to 19	127	153	26	
WORKFORCE	20 to 24	33	115	82	-83
	25 to 34	296	272	-24	
	35 to 44	228	232	4	
	45 to 54	389	261	-128	
	55 to 59	151	134	-17	
SENIORS	60 to 64	55	134	79	100
	65 to 74	212	222	10	
	75 to 84	153	122	-31	
	85+	40	82	42	

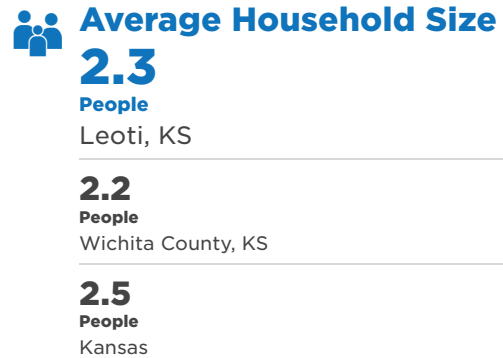
Source: US Census Bureau 2010; ACS Five-Year Estimates 2020

## Household Size

Household sizes in Leoti and Wichita County have been on the decline since 1990, while it has remained relatively unchanged statewide. Leoti has experienced a slight decline from a peak of 2.6 persons per household in 1990 to the current estimate of 2.5 persons per household. Wichita County has experienced a much sharper decline, with a peak of 2.7 persons per household in 1990 to 2.2 persons in 2020. The statewide figure has remained steady at 2.5 persons over the last 30 years.

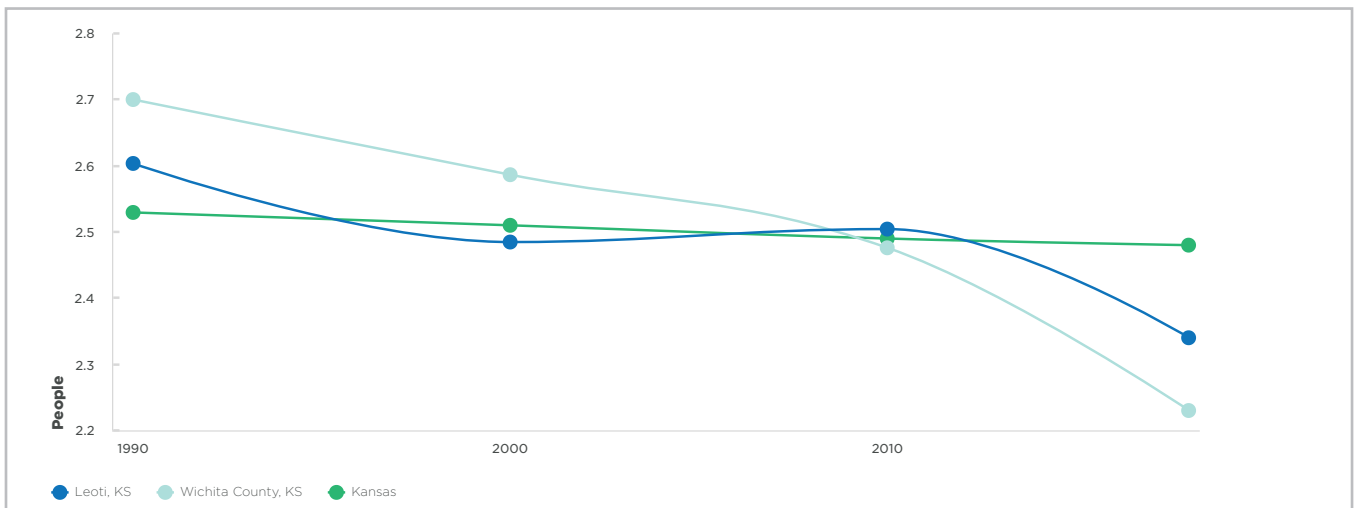
During the same 30-year period, the total number of households also declined from 1,190 in 1990 to 935 today. In many rural communities, the number of households continues to increase while the total population declines, which means there are more single-occupancy households. However, Wichita County experienced both a decline in overall population and number of households between 1990 and 2010 with a slight rebound with an increase of 44 households between 2010 and 2020. The overall increase in population for the Senior cohort can help explain this phenomenon a bit, as these groups typically account for households of one or two people.

**Figure 4:** Average Household Size



Source: ACS Five-Year Estimates 2020

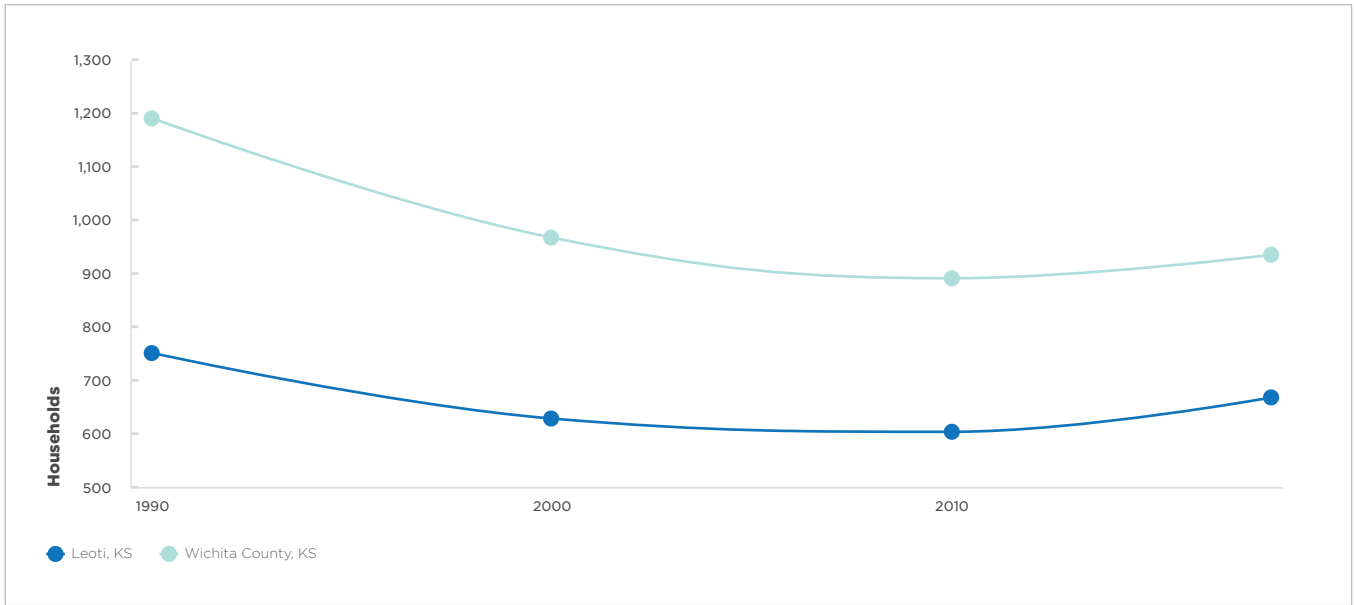
**Figure 5:** Average Household Size 1990 - 2020



Source: US Census Bureau 1990 - 2010; ACS Five-Year Estimates 2020

\* Census data has a two year lag between collecting data and reporting it to the public. The most recent available Census data is from 2020.

**Figure 6:** Total Number of Households



Source: US Census Bureau 1950 - 2010; ACS Five-Year Estimates 2020

## Workforce Trends

### Labor Force Participation

The labor force data shows Leoti’s labor force participation rate is on par with that of Wichita County and a few points higher than the state overall at 66.6%. A key marker of success was the local economy’s ability to bounce back from the Great Recession, which began in 2008. Employment experienced a peak in 2010 with 1,291 people employed in the county. The decline continued through 2017, bottoming out at 1,147 workers. These figures jumped back up in 2018 and 2019, exceeding the 2010 peak with 1,359 workers. The figures in 2020 demonstrated a stark decline back to 1,220 workers and even further to 1,156 in 2021, likely in part due to the onset of the Covid-19 pandemic.

**Figure 7:** Labor Force Participation Rate

#### Labor Force Participation Rate

**69.2%**

Leoti, KS

**67.3%**

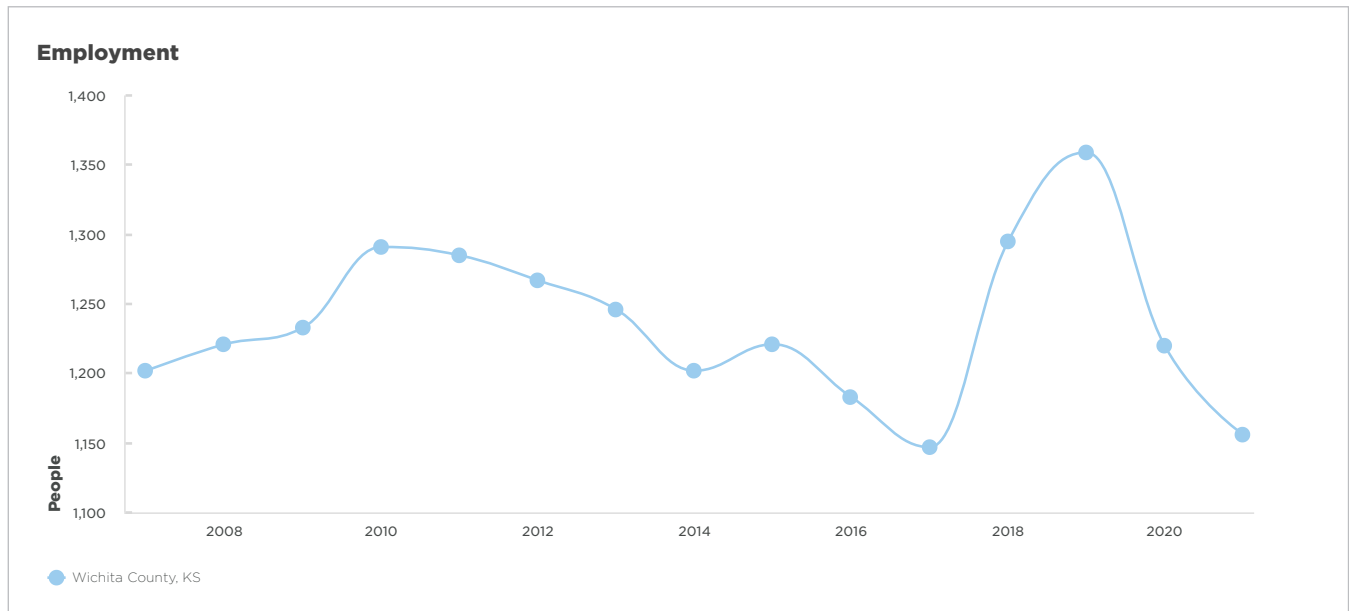
Wichita County, KS

**66.6%**

Kansas

Source: ACS Five-Year Estimates 2020

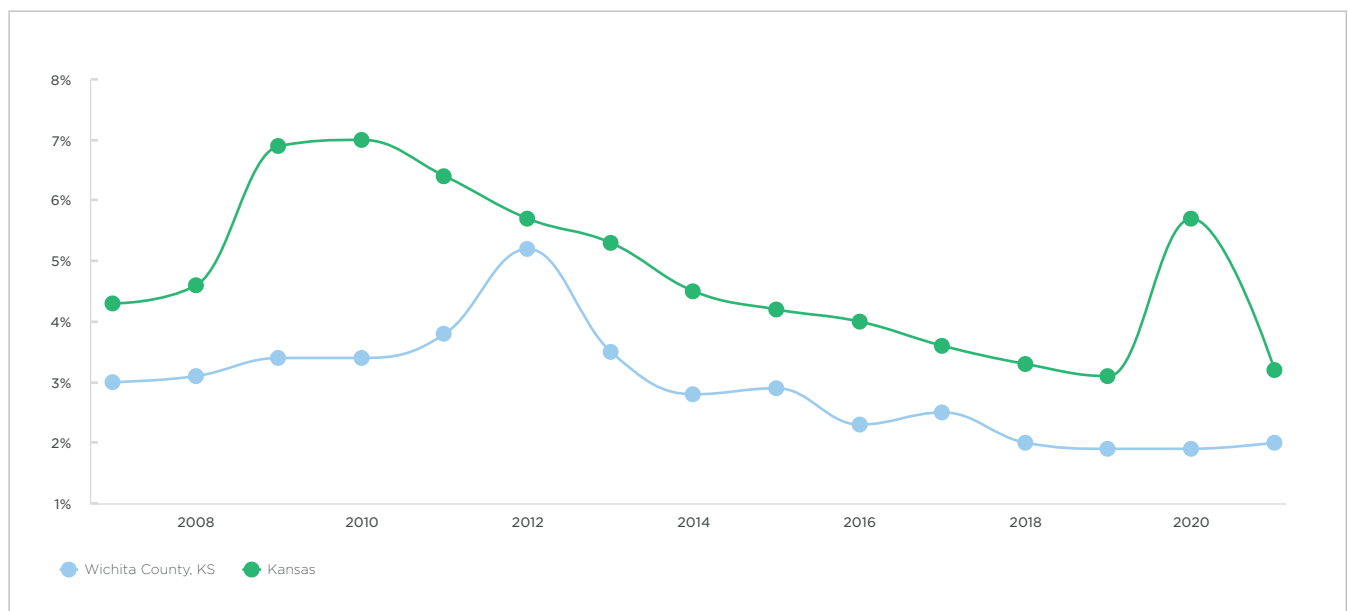
**Figure 8:** Labor Force Participation (2007-2020)



Source: Bureau of Labor Statistics (BLS)

Unemployment rates are another metric for determining the vitality of a community’s local economy. Economists consider an unemployment rate of 4% to 5% to be full employment, as people transition between employers and job opportunities. Figures below these rates indicate a tight labor market, which is certainly the case for Wichita County. Wichita County only experienced a slight increase in the unemployment rate in 2009 from 3.1% to 3.4% with a much steeper increase to 5.2% in 2012. Rates quickly dropped back to 3.5% in 2013 and continued to decline to all time lows of 1.9% in 2019 and 2020. The Covid-19 pandemic nudged rates back up to 2.0% in 2021, still well below “full employment.”

**Figure 9:** Unemployment Rate (2007-2021)

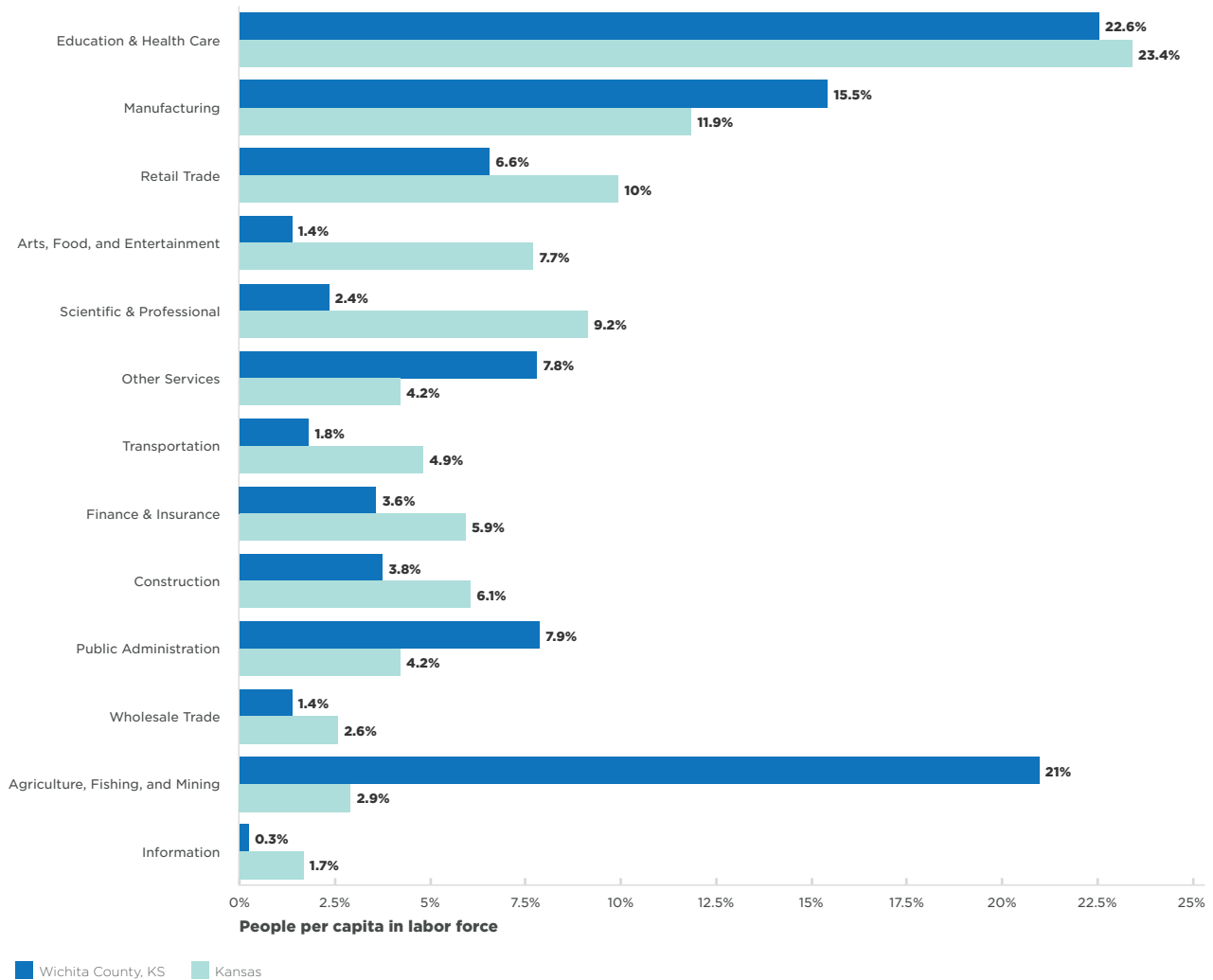


Source: Bureau of Labor Statistics (BLS)

## Employment by Industry

Labor force data from the U.S. Census Bureau provides insights into Wichita County's local economy. The largest employer by sector for Wichita County and the State of Kansas is the education/health industry, employing 22.6% and 23.4% of the workforce, respectively. The education/health industry includes Wichita County Health Center and other medical service providers as well as the county's school system, Leoti-Wichita County Unified School District 467. The agricultural/fishing/mining industry accounts for 21.0% of the overall employment, the second largest industry employing Wichita County residents, which is nearly 7.2 times the statewide share of 2.9%. The manufacturing industry is the third largest employer, accounting for 15.5% of resident employment versus 11.9% statewide. While remote work has proliferated as a result of the pandemic, a majority of the jobs in these three sectors have limited opportunity to work remotely and must be done in person. This results in a higher need for housing to attract and retain these jobs.

**Figure 10:** Employment by Industry



Source: ACS Five-Year Estimates 2020

## Commuting Trends

Commuting provides an indicator of where residents are employed and the amount of time it takes them to travel to work daily. Some will commute locally to employment opportunities in town, while others may travel to work in neighboring communities or even further outside Wichita County. Both Leoti and Wichita County residents in general have an average commute of less than 12 minutes - 11.3 and 11.9 minutes, respectively. These figures are much lower than the statewide mean of 19.6 minutes. A lower commute time indicates employment opportunity in and around the community. Additionally, further analysis of the laborshed shows Leoti is the primary employment hub for Wichita County.

**Figure 11:** Average Commute Time

**11.3**

**Minutes**

Leoti, KS

---

**11.9**

**Minutes**

Wichita County, KS

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**19.6**

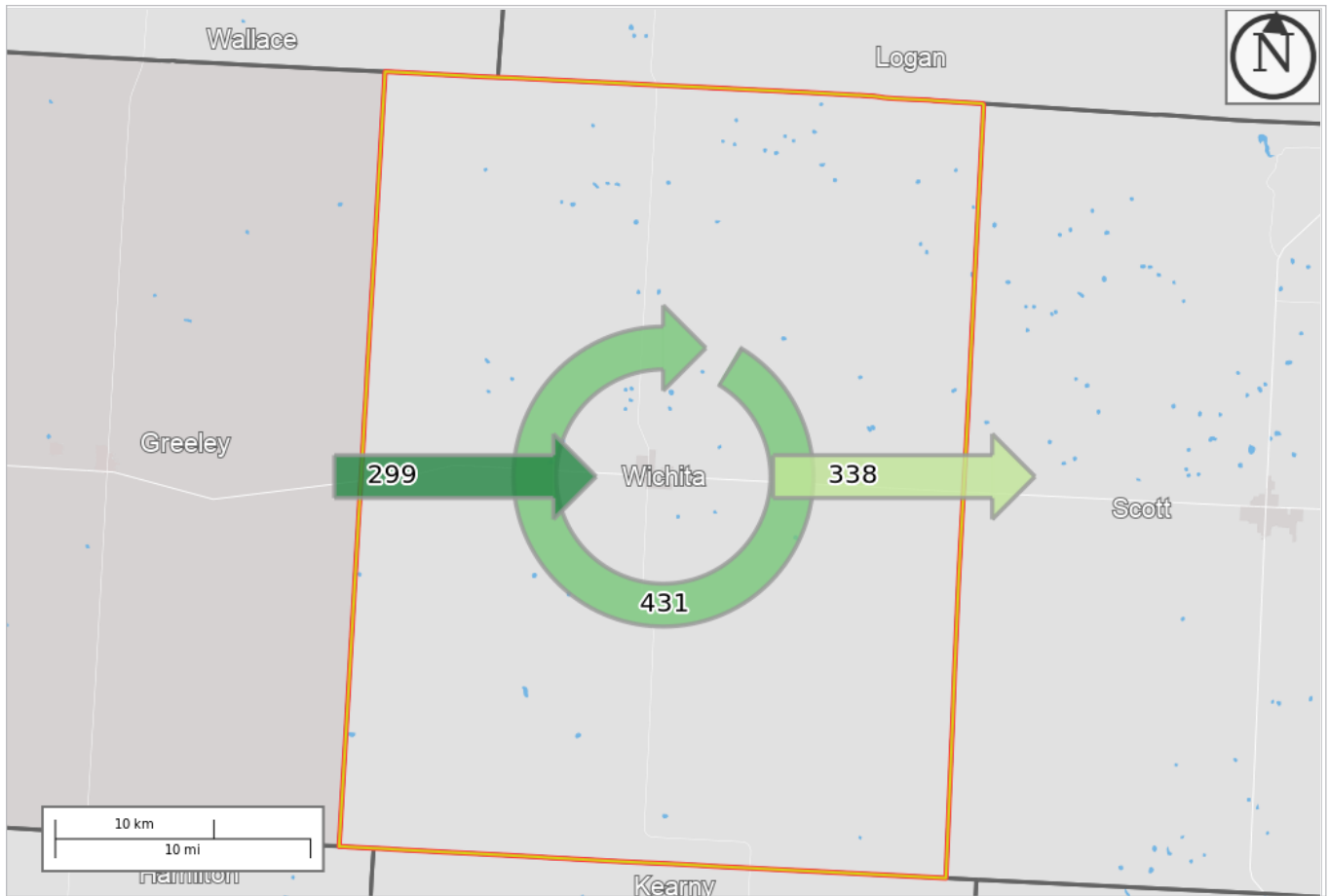
**Minutes**

Kansas

*Source: ACS Five-Year Estimates 2020*

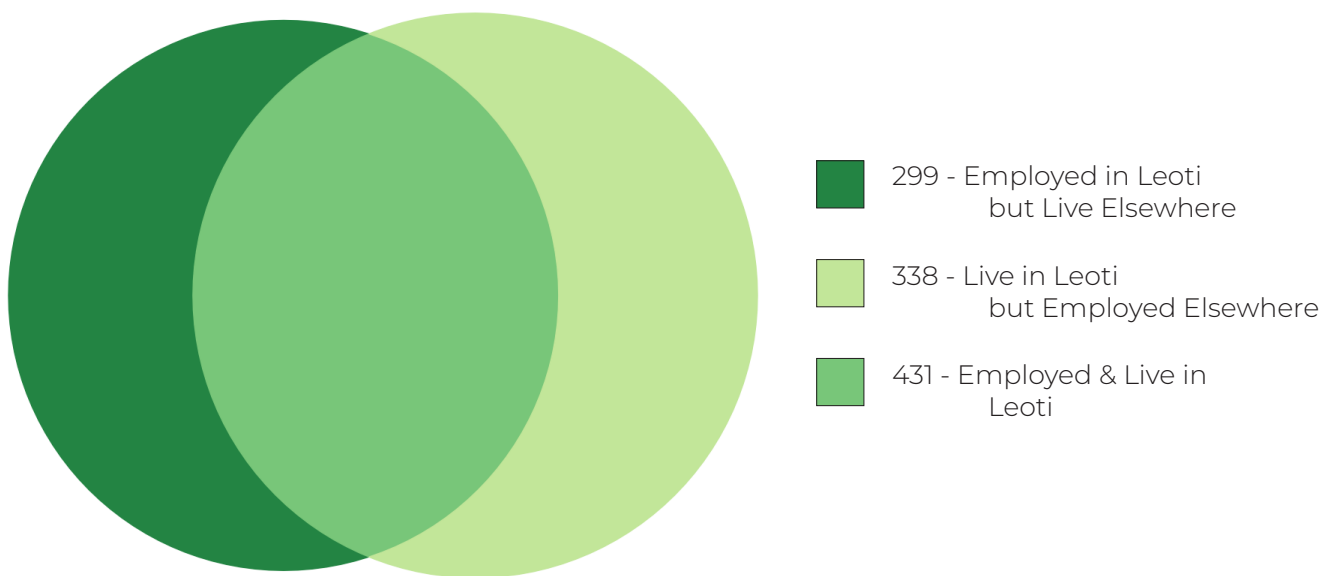
**Figure 12** and **Figure 13** on page 14 illustrates the inflow and outflow of workers into Wichita County. The most recent data shows that 299 workers come from outside Wichita County for employment. In contrast, nearly 338 workers reside in Wichita County but leave the community for employment. Lastly, 431 residents both live and work in Wichita County. What this data shows is there an opportunity to convert a portion of those workers commuting into Wichita County into residents and improve the negative trend of population decline for Wichita County.

**Figure 12:** Inflow and Outflow of Leoti Workers



Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics via OnTheMap (2020)

**Figure 13:** Inflow/Outflow Employment | Live/Work Comparison



Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics via OnTheMap (2020)

Further analysis into the Inflow/Outflow data highlights the similarities and differences between these three categories – Outflow, Inflow and Interior (i.e., those that live and work in Wichita County). Considering workers' ages, nearly half of all workers are within the 30 to 54 age group across all three categories. The segment of workers 55 or older makes up the second largest share of workers across each category - Outflow (26.9%), Inflow (26.8%), and Interior (36.4%). The share of workers 29 or younger accounts for the lowest share of workers - Outflow (25.1%), Inflow (20.4%), and Interior (21.1%).

The earnings, or monthly take home pay, presented a similar breakdown. The greatest share of high income jobs is attributed to Inflow workers, accounting for 154 workers, or 51.5% of this category. This indicates there is a potential pool of commuters with enough income that could be converted to residents should the right housing opportunity become available. Outflow and Interior categories have similar trends, with the greatest share of workers in this high earner category – 41.4% and 40.1%, respectively. The low income earners making up to \$1,250 per month account for nearly 1 in 4 workers across each category. These workers are likely minimum wage workers or working in a part-time capacity and likely face housing affordability challenges, especially in a single-income situation.

The breakdown of workers by industry demonstrates the greatest variability among the three attribute classifications. The share of Goods Producing workers is highest within the Inflow category, with 111 workers commuting into Wichita County for jobs within agriculture, construction, and manufacturing. The share of All Other Services accounts for the greatest share among all three categories, with more than a third and up to over half the overall workforce - 36.8% to 55.7%. Jobs in this category include financial activities, professional and business services, education and health, and leisure and hospitality.

**Table 2:** Inflow/Outflow Analysis

	Outflow		Inflow		Interior	
	Count	Percent	Count	Percent	Count	Percent
<b>Workers by Age</b>						
Aged 29 or younger	85	25.1%	61	20.4%	91	21.1%
Aged 30 to 54	162	47.9%	158	52.8%	183	42.5%
Aged 55 or older	91	26.9%	80	26.8%	157	36.4%
<b>Earnings</b>						
\$1,250 per month or less	68	20.1%	56	18.7%	104	24.1%
\$1,251 to \$3,333 per month	130	38.5%	89	29.8%	154	35.7%
More than \$3,333 per month	140	41.4%	154	51.5%	173	40.1%
<b>Industry by Class</b>						
Goods Producing	81	24.0%	111	37.1%	132	30.6%
Trade, Transportation, and Utilities	98	29.0%	78	26.1%	59	13.7%
All Other Services	159	47.0%	110	36.8%	240	55.7%
<b>Total Jobs</b>	<b>338</b>	<b>100.0%</b>	<b>299</b>	<b>100.0%</b>	<b>431</b>	<b>100.0%</b>

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics via OnTheMap (2020)



OnTheMap provides the Home Destination Analysis, identifying where workers in Wichita County live. A total of 288 workers, or 39.5% of the total workforce, live and work in Leoti. Residents from Scott City make up the second largest group of commuters, with 50 people accounting for 6.8% of the overall workforce in Wichita County. Garden City (15 or 2.1%) and Marienthal CDP (15 or 2.1%) round out the third and fourth placeholder communities sending their residents to the area for employment opportunities. A number of workers are traveling as far as Santanta (5 or 0.7%) and Wichita (6 or 0.8%) to work at area employers. By having the right mix of housing available along with other quality of life amenities in the community, Wichita County has the potential to grow its population base.

**Table 3:** Home Destination Analysis - Where Workers Live

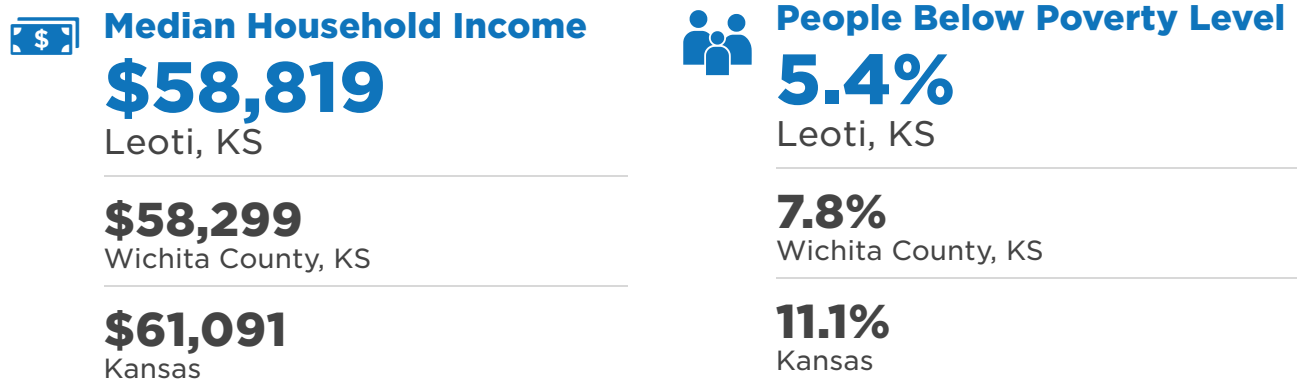
Where Workers Live	Count	Percent
Leoti, KS	288	39.5%
Scott City, KS	50	6.8%
Garden City, KS	15	2.1%
Marienthal CDP, KS	15	2.1%
Oakley, KS	9	1.2%
Colby, KS	8	1.1%
Wichita, KS	6	0.8%
Greeley County unified government, KS	5	0.7%
Satanta, KS	5	0.7%
Tribune, KS	5	0.7%
All Other Locations	324	44.4%
<b>Total Workers in Leoti</b>	<b>730</b>	<b>100.0%</b>

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics via OnTheMap (2019)

## Median Household Income

Median household income is a standard metric of what a typical household could afford for housing and other goods. Wichita County's median of \$58,819 is on par the statewide level of \$61,091. Wichita County's poverty rate is also relatively low at 7.8% when compared to the statewide figure of 11.1%. The US Census definition of "poverty" is a figure based on specific income thresholds that vary by family size and composition. For example, Kansas's current poverty threshold for a single person household is an income of \$13,590 compared to \$27,750 for a household of four. These figures are updated annually to adjust along with the Consumer Price Index for All Consumers.

**Figure 14:** Median Household Income & Poverty Rate

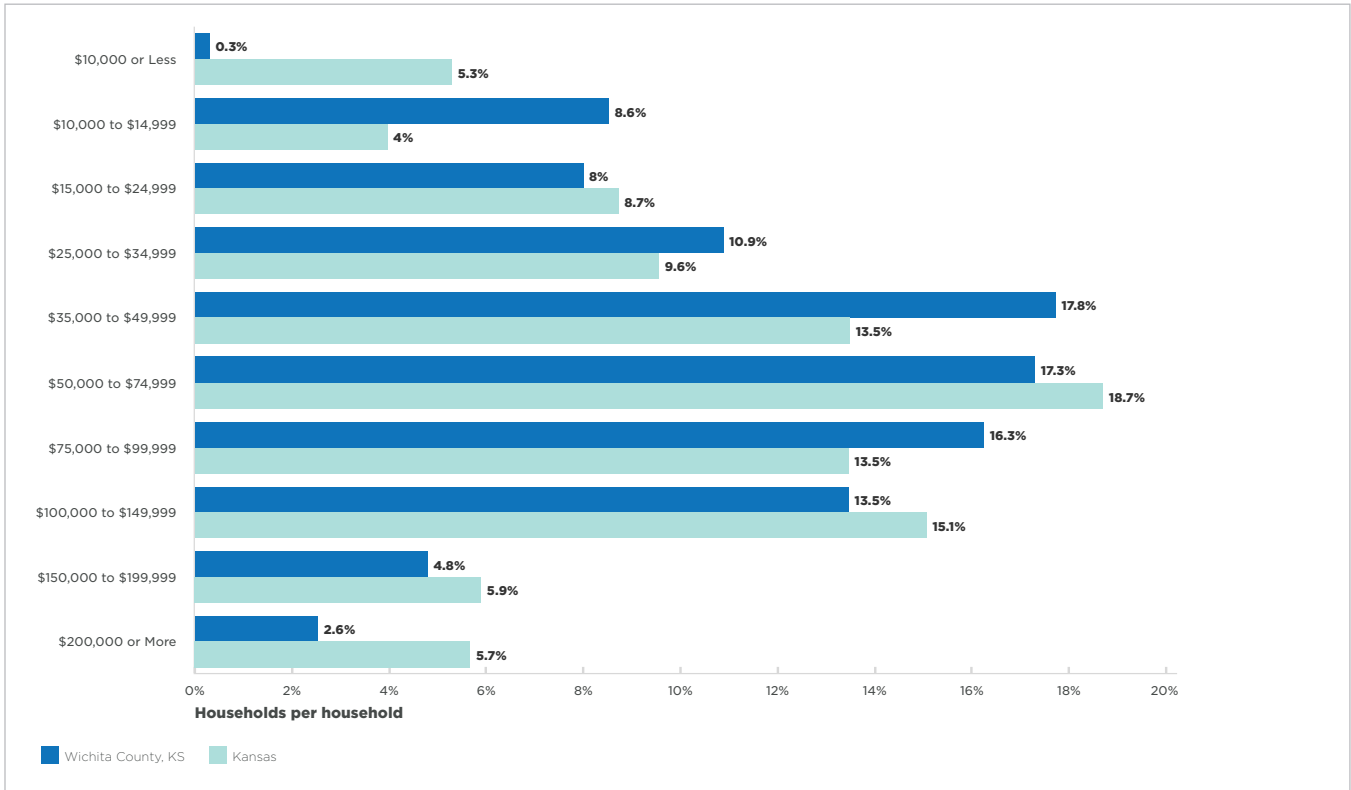


Source: ACS Five-Year Estimates 2020

**Figure 15** on page 18 highlights the breakdown of incomes between Wichita County and the statewide figures. Those making less than \$10,000 account for only 0.3% of the population in Wichita County, while this figure is 5.3% statewide. If the two lowest cohorts were combined - \$10,000 or less and \$10,000 to \$14,999 - these groups are more in line between Wichita County and the state at 8.9% and 9.3%, respectively. Other outliers include the group of earning \$35,000 to \$49,999 with 17.8% locally versus 13.5% statewide and the households earning \$75,000 to \$99,999 with 16.3% locally versus 13.5% statewide. All household groups above \$100,000 have a lower share of its households in comparison to the statewide figures. This indicates a strong overall middle class with fewer households at either end of the wealth spectrum.

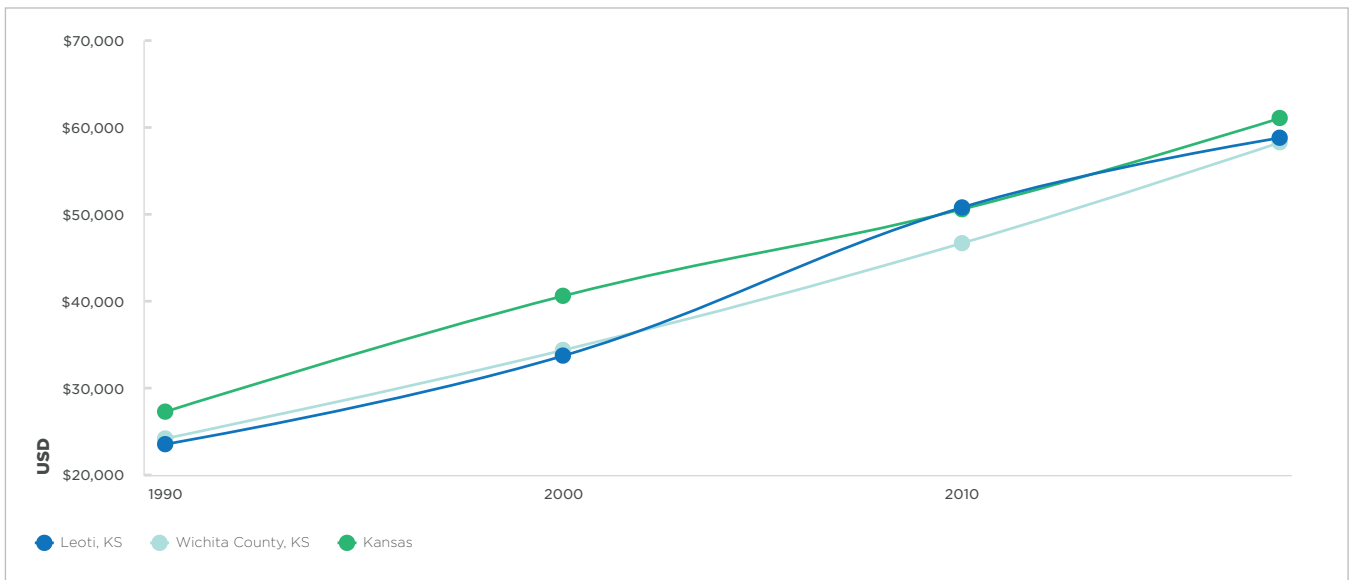
**Figure 16** on page 18 highlights the decennial trend of median household incomes back to 1990. Starting in 1990, the statewide median household income was \$27,291 versus \$24,206 in Wichita County, a difference of \$3,085 or 11.3%. Rates increased by 48.9% for the state overall in 2000, increasing to \$40,624, versus 42.0% for Wichita County to \$34,389, a gap of \$6,235 or 15.3%. Then in 2010, incomes for Leoti and the state aligned - \$50,796 and \$50,594, respectively - while Wichita County continued to grow but at a slower rate, reaching \$46,685, a gap of \$3,909 or 7.7%. Finally, in 2020, Wichita County nearly closed the gap with the statewide figure reaching a median household income of \$58,299 versus \$61,091 statewide, a gap of \$2,792 or 4.6%. Sustained growth in median household income is important to keep up with the pace of inflation and the ever increasing costs of housing construction, both experiencing unprecedented levels in 2022.

**Figure 15:** Household Income Comparison



Source: ACS Five-Year Estimates 2020

**Figure 16:** Median Household Income Comparison (1990 – 2020)

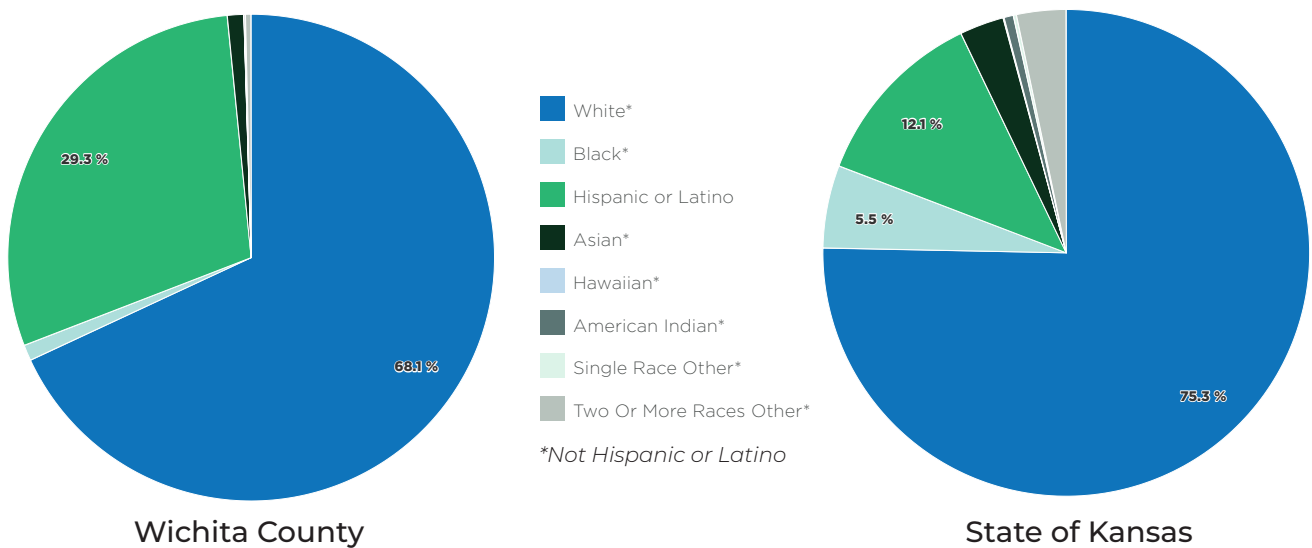


Source: US Census Bureau 1990 - 2010; ACS Five-Year Estimates 2020

## Race & Ethnicity

There are significant disparities in the homeownership rate by race and ethnicity across the nation and in Wichita County. Local leaders can help identify and address these disparities by better understanding the breakdown of race and ethnicity in their community. When compared to the State of Kansas figures, Wichita County mirrors what is seen at the state level, with a predominantly white population – 68.1% locally and 75.3% for Kansas. However, the share of Hispanic and Latino people is more than double in Wichita County, a population equivalent to 29.3% of the population versus 12.1% statewide. The remaining segments of the population are much more varied. For example, the population of Black or African Americans account for 1.0% locally and 5.5% statewide.

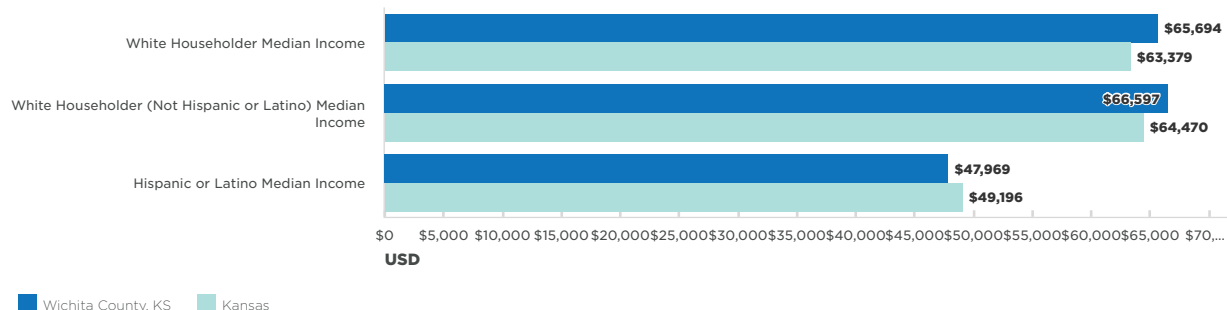
**Figure 17:** Race/Ethnicity Totals | Wichita County & State of Kansas



Source: ACS Five-Year Estimates 2020

When comparing household incomes between White Non-Hispanic households and Hispanic or Latino households, there is a clear disparity. The white householder median income of \$65,694 is slightly higher than the overall median household income of Wichita County. However, breaking down the White Non-Hispanic or Latino households, the median income remains virtually unchanged at \$66,597. This is 38.8% higher than households identified as Hispanic or Latino, which reported an income of \$47,969. While similar disparities exist at a statewide level, the gap between these two groups is lower at 31.0%.

**Figure 18:** Median Household Income - Race/Ethnicity | Wichita County & State of Kansas



Source: ACS Five-Year Estimates 2020

# Housing Trends

Evaluating the housing occupancy and tenure data helps to better understand if the available housing stock is meeting the needs of the current residents. The share of owner-occupied versus renter-occupied units is a major indicator within this category, highlighting the ability for new residents to move in and existing residents to move up and out as families grow and change over time.

## Occupancy Status

The share of owner-occupied units versus renter-occupied units is 74.5% owner to 25.5% renter. The state and national averages provide useful context for understanding a locality's homeownership rate and the change over time in that rate. For the most recent data collection period of 2020, Wichita County's figures have a higher share of households in owner-occupied units versus what is observed both statewide - 66.2% owner versus 33.8% renter - and nationally - 64.4% owner and 35.6% renter. When looking back at most recent ten-year period, the share of renter-occupied units increased from 20.0% in 2010 to the previously stated 25.5%, which highlights the growth of the renter-occupied housing relative to owner units.

Figure 19: Occupancy Status

### Owner Occupied Housing Units

**75%**

Leoti, KS

**74.5%**

Wichita County, KS

**66.2%**

Kansas

**64.4%**

United States of America

### Renter Occupied Housing Units

**25%**

Leoti, KS

**25.5%**

Wichita County, KS

**33.8%**

Kansas

**35.6%**

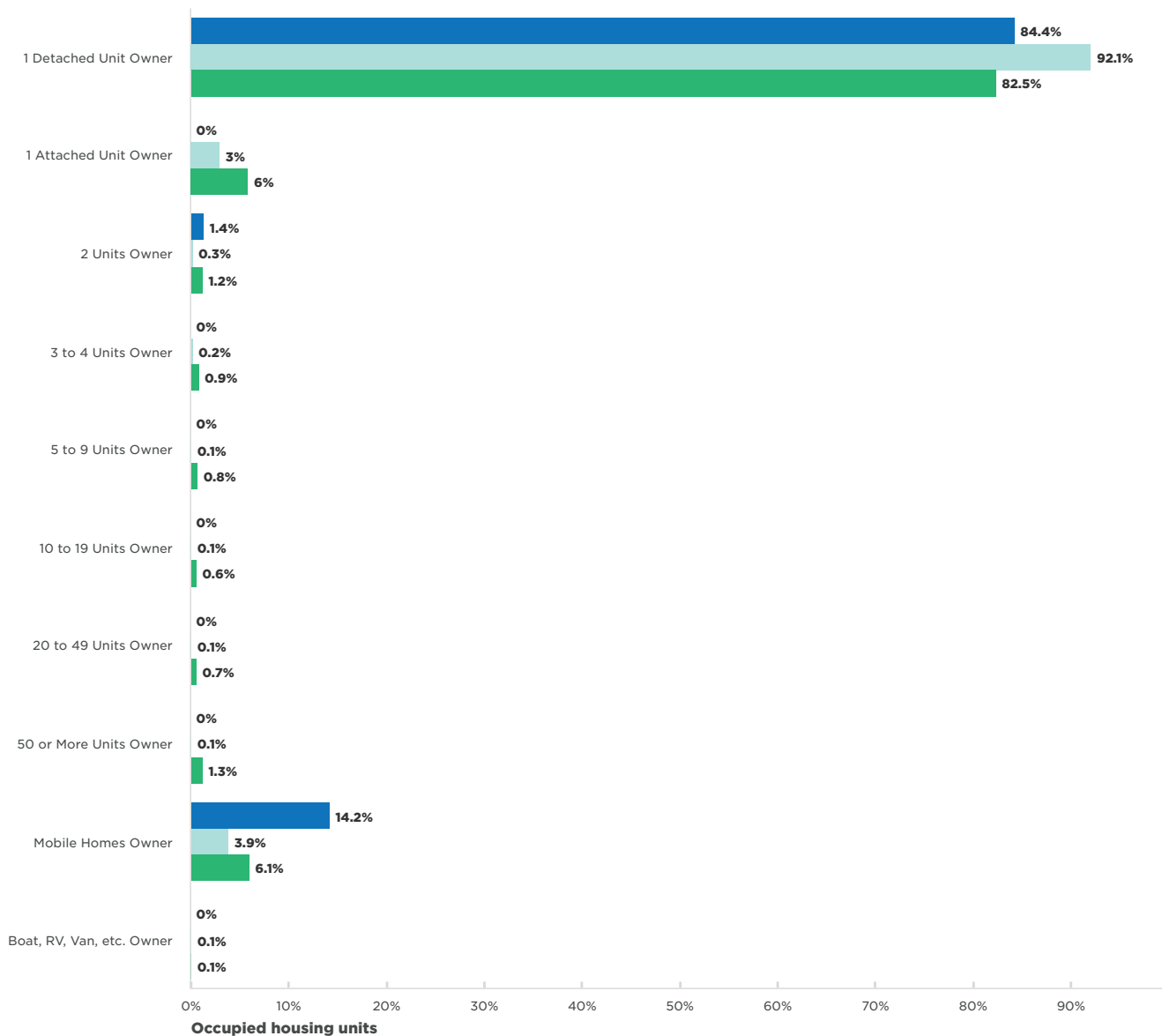
United States of America

Source: U.S. Census ACS 5-year (2020)

## Owner-Occupied Housing Characteristics

A majority of owner-occupied housing units are single-family detached units totaling 588 units, or 84.4% of owner-occupied units. This figure is slightly less than the state share of 92.1% but exceeds the national rates observed at 82.5%. The second most observed owner-occupied housing type in Wichita County is mobile homes, accounting for 99 units, or 14.2%. These figures are more than three times the state observed rate of 3.9% and are above the national share of mobile home owners accounting for 6.1% of all owner-occupied housing units. The third most prevalent owner unit type are two-units or duplex homes with 10 units counted, making up 1.4% of the share, relatively low compared to the state (3.0%) and national (6.0%) shares.

**Figure 20:** Number of Housing Units in a Structure - Owner Occupied



Source: U.S. Census ACS 5-year (2020)

Another key indicator of availability and demand in a community is vacancy. The preferred standard for a housing vacancy rate is between 5 - 6% to help ensure the availability of housing options. Wichita County's vacancy rate of 3.1% represents a rate below the preferred rate but a rate higher than the what is observed for owner-occupied housing relative to the state and national figures - 1.7% and 1.4%, respectively. Strong employment opportunities are a major driver of lower vacancy rates, which leads to high demand for housing.

The median home value is another metric used as a marker to determine the quality of the existing housing market. Wichita County has a much lower median home value of \$101,500 relative to the state level at \$157,600 and even the nationwide median at \$229,800. Much of this lower value can be attributed to the lack of new housing units coming on to the market over the last twenty years.

**Figure 21:** Vacancy Rate & Median Home Value - Owner- Occupied

**Homeowner Vacancy Rate**

**4.2%**

Leoti, KS

**3.1%**

Wichita County, KS

**1.7%**

Kansas

**1.4%**

United States of America

**Median Home Value**

**\$110,800**

Leoti, KS

**\$101,500**

Wichita County, KS

**\$157,600**

Kansas

**\$229,800**

United States of America

Source: U.S. Census ACS 5-year (2020)

Households classified as cost-burdened are yet another indicator of challenges with housing affordability in a community. The definition of a cost-burdened household is allocating 30% or more of a family's overall income towards housing related expenses (i.e., rent or mortgage and utilities). A general rule of thumb for housing affordability is three times that annual household income. For Wichita County, this means a household making a median income of \$58,299 could afford a home valued at nearly \$175,000 without being cost burdened.

The *Selected Monthly Owner Costs as a Percentage of Household Income* data taken from the 2020 American Community Survey 5-Year Estimate Census shows 8.6% of owner-occupied households in Wichita County are considered cost-burdened versus 16.5% statewide. The national rate of 21.9% is more than double that of Wichita County. It would seem the low cost of living relative to the average median home values are offset by the current median household income. While this combination of factors allows many in the local area to afford an existing home, new construction presents more of a challenge, as the current cost to build a new starter home is likely to exceed \$200,000, well above this excessive housing cost threshold.

**Figure 22:** Excessive Housing Costs - Owner Occupied

**Excessive Housing Costs**

**9%**

Leoti, KS

**8.6%**

Wichita County, KS

**16.5%**

Kansas

**21.9%**

United States of America

Source: U.S. Census ACS 5-year (2020)

## Renter-Occupied Housing Characteristics

Rental housing is an important component of any community's housing stock, providing long-term and transitional occupancy options. Rental housing accounts for 25.5% of the total share of housing stock in Wichita County, which is below the statewide share of 33.8% and the national figure of 35.6%

The vacancy rate further highlights the availability of housing, or lack thereof, and potential opportunity for redevelopment. The share of vacant rentals in Leoti is effectively 0%, well below the state and nation figures 6.5% and 5.8%, respectively. The optimal vacancy rate between 5 - 6% provides residents with enough options for those without the means to afford buying a home as well as those who choose a lifestyle with less maintenance. Rental units also provide new residents a place to live while they get established in the community.

**Figure 23:** Renter-Occupied Units & Vacancy Rate

### Renter Occupied Housing Units

**25%**

Leoti, KS

**25.5%**

Wichita County, KS

**33.8%**

Kansas

**35.6%**

United States of America

### Rental Vacancy Rate

**0%**

Leoti, KS

**0%**

Wichita County, KS

**7.6%**

Kansas

**5.8%**

United States of America

Source: U.S. Census ACS 5-year (2020)

The share of cost-burdened rental households is another indicator that more affordable housing options are needed. **Figure 24** on page 24 shows that nearly 1 in 3 renters in Wichita County are considered cost-burdened defined as allocating 30% or more of their overall income towards housing related expenses (i.e., rent and utilities). This rate is slightly below the statewide figure of 40.2% and national rate of cost burdened households of 45.7%. The rate of cost burdened households is much higher in Leoti, accounting for 51.5% of renter households and demonstrating a higher concentration of poverty within the county seat versus the unincorporated areas of the county.



A high median rent can help explain why there are so many households considered cost-burdened, but this is not the case for Leoti or Wichita County. The median monthly rental costs of \$690 for Wichita County is well below the statewide monthly rental cost of \$863. The difference must be accounted for in a higher share of rental households at the lower income thresholds. At this monthly cost of \$690, a household with a minimum income of \$27,600, or an individual earning \$13.27 an hour, should be able to afford these rental units without being classified as cost-burdened.

**Figure 24:** Excessive Housing Costs & Median Monthly Rent - Renter Occupied

**Excessive Housing Costs**

**51.5%**

Leoti, KS

**36.1%**

Wichita County, KS

**40.2%**

Kansas

**45.7%**

United States of America

**Median Monthly Rent**

**\$682**

Leoti, KS

**\$690**

Wichita County, KS

**\$863**

Kansas

**\$1,096**

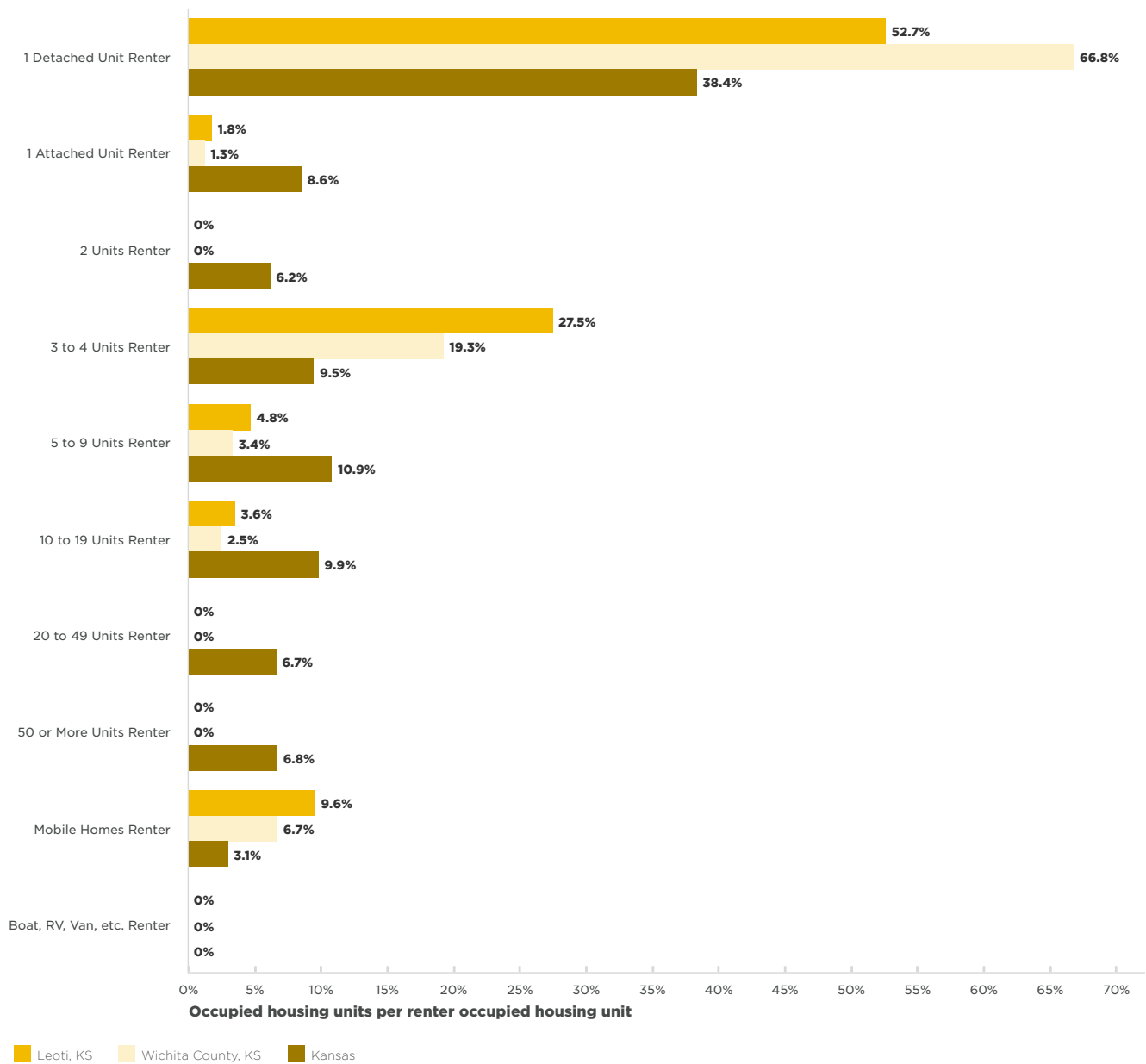
United States of America

DEFINITION: Gross rent accounts for 30% or more of total income

Source: U.S. Census ACS 5-year (2020)

When single family home prices reach a certain price point, these properties are more attainable to investors to convert from owner-occupied housing to rental options. Nearly two thirds of rental units in Wichita County are made up of single-family detached housing units, which indicates a lack of housing diversity for rental options. Leoti has a lower share of single family homes as rentals (52.7%) but still much higher than the statewide figure of 38.4%. Structures with 3 to 4 units have the second highest share of rental units in Wichita County accounting for 19.3% of the total leased options. Leoti has 27.5% of its rental units in this category. Mobile homes represent the third highest share of rental units, accounting for 6.7% in Wichita County versus 3.1% statewide.

**Figure 25:** Number of Housing Units in a Structure - Renter-Occupied



Sources: US Census ACS 5-year

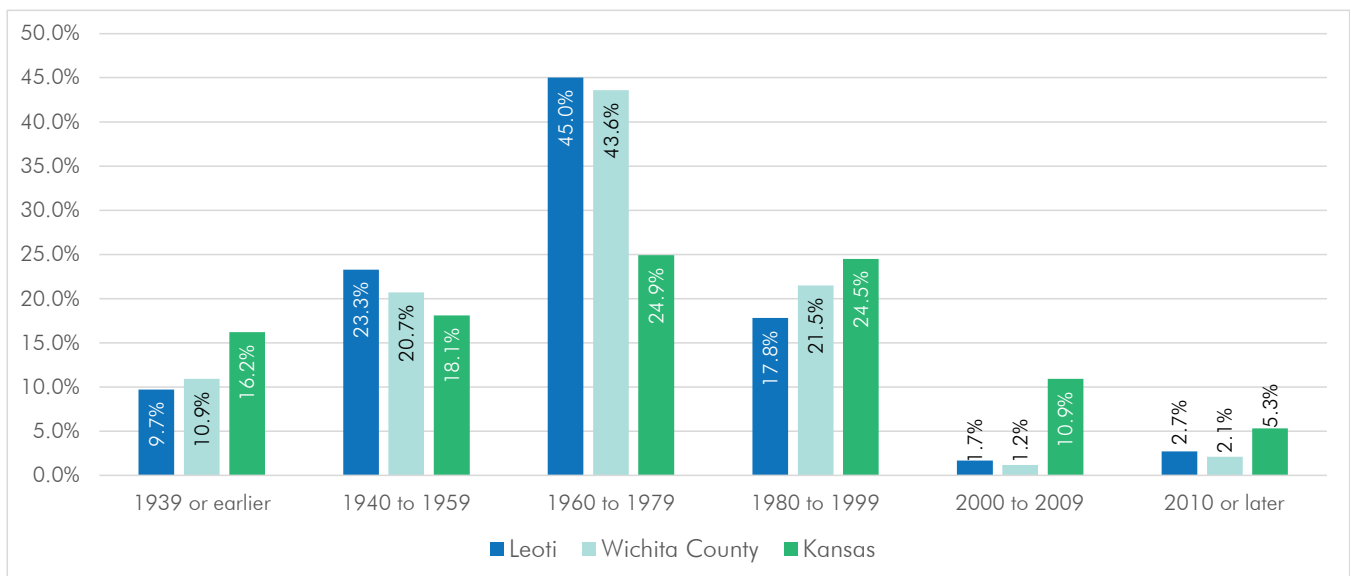
Source: U.S. Census ACS 5-year (2020)

## Housing Stock

According to the ACS, Wichita has an existing housing stock total of 1,081 units. A total of 342 units, or 31.6% of the existing housing stock, was built prior to 1960, in line with the statewide figure of 34.3%. Homes built between 1960 and 1979 hold the highest share of housing stock in Wichita County, with an estimated 471 units accounting for 43.6% of the available housing stock. While older houses aren't inherently a negative, they do tend to have outdated electrical, plumbing, and mechanical systems that may require improvements to meet current building standards. This may result in less energy-efficient heating and plumbing systems, which increases utility costs to the homeowner. Older houses may also be too small or poorly laid out to fit the needs of today's housing market, which could impact Wichita County's ability to attract new residents.

Housing construction from 1980 through 1999 kept pace with housing starts statewide with 232 new units built in Wichita County, accounting for 21.5% of all housing built. However, from 2000 to 2020, house starts plummeted, with an estimated 36 homes built during that 20-year period, accounting for 3.3% of all homes built. A majority of these homes - 33 of 36 total houses - were built in Leoti. Even before the Great Recession in 2008 slowed down growth nationwide, house starts in Wichita County were very low, with only 13 homes built between 2000 and 2009.

**Figure 26:** Housing Stock Ages: Total Number of Built Housing Units by Decade

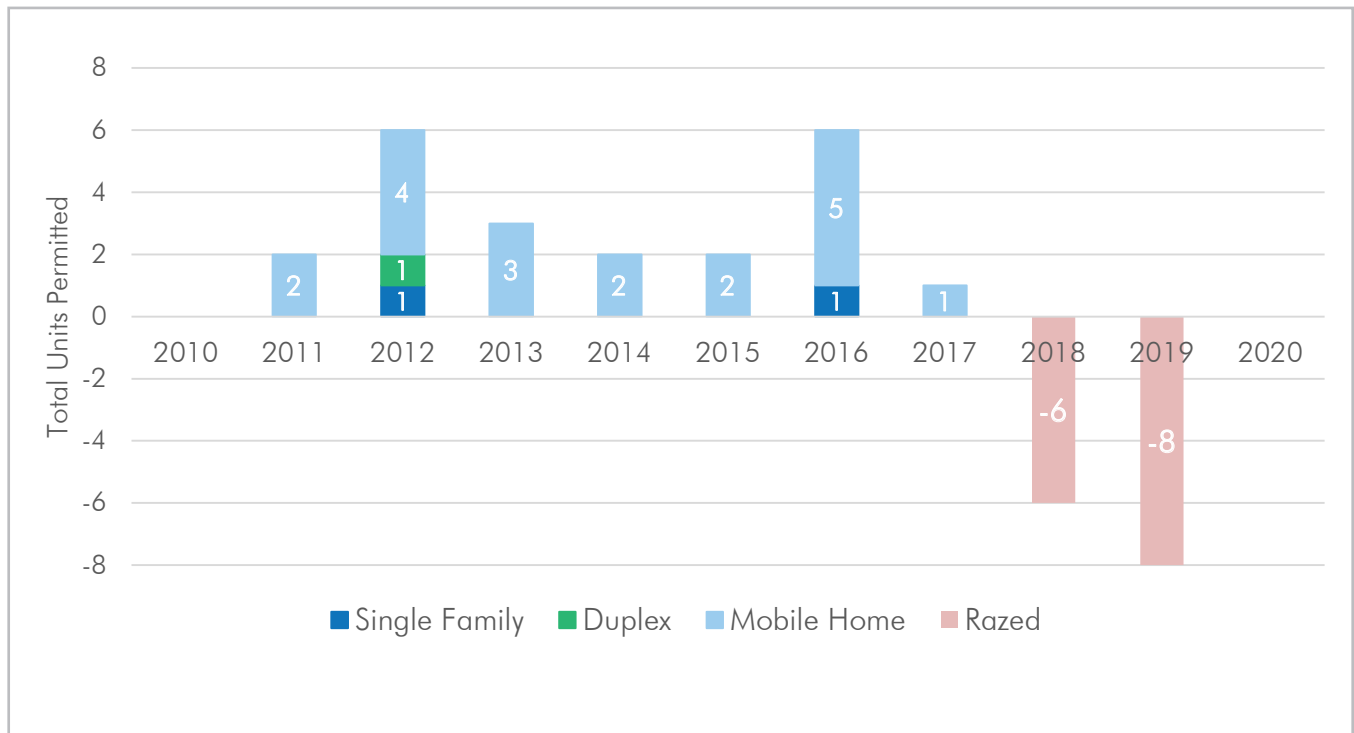


Source: U.S. Census ACS 5-year (2020)

## Permit Data

The City of Leoti shared permitting data collected from 2010 through 2020. When all housing permits were totaled for this period, a total of 22 housing units were added to the community. Of that total, 19 permits were for relocating mobile homes on lots rather than constructing a new house. Only two single-family units and one duplex unit were built during this period. There were no new multifamily units built, which likely would offer more affordable rental options to support the workforce needs. The City of Leoti also ordered a total of 14 homes to be razed in 2019 and 2020 to poor conditions and non-compliance with the local code. Taken together, this all results in a net gain of 8 housing units over the last ten-year period.

**Figure 27:** Permit Totals by Housing Type - 2010-2020



Source: City of Leoti (2010-2020)

# **PUBLIC ENGAGEMENT**

## FRAMING THE NEED

**+** HOUSING SURVEY RESPONSES

**+** FOCUS GROUPS + INTERVIEWS

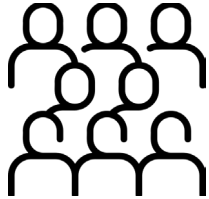


# **CHAPTER**

# 02

# Engaging the Community

Wichita County leaders were very interested in sharing their insights and input into this effort to expand housing supply for the community. A diverse group of local business and civic leaders participated in focus group discussions and a community survey that collected 150+ responses. The resulting chapter provides further insights into the local housing market and highlights development opportunities for leaders to pursue.



**2**

**Focus Group  
Sessions**



**150**

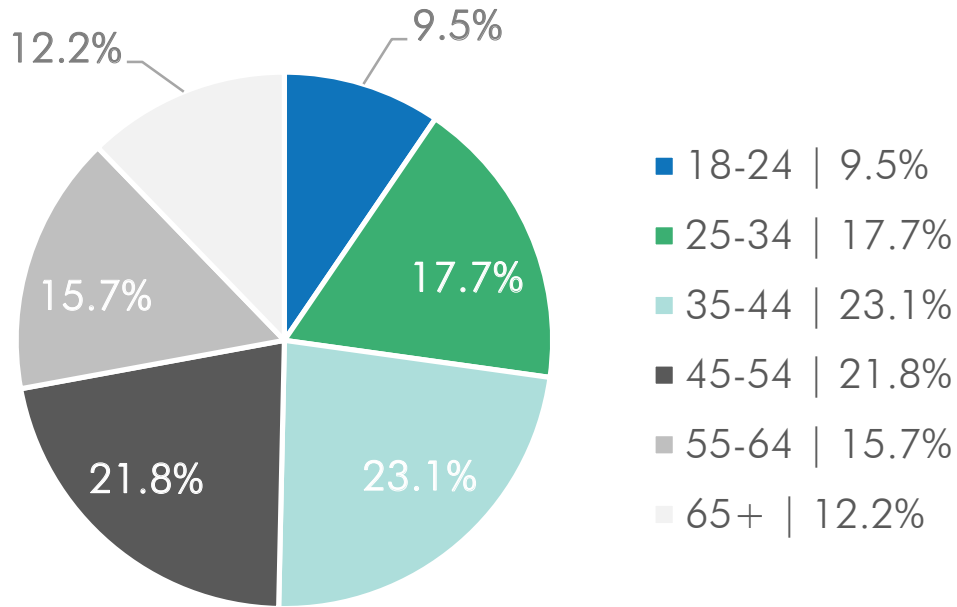
**Community Survey  
Participants**

## Housing Survey Responses

Wichita County Economic Development staff helped to distribute the housing survey through local media and partner organizations, including the Steering Committee members and their networks. Printed versions, both in English and Spanish, were made available at the Wichita County Business CARE Center (102 W. Broadway, Leoti, KS). Major employers also encouraged participation from their workforce – both residents and those commuting into Wichita County for employment. The following are highlights from the survey findings; the full data summary report is available for review in Appendix A.

# Demographics of Participants

Age of Participants



*\*Total of 150 participants answered this question; 3 participants did not provide their age*

## 87%

Participants self identify as White or Caucasian

*6 participants did not provide a response*

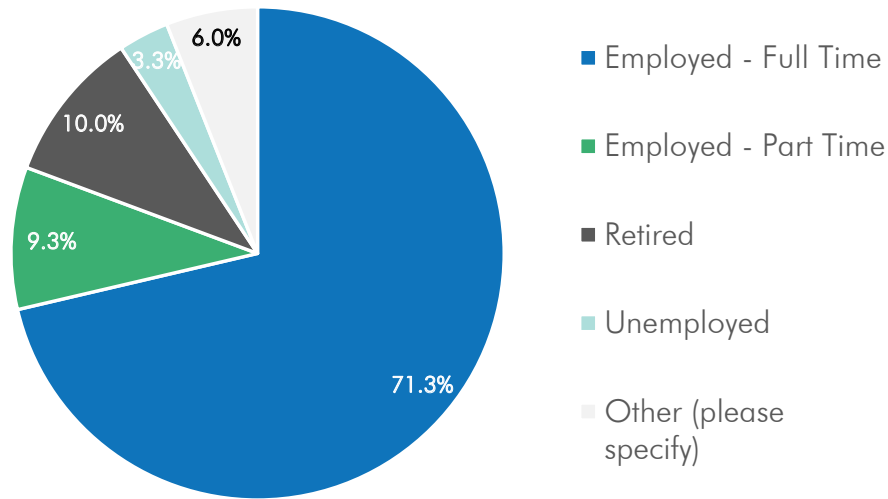
## 13%

Participants self identify as some other race/ethnicity

*12 participants (8%) identified as Hispanic or Latino and 2 (1%) responded "More than one race"*

# Employment

Please select from the following that best describes your employment status.



RANK	EMPLOYMENT CATEGORY	COUNT	PERCENT
1	Education	49	32.7%
2	NA / No Response	26	17.3%
3	Healthcare	14	9.3%
4	Self Employed	13	8.7%
5	Agriculture	9	6.0%
6	County Government	7	4.7%
7	Not employed	5	3.3%
8	City Government	3	2.0%
9	Finance	3	2.0%
10	Manufacturing	3	2.0%
11	All Other Jobs	18	12.0%

## 35%

Participants that work in education

*Employees of USD 467, High Plains Educational Cooperative, and neighboring districts*

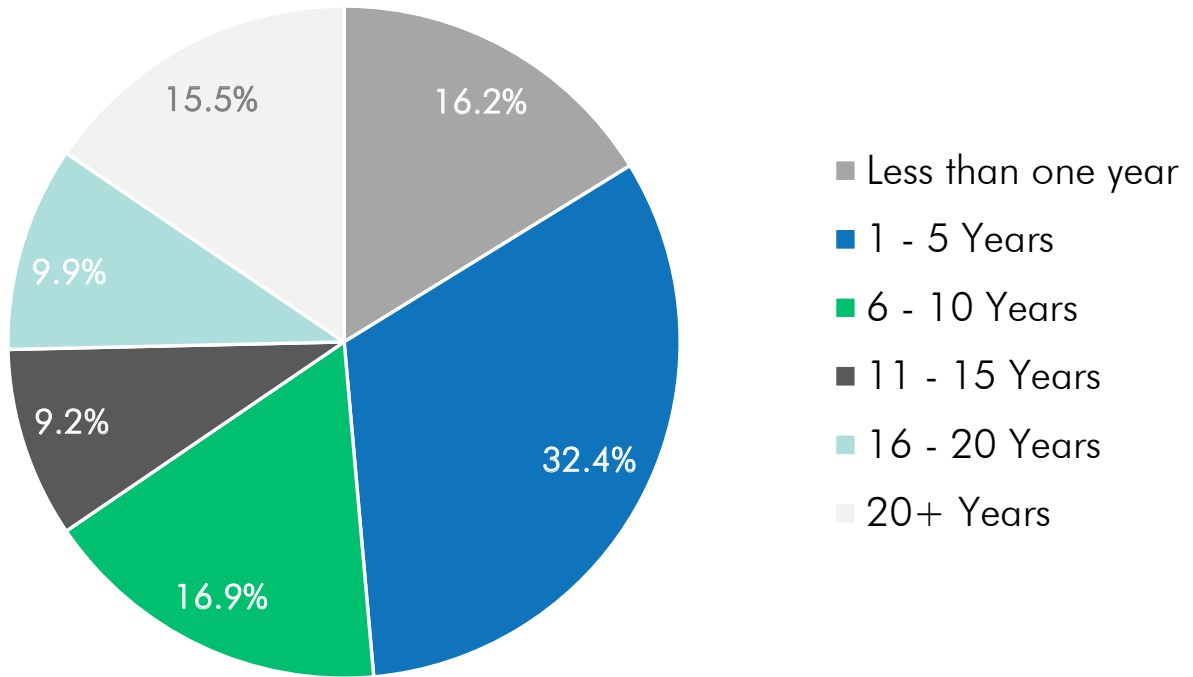
## 78%

Commute is less than 15 minutes

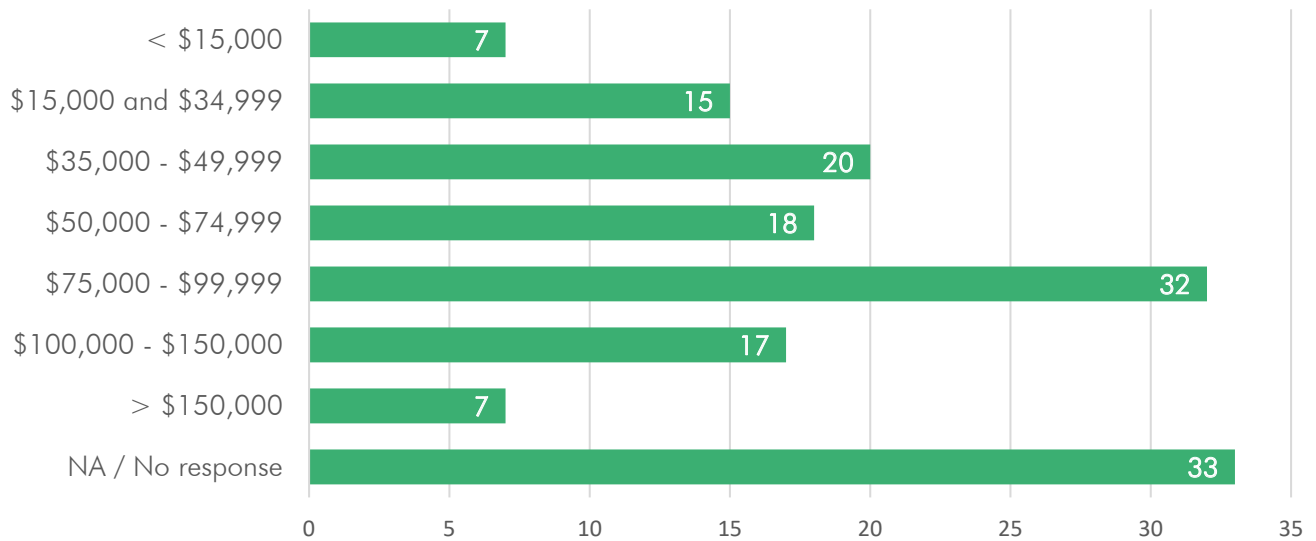
*73% less than 10 minutes; 5% 10-14 minutes*



### How long have you worked for your current employer?

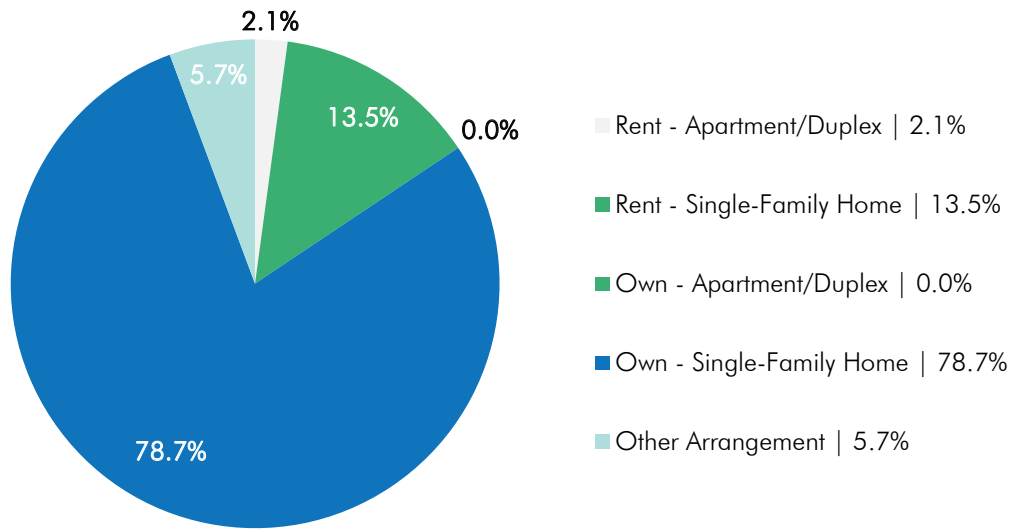


### Income of Participants



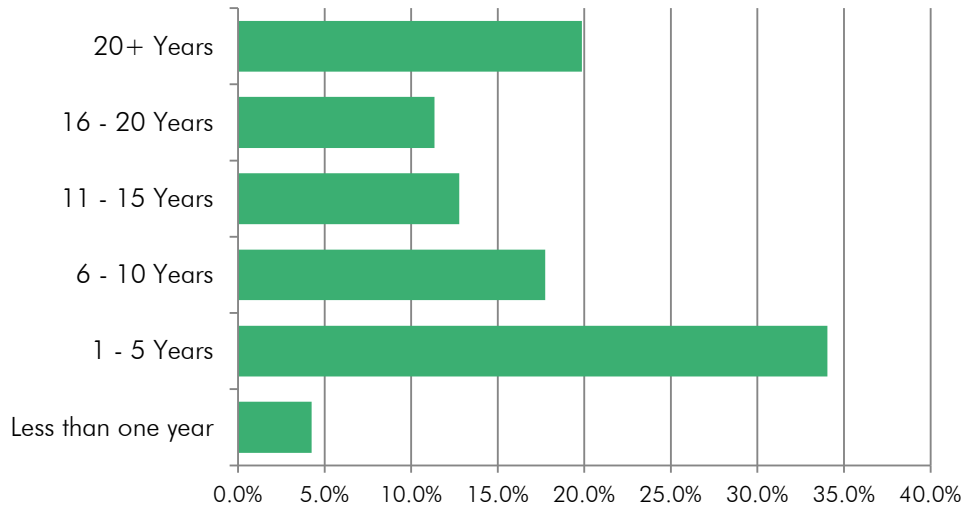
# Current Housing Situation

Do you rent or own your current residence?



*OTHER ARRANGEMENTS - "Live with family/parents", "Rent to own", "Job benefit"*

How long have you lived at your current residence?



## 78%

Participants who own a single-family home

*Total of 141 responses; 9 participants did not provide a response*

## 47%

Participants with no children currently living in their house

*Total of 142 responses; 8 participants did not provide a response*

# 91%

Participants who have 3+ bedrooms in their current residence

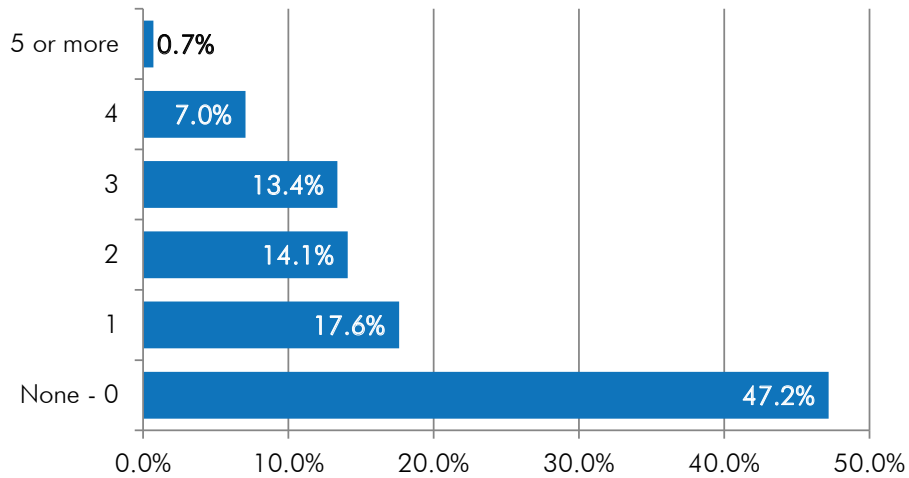
10 respondents had 2 bedrooms, 59 had 3 bedrooms and 68 had 4+ bedrooms; 11 did not provide a response

# 27%

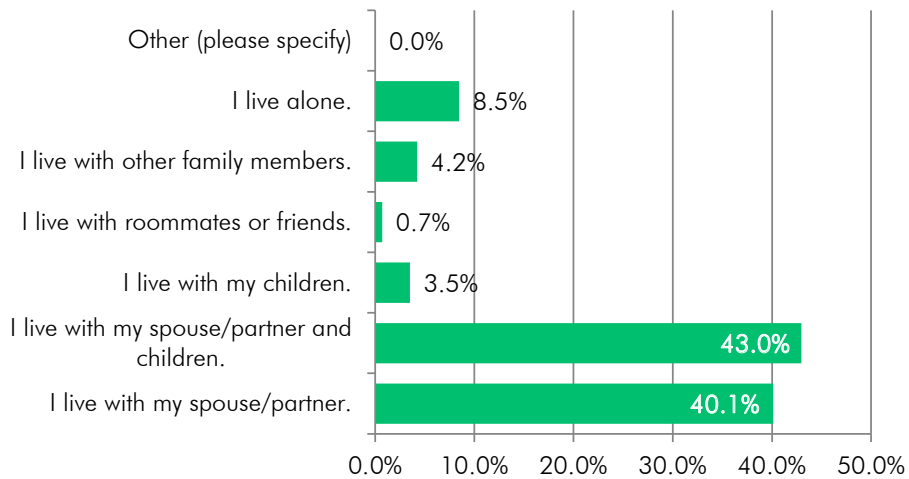
Participants who have 3+ bathrooms in their current residence

33 respondents had 1 bathroom, 69 had 2 bathrooms, and 38 had 3+ bathrooms; 10 did not provide a response

Do you have any children under the age of 18 living in your household?  
If yes, please specify below.

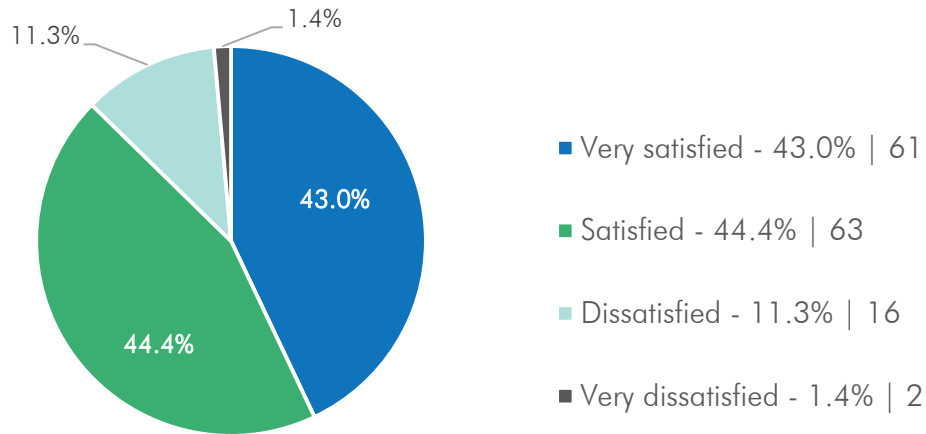


How would you best describe your living situation?

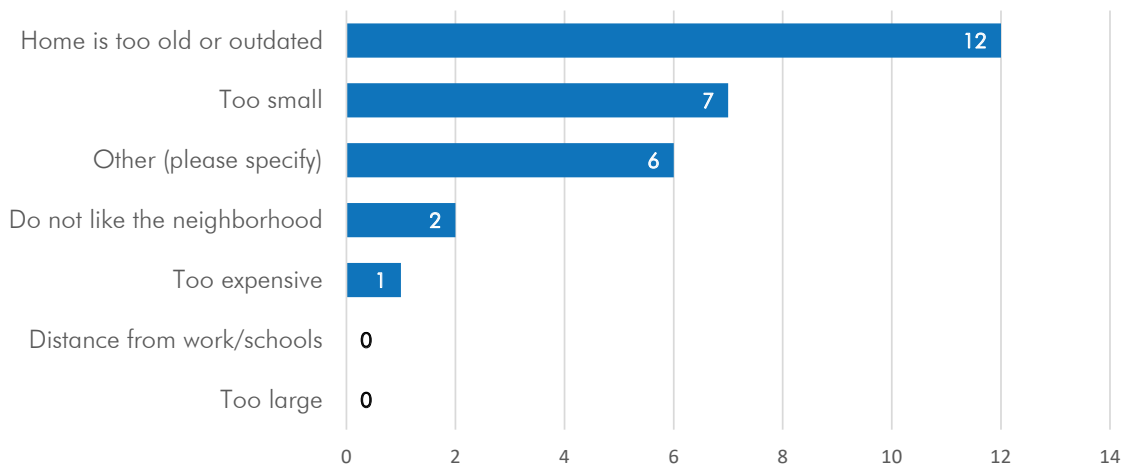


# Housing Satisfaction & Demand

How satisfied are you with your current housing?



For those dissatisfied, what are your main reasons that you are dissatisfied with your current housing (select all that apply)?



## 72%

Dissatisfied participants who are renters versus 28% owner-occupied

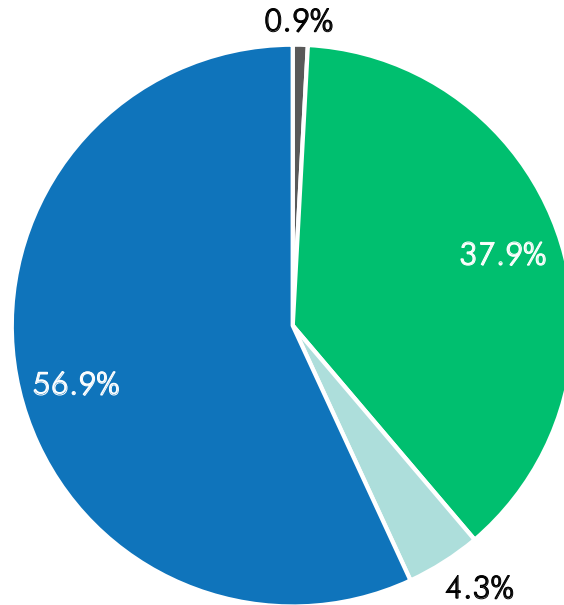
Total of 5 responses own versus 13 renter

## 39%

Participants who would like to find a new housing options in Wichita County

45 respondents are interested in new housing in Wichita County, 5 live outside Wichita County with no interest in moving, and 66 already live in Wichita County with no interest to move; 34 provided no response

Would you like to find new housing within the Wichita County area in the next two to five years?



- 0.9% | 1 - Yes, I currently live outside Wichita County and would like to move here.
- 38% | 44 - I currently reside in Wichita County and would like to find a new housing option.
- 4% | 5 - No, I currently live outside Wichita County and don't plan to move to the area anytime soon.
- 57% | 66 - I currently reside in Wichita County but am not interested in different housing options.

## Housing Options

Participants were asked to select their top preferences for new housing options. Single-family dwellings were the overall top choice of both owner- and renter-occupied housing options - 112 participants or 97% and 66 or 70%, respectively. However, modular/manufactured homes ranked second among owner-occupied housing types - 21 participants or 33% - with apartment complex/condo as the third most preferred housing option - 19 participants or 29%. For rental housing preferences, apartment complex/condo ranked second - 35 participants or 50% - with duplex/townhouse selected at the third most wanted rental housing type - 32 participants or 47%. Note, mobile home park ranked the lowest among participants, however, has been the majority of new housing introduced to Wichita County over the last decade. This is due in part to its affordability and the opportunity to relocate an existing mobile unit on a vacant, available lot.

## Which one of the following housing types would you prefer?

### Owner Housing Options

- 1) 97% | 112 - Single-Family Dwelling
- 2) 33% | 21 - Modular/Manufactured Home
- 3) 29% | 19 - Apartment Complex/Condo
- 4) 25% | 16 - Duplex/Townhouse
- 5) 13% | 8 - Independent Senior Living
- 6) 8% | 5 - Mobile Home Park

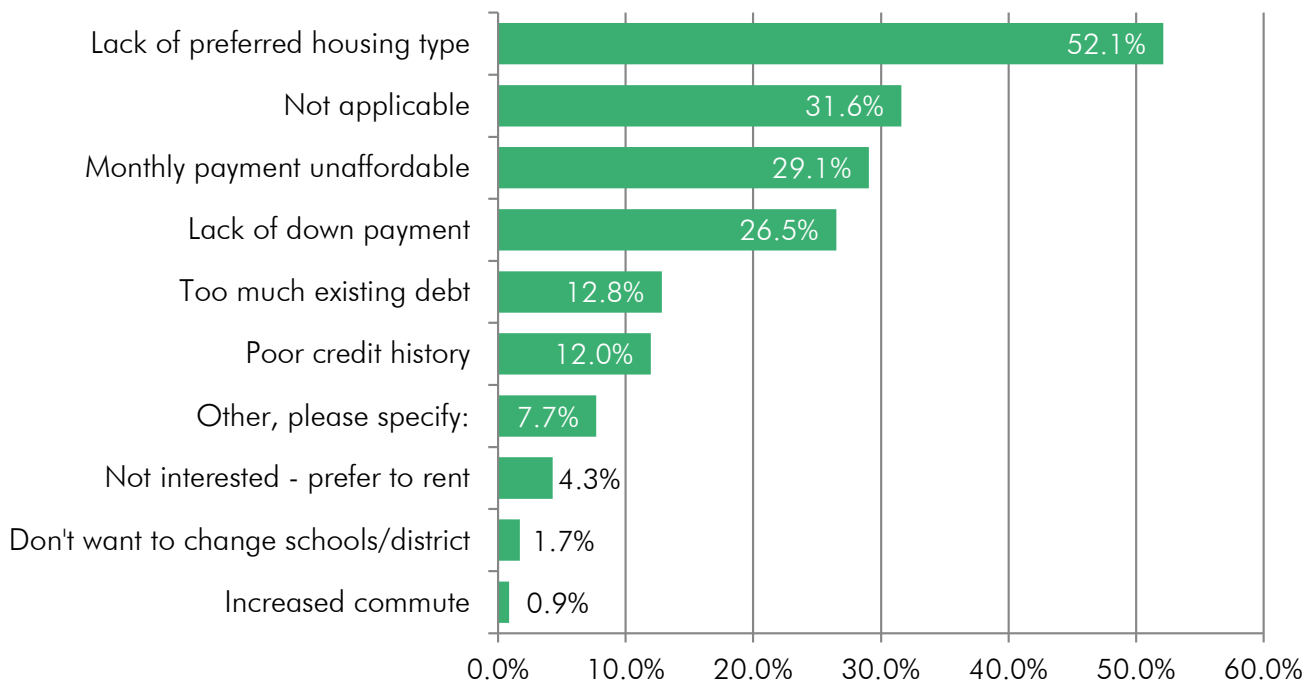
\*32 participants skipped this question

### Rental Housing Options

- 1) 70% | 66 - Single-Family Dwelling
- 2) 50% | 35 - Apartment Complex/Condo
- 3) 47% | 32 - Duplex/Townhouse
- 4) 38% | 25 - Modular/Manufactured Home
- 5) 36% | 24 - Independent Senior Living
- 6) 10% | 65 - Mobile Home Park

\*48 participants skipped this question

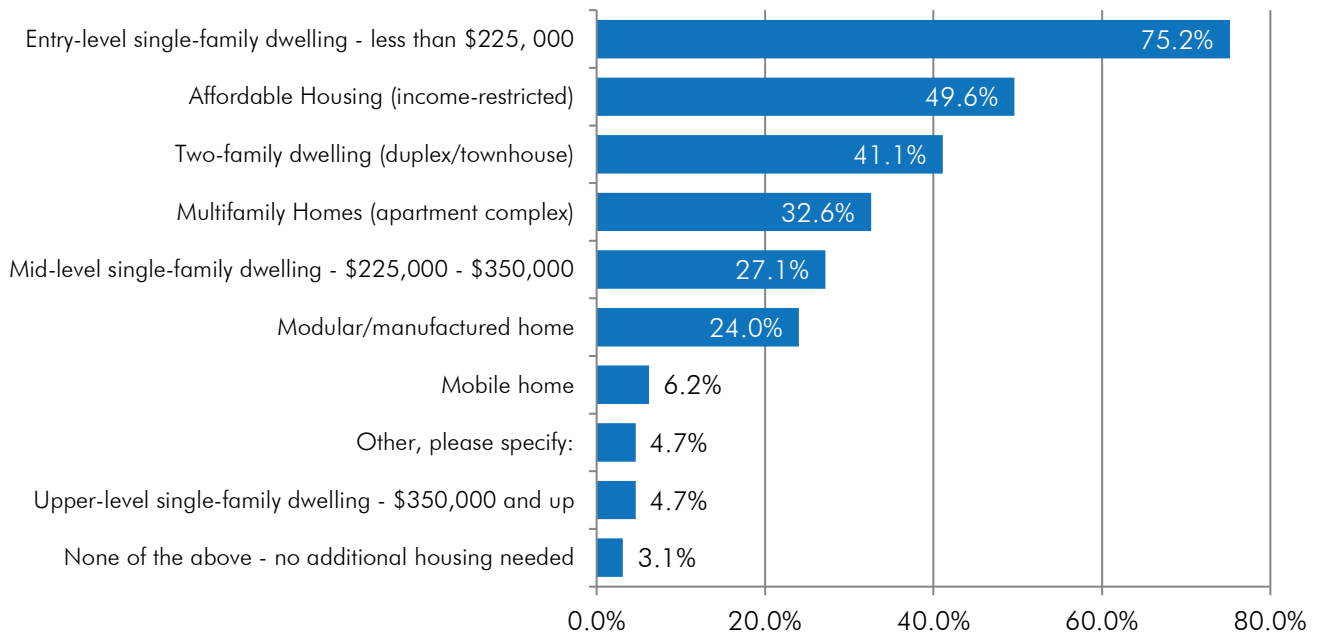
Whether you're interested in purchasing your first home or wanted to purchase a new home, what would you consider to be your main barrier(s) to ownership? Select all that apply.



## What Should Be Built?

A previous question asked the participants what would be their preferred housing type, but this question asked what they believe should be **built** in Wichita County. Respondents were able to select up to three choices from the list. Of these options, entry-level single-family dwellings with a sale price below \$225,000 ranked first with 97 participants, or 75.2%. The second most selected option was Affordable Housing (income-restricted) with 64 participants, or 49.6%. Two-family dwelling (duplex/townhouse) ranked as the third most needed housing type to be constructed with 53 participants, or 41.1%.

What kind of new housing should be built in Wichita County? Select your top 3 choices.



### OTHER

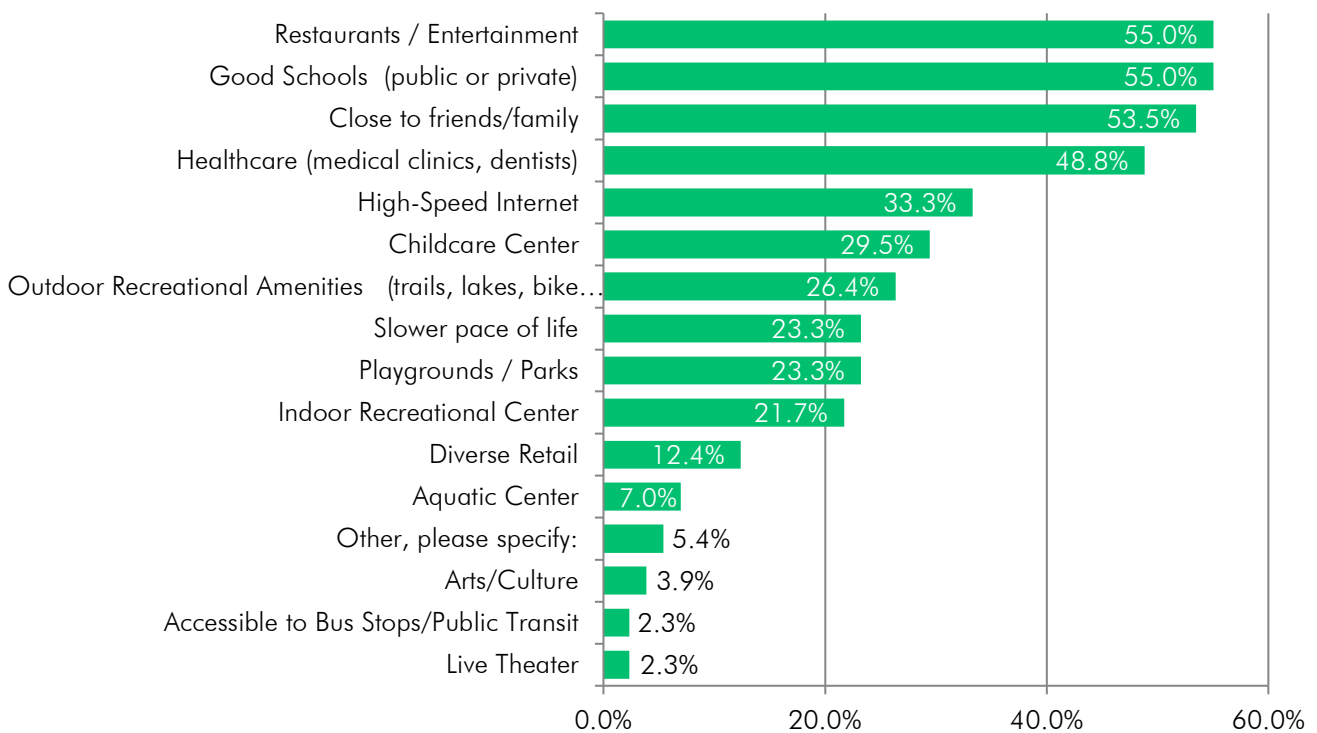
- "Someone needs to remodel and flip houses"
- "Single family dwelling less than \$200,000"
- "Affordable but not income restricted"
- "Elderly/Assisted Living"
- "Senior"
- "Assisted Living"

## Attributes, Values, and Amenities

Participants were asked to select their top three desired attributes, values, or amenities that would encourage them to move to Wichita County. The top choice was a tie with 71 participants, or 55%, wanting restaurants/entertainment and good schools. Close to friends and family ranked third with 69 participants, or 53.5%. Rounding out the top five were healthcare (63 participants or 48.8%) and high-speed internet (43 participants or 33.3%).

Of particular note is the interest to live close to family and friends. This choice ranked third among 15 other options with 69 participants, or 53.5% of respondents. All other options are more tangible amenities that can be manufactured, but proximity to friends and family is more difficult to achieve. If the goal is to attract new residents not local to Wichita County, special attention needs to be given to being a welcoming community and helping people connect. New residents can also help recruit their family members to Wichita County as they establish roots in the community.

If you were thinking of moving to a new community, what attributes/values/amenities do you want? Select your top 3 choices.



### OTHER

- "grocery store"
- "farmhouse"
- "good employment"
- "college sports to attend"
- "nicer people"



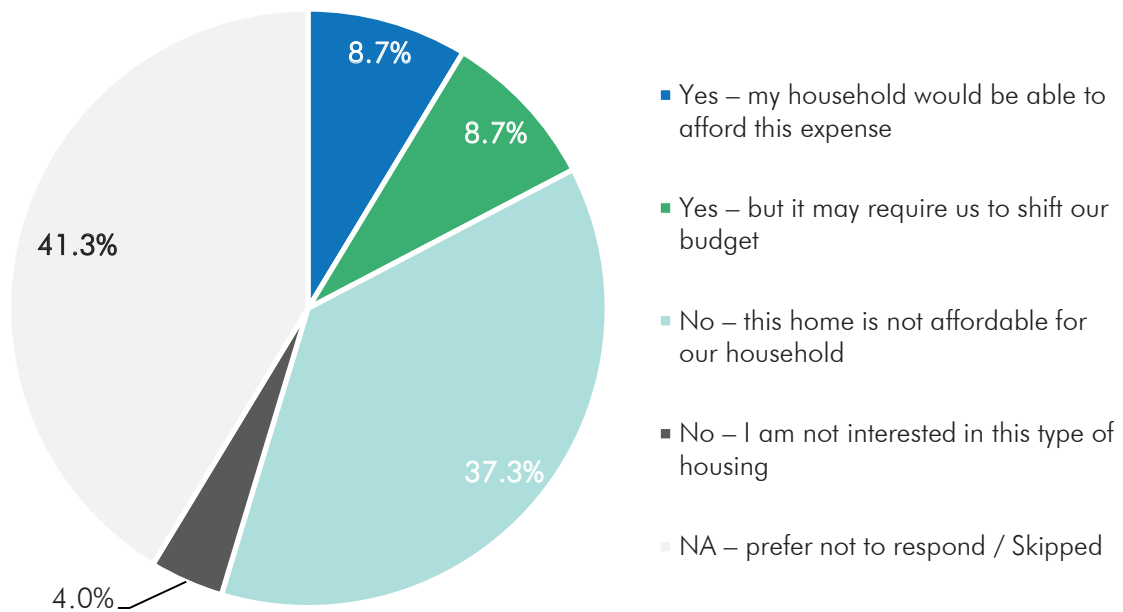
## Affordability Check – Market Rate

The cost of construction has shifted over the last five years and particularly the most recent two years, as Covid has put a strain on supply chains and the availability of labor. Participants were asked to provide their level of comfort with purchasing the new construction home shown below with the following attributes: 1,300 square feet, 3 bedroom, 2 bathrooms on a 0.3 acre- lot priced at \$300,000. The goal was to highlight the full monthly expense of this model home with a mortgage of nearly \$2,120 and an additional \$250 in utilities for a total monthly expense of \$2,370. Only 26 participants said they could afford this home, with 56 participants stating they would not be able to afford this home. An additional six participants stated they were not interested; 62 participants did not provide a response.

**Figure 28:** Affordability Check – Market Rate



Would you be able/willing to pay this monthly expense of \$2,370?



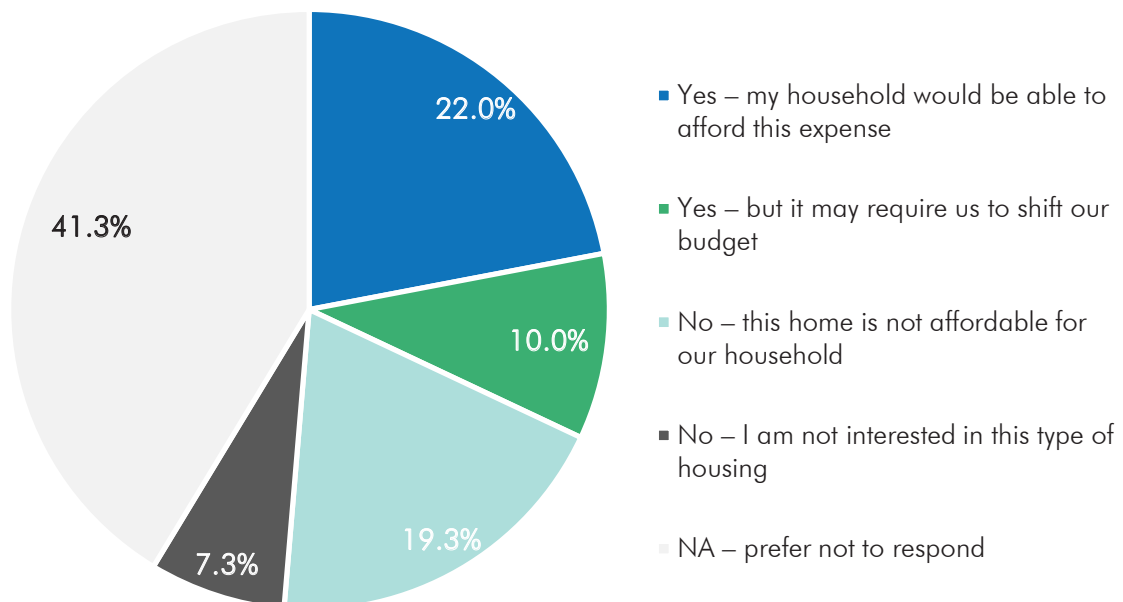
## Affordability Check – Workforce Housing

A second home was presented to participants as an example of a more affordable option for new construction. This home has similar features - 1,300 square feet with 3 bedroom, 2 bathrooms - but was constructed on a smaller lot and with no basement (i.e., slab on grade, no basement). This workforce model home had a sale price of \$195,500 resulting in a mortgage of \$1,310 and an additional \$250 in utilities for a total monthly expense of \$1,510. A total of 46 participants said they could afford this home, with 29 participants stating they would not be able to afford this home. An additional 11 participants stated they were not interested; 62 participants did not provide a response.

**Figure 29:** Affordability Check – Workforce Housing



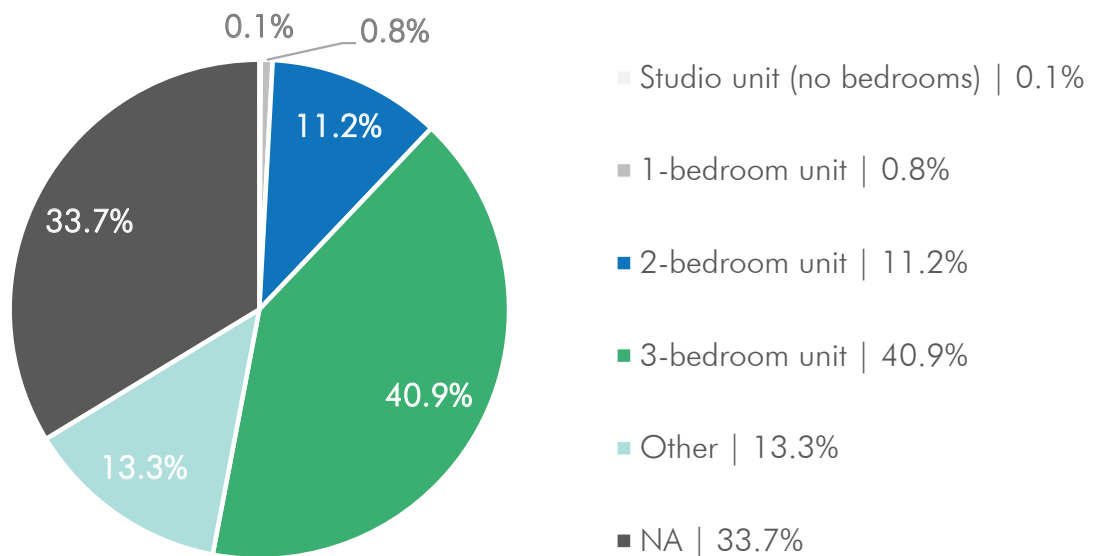
Would you be able/willing to pay this monthly expense of \$1,510?



## Bedroom Number Preference

A common mix of bedrooms and bathrooms for a new home is at least 3 bedrooms and 2 bathrooms. Participants were asked to provide their preference for how many bedrooms they would prefer in a new home. A majority of participants followed the typical model seen in new home construction with 3 bedrooms as their top choice with 75 responses, or 50.0%. A total of 19 participants, or 12.7%, chose "Other," primarily noting a need for at least 4 bedrooms and even a fifth bedroom in some cases. The 2 bedroom option had the third most responses with 13 participants, or 8.7%. Participants who selected "NA" or skipped this question accounted for nearly a third of all respondents – 42 participants or 28.0%.

How many bedrooms would you prefer in your housing unit?



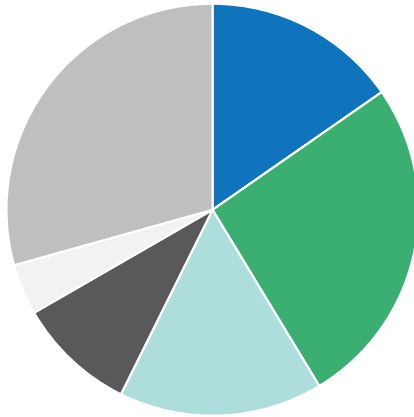
## Housing Expense Limitations

Participants were provided a number of housing expense options to select for a variety of housing types, including both single-family owner-occupied and rental apartment units from one bedroom up to three bedrooms. For the single-family option, nearly a quarter of participants - 39 participants or 26.0% - stated their maximum monthly housing expense would be between \$800 and \$1,000. Nearly 1 in 7 participants responded they could afford a housing expense between \$1,000 and \$1,500 - 16.0% or 24 participants. A total of 44 participants, or 29.3%, selected "No response / does not apply" or skipped the question altogether.

For rental housing, a majority of participants responded with "No response / does not apply", accounting for 30% or more for 1, 2, and 3 bedroom options. This means a majority of survey participants have no interest in rental housing. For one bedroom rentals, nearly a quarter of participants - 40 people or 26.7% - selected a maximum rent range of \$500 to \$750. For two bedroom units, just under a quarter of participants - 36 people or 24.0% - selected a maximum rent less than \$750 with another 31 participants, or 20.7%, responding to a range of \$750 to \$1,000. Lastly, nearly a third of participants - 36 participants or 30.0% - selected a maximum rent range of \$750 to \$1,000 for a three bedroom unit while 27 participants, or 22.5%, could afford a rent greater than \$1,000.

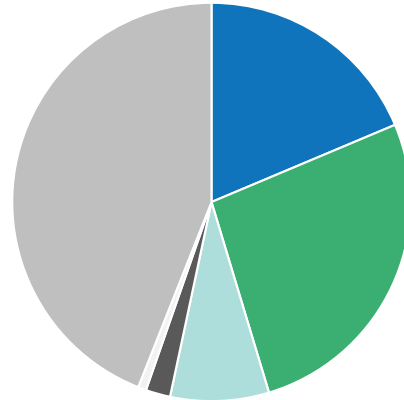
**Figure 47:** Housing Expense Limitations by Housing Type

SINGLE- FAMILY OWNER



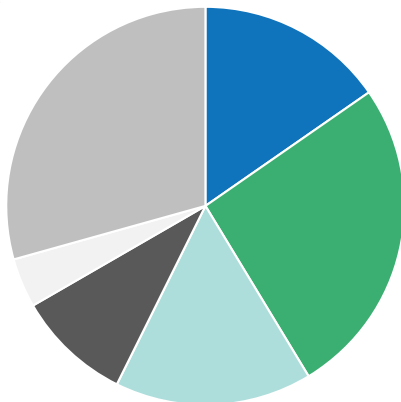
- 15.3% | Less than \$800
- 26.0% | Between \$800-1,000
- 16.0% | Between \$1,000-1,500
- 9.3% | Between \$1,500-2,000
- 4.0% | More than \$2,000
- 29.3% | NA / Does Not Apply

1 BEDROOM RENTAL



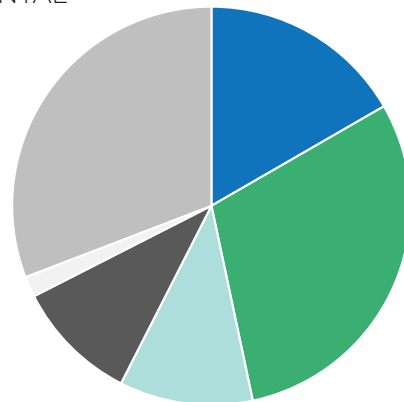
- 18.7% | Less than \$500
- 26.7% | Between \$500-750
- 8.0% | Between \$750-1,000
- 2.0% | Between \$1,000-1,250
- 0.7% | More than \$1,250
- 44.0% | NA / Does Not Apply

2 BEDROOM RENTAL



- 24.0% | Less than \$750
- 20.7% | Between \$750-1,000
- 4.7% | Between \$1,000-1,250
- 2.7% | Between \$1,250-1,500
- 1.3% | More than \$1,500
- 46.7% | NA / Does Not Apply

3 BEDROOM RENTAL



- 16.7% | Less than \$750
- 30.0% | Between \$750-1,000
- 10.8% | Between \$1,000-1,250
- 10.0% | Between \$1,250-1,500
- 1.7% | More than \$1,500
- 30.8% | NA / Does Not Apply

## Open Ended Question

At the close of the survey, participants were presented with the following open-ended statement:

*Please use this space to provide any additional feedback you feel is relevant to the development of new housing in Wichita County.*

A total of 40 responses were collected from this question with several primary themes emerging as result. They included attainable housing, high cost of construction / low return on investment, lack of availability, need to renovate housing, and senior housing. A full account of these responses is available in the Appendix. Specific input associated with each of these themes is included verbatim in the following text.

### **Attainable Housing:**

- "Our biggest need is for single family homes of modest price with 3 bedrooms & 2 baths that are affordable. You described those. Then for seniors, singles, or widows modest apartments much like we already have, but need more."
- "I'm not looking to change my house situation, but Leoti for sure need some affordable housing for people."
- "\$2,000 a month rent or mortgage payment is NOT possible in Leoti! People don't make that kind of money here!!"

### **High Cost of Housing/Low Return on Investment:**

- "...building costs are high would be way [better] building in a suburb of Denver or the Springs 10 times better appreciation and return on it investment."
- "Cost of construction is too high and property taxes are extremely high in Leoti. If property taxes were more affordable then people could have more money to put towards their mortgage payment thus being able to build or purchase a larger house. I know people (including myself) who want to put up a detached garage or shed but won't because of how much they will be taxed on it. To me when taxes are this high then people don't want to make upgrades or improvements."
- "Homes are very expensive in this town [Leoti]. The cost of housing here is not commensurate with salaries."
- "County appraisals of home values and taxes are so high in this country that it is difficult to own a nice home."

### **Lack of Availability:**

- "We do need new housing options. Most houses are already sold before they get on the market. We need more houses."
- "I had to wait 2 years for a house to come available to rent. There are no choices."
- "The problem isn't necessarily lack of housing. The problem is that affordable houses are purchased with the intent to rent them out. This makes it difficult for people starting out to afford to purchase instead of rent."
- "I know that people have looked but could not find available housing. I don't know what size they were looking for."

### ***More Affordable Options:***

- "Need low income housing that offers more than 1-2 bedrooms."
- "A variety of housing options are needed. Lower end apartments or duplex complexes, and medium income single family homes."
- "I think housing is needed badly in Wichita County. People are always looking to rent. I think some sort of apartments would succeed. Maybe flipping/remodeling houses, to update some of the older houses would help those that are looking to buy have more options . If we weren't living in a generational home I'm not sure where we would be living or if it would even be here due to lack of updated homes / lack of homes for sale even. But I also think we need more things in the community to get people to live here."
- "Wichita County is need of affordable housing for families. The housing market here is very difficult especially for families looking to rent."
- "Without housing, it is impossible to recruit employees because they have nowhere to live."
- "We need more rental units for young families as well as nicer ones."
- "Duplex homes would be a plus for community..."
- "We have several young adults that grew up in Wichita County and want to return or are moving back and they are unable to find decent housing alternatives. We also have teachers that are living in other communities due to the low availability of housing."
- "I would like to see more starter homes geared to median income. These could also be available for right sizing of retirees."

### ***Senior Housing:***

- "We have to take care of our elderly population and get some type of living space for them as they age, so they are able to live independently in our community. Many of them live in big houses alone, and those houses could be sold to younger families needing to move here if we had assisted living apartments or just plain apartments for the elderly to move to. "
- "I think that there are some open houses in Leoti, but family is holding onto them, or they are tied up in legal things. And rent on a house is way out in left field when you can find a house. Cause the people before you trash the house which makes the landlord raise the price on rent. In my opinion we need duplex built and-- an assisted living- close to the hospital."

# Focus Groups + Interviews

Key stakeholders and business leaders were invited to participate in a series of focus group conversations to gain more direct input regarding the housing challenges and opportunities facing Wichita County. The following section provides high-level themes and comments provided from these conversations.

## Top Challenges

To kick off each meeting, participants were asked to share what they saw as Wichita County's top housing challenges. Some of the responses were universal or could be experienced anywhere, but a number of these comments were specific to Wichita County:

- Affordability issues – finding housing that meets the family's needs and fits their budget
- Lack of workforce – there are over 50 openings due to a lack of workers
- Limited availability – effectively 0% vacancy rate
- Need to support workforce – unable to convert commuters to residents because local housing is not an option
- Climbing construction costs – supply chain issues, increased cost of materials and labor
- Right mix of housing – need more diversity in type and price point
- Immigrant families – want affordability, enough space for family members
- Be more inclusive and welcoming to new residents

## Shortage of Rentals – Low Turnover

The current rental market is tight with very low turnover, and many of the units that are available need substantial improvements to make them livable. Employers noted their workforce has highlighted the concern they cannot afford higher rents of \$1,000/month associated with a new apartment building. There is a need for more options to accommodate \$500/month for studio or one-bedroom units. One possible solution is to build more two-bedrooms units with two full bathrooms so that two non-related tenants can split the higher cost of the apartment unit. Also suggested was dormitory-style worker housing with shared restrooms among multiple units to reduce overall construction costs and rents.

## Desire for More Mixed Housing Options

Participants noted a continued need for a greater mix of housing types to be added to neighborhoods such as duplexes, triplexes, and fourplexes. This increased density would help reduce construction costs and provide more units in areas where people want to live. A greater diversity of housing products with a mix of one-, two-, and three-bedroom options would also help support seniors' ability to downsize.

## Expand Senior Housing Options

There are currently very few options for seniors to downsize and stay in Wichita County. Seniors (age 65 and up) want housing options that allow them to maintain their independence while moving to a more manageable housing option. Townhomes and condos are the preferred option with lawn care and other maintenance taken care of by the property manager. Others also suggested a cottage court or patio-style homes (i.e. slab on grade, no basement) on small lots with association fees to maintain the exteriors.

## **Need for More Builders/Developers**

There is interest in attracting more builders or developers from Garden City or Scott City to supplement existing demand. A builder in neighboring Tribune has also shown interest in building fourplex units should the right incentives help provide an appropriate return. Suggestions included providing expanded incentives such as free land to support attracting these new builders. However, local builders should not be overlooked or unable to benefit from expanded housing development incentives.

## **Expand NRP Incentive**

Both homeowners and rental property investors can take advantage of existing incentives such as the Neighborhood Revitalization Program (NRP). The NRP is intended to promote revitalization and development by focusing rehabilitation, conservation, and redevelopment within a designated area by offering property tax rebates to owners who complete certain improvements or renovations to their property. Property tax rebates are generated over a 10-year period on a sliding scale.

Expanding this program could help attract new builders and investors to Wichita County. It could also encourage local contractors to reconsider projects that may not have provided the necessary financial returns without the expanded rebate.

## **Lack of Professional Property Management Services**

A number of participants highlighted the desire to invest in rental housing but did not want the burden of managing the property themselves. Most small town rental properties are self-managed due to a lack of professional property management services. This lack of service providers presents someone with the opportunity to start a business that could serve multiple property owners and be a resource for new investors looking to buy or build new rental housing options.

## **Income-Restricted Housing**

There is a stigma attached to multifamily properties that are income-restricted or “affordable.” These tenants are held to a higher standard with thorough background checks and annual housing inspections required for both the tenant and property owner to maintain these benefits.

A unique challenge in Wichita County is many workers make just more than the eligibility threshold for some income-restricted housing. Market rate options are either unavailable or too expensive, so workers have to live elsewhere and commute into town for employment.

## **Down Payment Assistance**

Employers are providing jobs with wages of \$15 to \$25/hour, so residents can afford a higher monthly housing expense. However, many are challenged to save enough toward a down payment. There is need for greater awareness of programs via the Kansas Housing Corporation as well as ways to locally support this effort. Employers have noted the availability of supporting moving expenses and the potential for these funds to be applied to find housing in Wichita County to further increase the likelihood of long-term retention. Establishing legitimate rent-to-own housing options was also discussed with the support of employers and other partners.



# HOUSING DEMAND ANALYSIS

MEETING THE CHALLENGE

- + The Affordability Factor
- + Future Demand



**CHAPTER**

03

# Introduction

The previous two sections – Demographic Profile and Public Engagement – provided the quantitative and qualitative evidence needed to highlight the opportunities and challenges facing Wichita County. This section goes more in-depth on these topics by establishing a baseline demand for new housing.



# The Affordability Factor

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. The U.S. Department of Housing and Urban Development (HUD) defines "affordability" as the ability of a household to pay no more than 30% of its annual income on housing (including utilities). Families that spend more than 30% of their income on housing (either rent or mortgage) are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

The term "affordable housing" can also refer to income-restrictions applied to qualify for certain housing units. In some cases, individual properties have income restrictions set anywhere from 30% to 80% Area Median Income (AMI). Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. Moderate-income housing, often described as "workforce housing," refers to both rental and ownership housing and is more broadly defined as households earning between 50% and 120% AMI. Households above the 80% AMI threshold but below the 120% AMI ceiling may qualify for certain state and federal programs for reduced rents or down payment assistance, albeit at a much-reduced rate than those households classified as affordable, below 80% AMI.

HUD released its annual income limits for fiscal year (FY) 2022, with higher than expected rates among the income categories. The Median Family Income used as the basis for these calculations increased by 6.9% from \$68,100 in FY2021 to \$72,800 in FY2022. A household with four (4) persons is considered the standard family, and a family with 80% AMI could make up to \$58,700 to be eligible for some form of housing support. When applied to Wichita County, 45.6% of households make less than \$50,000 compared to just 41.1% statewide. An additional 17.3% households earn \$50,000 - \$74,999, so a portion of those households would fall within the income qualification.

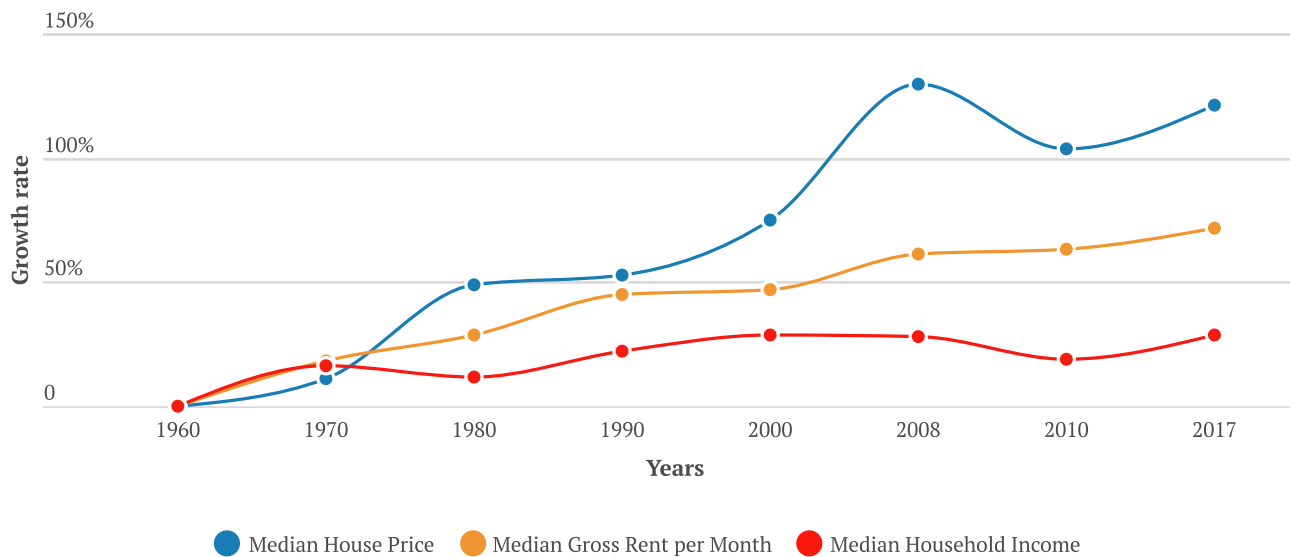
**Table 4:** Wichita County HUD Income Eligibility (FY2022)

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
<b>Extremely Low Income Limits 30%</b>	25,700	29,400	33,050	<b>36,700</b>	39,650	42,600	45,550	48,450
<b>Very Low Income Limits 50%</b>	15,400	18,310	23,030	<b>27,750</b>	32,470	37,190	41,910	46,630
<b>Low Income Limits 80%</b>	41,100	47,000	52,850	<b>58,700</b>	63,400	68,100	72,800	77,500

Source: U.S. Department of Housing & Urban Development

However, keeping new construction affordable continues to get more difficult. Since 1960, median home prices increased 121% nationwide, but median household income only increased 29%. Renters are also struggling with the median gross rent increasing by 72%, more than twice the growth seen by adjusted incomes, making renting costlier than ever and saving for a future home difficult if not impossible.

**Figure 30:** Growth Rate of Median Home Prices v. Median Household Incomes v. Median Rents Nationwide



Note: All of the values are indexed to 1960. Chart only includes data for depicted years.

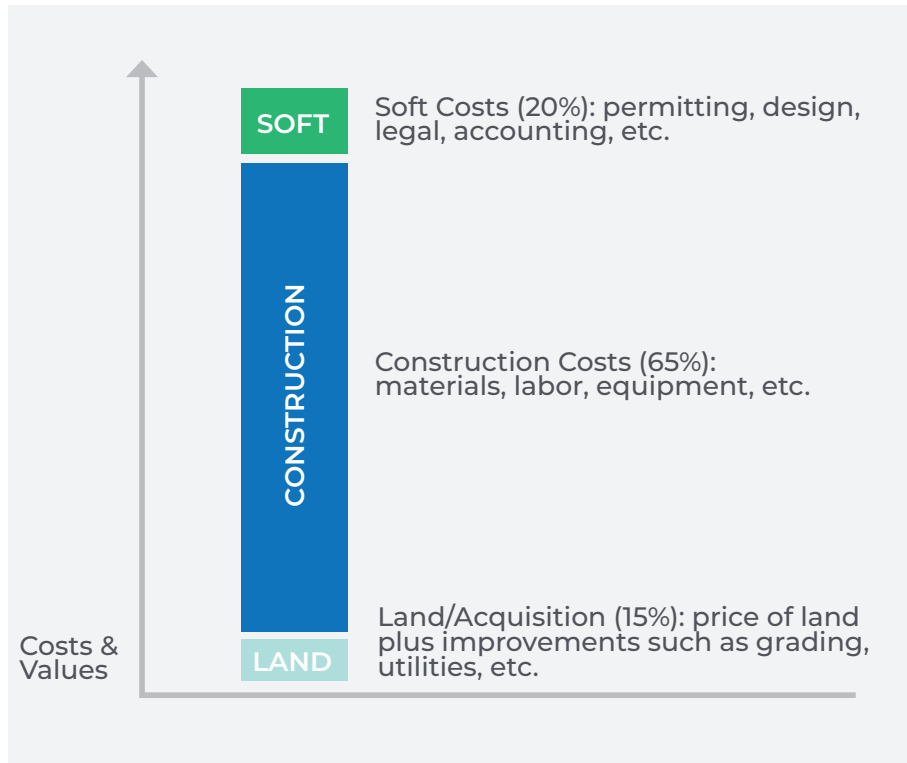
Source: 1960-2000 Decennial Censuses and 2008, 2010 and 2017 American Community Surveys

Source: <https://listwithclever.com/research/home-price-v-income-historical-study/>

The problem lies in the economic feasibility gap. Where development value exceeds development costs, a housing unit can typically be delivered without the support of incentives or subsidy. However, where development costs exceed development value, there is a feasibility gap, which can be filled by local incentives to either lower the cost for the builder or a subsidy to the end user to offset the high cost to purchase or lease a housing unit.

The economic feasibility of building new or renovating any existing residential housing unit starts with evaluating the costs and market value of the final product. The market-specific costs to deliver a single unit of housing includes the purchase/acquisition of land and/or the existing structure, construction (i.e., materials, labor, equipment, etc.), and soft costs (i.e. permitting, design, legal, accounting, etc.). The market value of the finished housing product is dependent on local factors, including the target sale prices or rents with stabilized occupancy, standard financing terms, and a modest profit. **Figure 31** above illustrates how home prices, rents, and incomes have evolved over time.

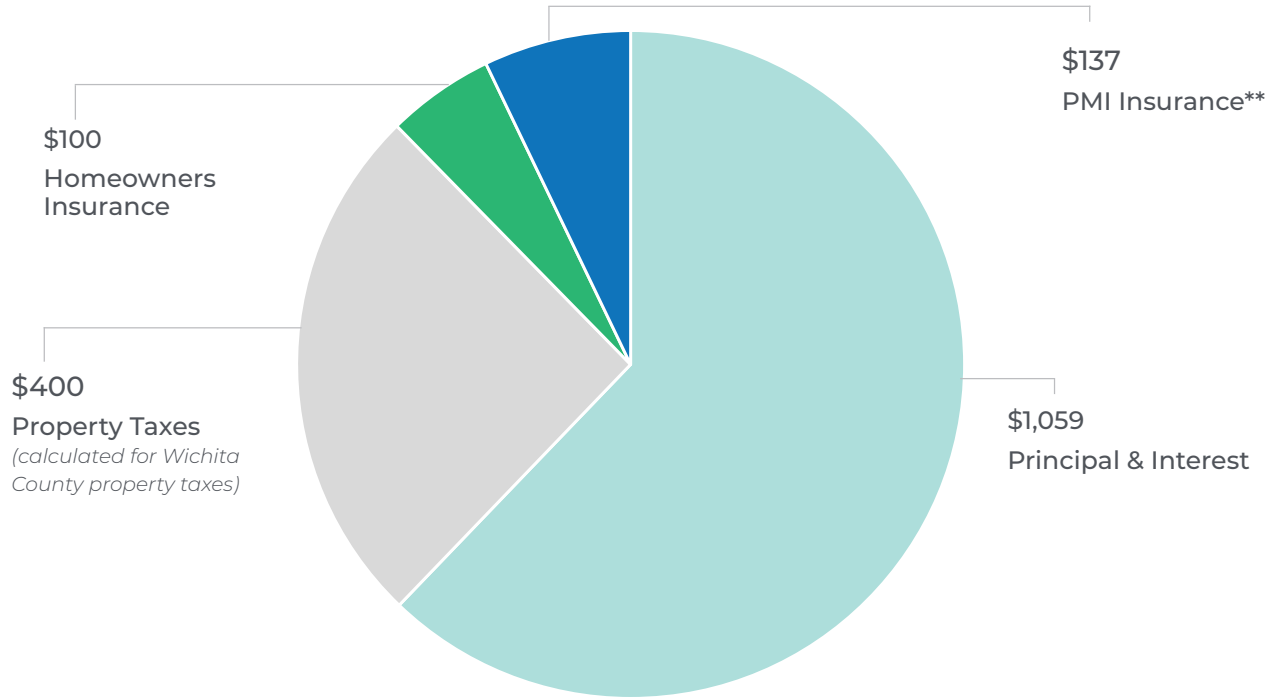
**Figure 31:** Cost Breakdown for Building a House



According to Forbes, the current average cost to build a new 2,000 square foot home in the State of Kansas is estimated at \$207,120, or \$104 per square foot. New homes being built in the area are closer to 1,300 square feet, which equals a cost of \$135,200. Once you add in the cost of the lot (\$20,000 - \$35,000), financing/closing costs (2% - 5%), realtor fees (up to 7%) and the builder's return (up to 20%), the final sale price could be \$220,000. If a buyer chooses to purchase this home and make a 5% down payment (typically the minimum amount allowable), they would need to have a minimum of \$11,000 in cash plus additional funds for closing costs. The remaining mortgage balance would be \$209,000, resulting in a monthly mortgage payment of \$1,667 per month for a Wichita County buyer.

**Figure 32:** Breakdown of Monthly Mortgage Expense

Estimated monthly payment (PITI\*): \$1,667 (30-year fixed loan at 4.5% w/ 5% down payment):

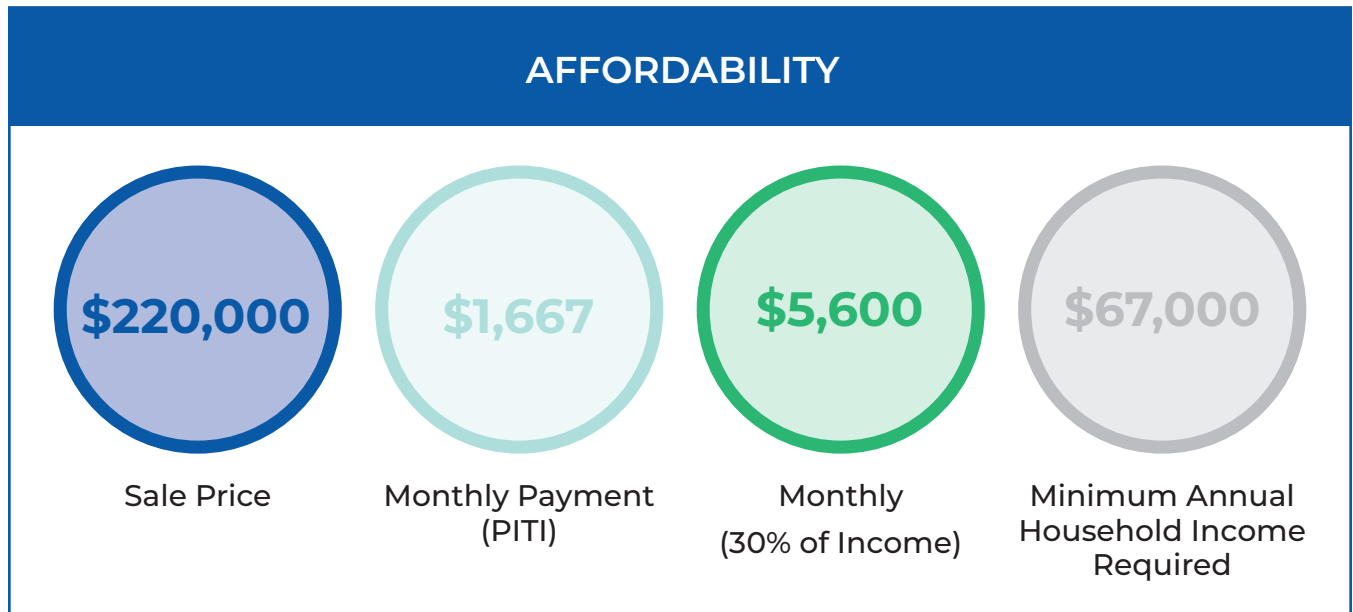


Source: Fannie Mae Homebuying Financial Calculator; tax levy data via Wichita County Appraiser

\*PITI = Principal, Interest, Taxes, and Insurance  
\*\*PMI - Private mortgage insurance is required on a loan if the down payment is less than 20%

In order to afford this home at \$220,000, the homebuyer would need to have an annual income of nearly \$67,000 - or \$5,600 a month - to qualify for financing. Of the current households in Wichita County, 37.2% could comfortably afford this home with incomes over \$75,000. Note, the homebuyer with this level of household income would be at the ceiling of what they can afford without hitting the cost-burdened threshold (i.e., 30% of income toward housing expenses).

**Figure 33:** Gross Income Required to Afford Total Housing Costs: \$220,000 Sale Price



# Future Demand

In Section 1 of this plan, the household income and housing expenses were analyzed independently. However, the availability or lack of attainable housing units can be derived by comparing the distribution of household incomes with housing costs and providing a high-level estimate of supply and demand to meet local housing needs. **Table 5** extrapolates the availability or lack of housing units based on the definition of affordability without being cost-burdened – spending less than 30% of a household’s income on housing expenses.

The figure was created utilizing three major data inputs via the US Census – household income range, owner-occupied valuations, and monthly rental housing expenses. The number of households within each income range determined the level of demand for a housing unit within their affordability range - twice the household income for homeowner units and no more than 20% of household income for renters. When the number of households exceeds the number of units available, those households must find alternative housing options in a different affordability range – either a more affordable price point or a higher price point resulting in a cost-burdened household. Should the number of units exceed the number of households, it indicates there is a surplus of housing at this price point.

Below are the highlights from this data:

- There is high demand for households making \$75,000 to \$99,999 with a deficit of 55 units for homes priced \$150,000 to \$199,999 and rents \$1,000 to \$1,4999 per month.
- There is a surplus of 62 units in the low-moderate income range of \$25,000 - \$49,999. A large portion of these surplus units are likely accommodating households in income categories below (\$25,000 or less ) and above (\$50,000 to \$74,999).
- There is a potential demand for homes above \$300,000 with a total of 45 households in the income range of \$150,000 to \$199,999 and 24 households making more than \$200,000.
- Note, higher-priced homes at \$300,000 or greater should be taken care of by the free market as the prominent price point of newly constructed homes.

It should be noted this analysis is meant to illustrate a larger trend in how existing units are being occupied. While it does identify opportunity to build new housing units at a specific price point, it is not intended to be prescriptive or provide an exact market demand.



**Table 5:** Housing Demand/Deficit by Household Income and House Price Points

<b>Income Range</b>	\$0 - \$24,999	158 total households	<b>-14</b>
<b>Owner</b>	Less than \$50,000	131 available units	
<b>Rent</b>	Less than \$500	13 available units	
<b>Income Range</b>	\$25,000 - \$49,999	268 total households	<b>62</b>
<b>Owner</b>	\$50,000 - \$99,999	215 available units	
<b>Rent</b>	\$500 - \$999	115 available units	
<b>Income Range</b>	\$50,000 - \$99,999	162 total households	<b>-40</b>
<b>Owner</b>	\$150,000 - \$199,999	119 available units	
<b>Rent</b>	\$1,000 - \$1,499	3 available units	
<b>Income Range</b>	\$75,000 - \$99,999	152 total households	<b>-55</b>
<b>Owner</b>	\$150,000 - \$199,999	94 available units	
<b>Rent</b>	\$1,000 - \$1,499	3 available units	
<b>Income Range</b>	\$100,000 - \$149,999	126 total households	<b>-14</b>
<b>Owner</b>	\$200,000 - \$299,999	110 available units	
<b>Rent</b>	\$1,500 - \$1,999	2 available units	
<b>Income Range</b>	\$150,000 - \$199,999	45 total households	<b>-22</b>
<b>Owner</b>	\$300,000 - \$499,999	23 available units	
<b>Rent</b>	\$2,000 - \$2,999	0 available units	
<b>Income Range</b>	\$200,000 or more	24 total households	<b>-19</b>
<b>Owner</b>	\$500,000+	5 available units	
<b>Rent</b>	\$3,000 or more	0 available units	

*Note: A total of 102 rental units are classified as "No rent paid" and are not included in this calculation.*

Source: US Census ACS 5-year (2020)

Demand for housing can come from several sources, including household growth, changes in housing preferences, replacement need of aging housing stock, and workforce demands. Unless there is enough desirable vacant housing available, new housing must be built to accommodate an increase in households. Demand is also affected by shifting demographic factors such as the aging of the population, which dictates the type of housing to be built. New housing to meet replacement needs is required, even in the absence of household growth, when existing units are not marketable in their current state and when renovation is not feasible because the structure is physically or functionally obsolete.

Population growth is a major contributing factor to housing demand. The population trend reported in Section 1 was a decline of 3.7% between 2010 and 2020, an annual loss of 0.37%. Of particular note is the change in household size between 2010 and 2020. The total persons per household in Wichita County shifted downward from 2.5 persons in 2010 to 2.2 persons per household in 2020. Less population with fewer people in each household could still require demand for new housing.

**Table 6** below further extrapolates the overall housing demand using strictly population trends. Should this trend hold for the next twenty years, the population will continue to decline to 1,996 people by 2040, a total decline of 156 people. The current household demand is calculated by dividing the current population by the average household size. This figure is then subtracted from the current available housing units to determine the gap or total housing need. The total vacant units start a baseline of 146 in 2020 and then subtract the average of five (5) vacant, blighted houses razed each year, reducing the vacancy rate down to a projected total of 46 units by 2040. Even with these blighted homes removed, the loss in population yields a negative net demand for new housing .

**Table 6:** Housing Demand Estimates – 2020 to 2040

	2020	2025	2030	2035	2040
<b>Population</b>	2,152	2,112	2,073	2,034	1,996
<b>Average Person Per Household</b>	2.2	2.2	2.2	2.2	2.2
<b>Household Demand</b>	978	960	942	925	907
<b>Available Units</b>	1,081	1,124	1,081	1,038	996
<b>Total Vacant Units</b>	146	121	96	71	46
<b>Vacancy Rate</b>	13.5%	10.8%	8.9%	6.8%	4.6%
<b>Available Units - Vacancy</b>	935	1,003	985	967	950
<b>Housing Units Needed</b>	43	(43)	(43)	(43)	(42)
<b>Annual Average</b>	4	(9)	(9)	(9)	(8)
<b>20-Year Net Housing Demand</b>					(128)

## Demand | Owner-Occupied

Another method used to estimate the demand for new construction is applying the home turnover rate. The turnover rate is derived from the US Census data accounting for annual housing mobility. The most recent data available in 2020 estimated 1,728 people lived in 697 owner-occupied housing units. During that same year, 140 people moved out of their current residence in Wichita County. A total of 65 people, or 3.8%, remained in Wichita County, which is then utilized as the annual average turnover rate.

Another factor in this demand model is the estimated share of existing homeowners turning over that would prefer to purchase new housing. Throughout the United States, approximately 15% of all home sales in 2021 were for new construction homes. However, with an effective vacancy rate of 0% in Wichita County, a majority of available housing will have to come from the development of new housing units. While there will still be a share of turnover from the existing housing stock, the share of new housing units used in this model was a figure of 50%.

Once total demand is calculated, this figure needs to be broken down by unit type; Single-family housing versus multi-family units such as duplex, townhomes, and condos. Wichita County's current owner-occupied housing types are predominantly single-family units, accounting for 84.4% of the units. Based on the share and continued growth of seniors and demand for workforce housing, it is recommended a higher share of new housing units be multi-unit housing types - duplexes, townhomes, and multi-family apartments. The proposed share is 75% single-family to 25% multi-unit products to provide a more balanced market.

**Table 7:** Ten-Year Housing Demand Estimates – Owner Occupied

Total Owner Households	697
Turnover Rate (2020-2030)	37.6%
Desire for New Housing	50.0%
<b>Total Ten-Year Housing Demand</b>	<b>131</b>
Single-Family Units (75%)	98
Multifamily Units (25%)	33

Source: US Census ACS 5-year (2020)

## Demand | Renter-Occupied

The method used to derive the rental demand estimates is essentially the same as the owner-occupied units but using rental market data. The annual housing mobility data for rental housing accounts for 347 renters. For 2020, the most recent available data, an estimated 106 people moved out of their current rental residence Wichita County. Of that figure, 65, or 18.7% of all renters, moved to new housing within Wichita County, which is then utilized as the annual average turnover rate.

The second factor is the estimated share of existing renters turning over that would prefer to lease a new housing unit versus an existing option. Similar to owner-occupied units, the vacancy rate for rental units is essentially 0%. Considering the age and condition of Wichita County's rental units, it is estimated 50% of the rental households turning over will desire new rental units.

The final factor to consider for rental housing demand is the breakdown of market rate versus income-restricted affordable units. The share of rental households considered cost-burdened is 36.1%. Another consideration is the income eligibility requirements under HUD. For example, a two-person household with an income of \$29,400 meets the 50% income limits. The median household income of rental households is \$35,052, which means there are a fair number households that would be eligible for these housing resources. For these reasons, 25% of all new rental units should be classified as income-restricted or be leased at a price point that supports this segment of the population. An additional 25% should be allocated to workforce housing, units priced to meet workers where they can afford the units without being income-restricted. Lastly, a total of 50% of new rental units should be market rate housing.

**Table 8:** Ten-Year Housing Demand Estimates – Renter Occupied

Total Renter Households	238
Turnover Rate (2020-2030)	187.3%
Desire for New Housing	50.0%
<b>Total Ten-Year Housing Demand</b>	<b>223</b>
Market Rate (50%)	111
Workforce Housing (25%)	56
Affordable/Income-Restricted (25%)	56

Source: US Census ACS 5-year (2020)

## Demand | Commuter Conversion

Natural growth, in the form of births outnumbering deaths, is not likely to result in a positive trend for many rural communities without attracting new people to move into the community (i.e., migration). Another factor to consider when estimating household demand is the commuter conversion factor. An estimated 338 people have a daily commute into Wichita County for employment. If just 10% of those commuters were converted into residents over a ten-year period, Wichita County could see an influx of 34 workers plus their partners and children. For this estimate, it is assumed 75% of these residents will want new housing options and maintain the balance of owner to renter households, 75% and 25% respectively. The result is a total of 25 new housing units attributed to commuter conversion, accounting for 19 owner-occupied units and 6 renter-occupied units.

**Table 9:** Ten-Year Housing Demand Estimates – Commuter Conversion

Daily Commuters	338
Outside Demand - Commuter Conversion	10.0%
Desire for New Housing	75.0%
<b>Total Ten-Year Housing Demand</b>	<b>25</b>
Owner-occupied (75%)	19
<i>Single-Family Units (75%)</i>	14
<i>Multifamily Units (25%)</i>	5
Renter-occupied (25%)	6
<i>Market Rate (60%)</i>	4
<i>Workforce Housing (20%)</i>	2
<i>Affordable/Income Restricted (20%)</i>	1

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics via OnTheMap (2020)

## Total Demand

The ten-year housing demand based on the turnover rate and commuter conversion methodologies totals 379 new housing units. This is broken down to 150 owner-occupied units and 229 renter-occupied units. The owner-occupied units are further broken out with 113 single-family units and 38 multi-family units, such as for-sale duplexes, townhomes, and condo units. The renter-occupied units are further broken down into market rate versus affordable and workforce units. A total of 115 renter units should be leased at market rate, while there should be 58 workforce units and 57 affordable/income-restricted units built over this ten-year period. The detailed breakdown of housing demand can be found in the found in the table below.

**Table 10:** Ten-Year Housing Demand Estimates – Total

<b>Ten-Year Housing Demand</b>	
Owner-occupied (40%)	150
<i>Single-Family Units (75%)</i>	113
<i>Multifamily Units (25%)</i>	38
Renter-occupied (60%)	229
<i>Market Rate (60%)</i>	115
<i>Workforce Housing (20%)</i>	58
<i>Affordable/Income Restricted (20%)</i>	57
<b>TOTAL UNIT DEMAND</b>	<b>379</b>

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics via OnTheMap (2020)

# **COMMUNITY SURVEY**

## SUMMARY DATA REPORT



# **APPENDIX**