

HOUSING Lansing

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Introduction



REASON FOR A PLAN

Housing affects the quality of life for Lansing's current residents and the city's ability to grow by attracting new generations. This in turn increases support for a wider range of businesses and their ability to recruit and retain employees. This study, commissioned by the City of Lansing, reflects the importance of housing availability and affordability to the entire community.

A housing study serves several purposes. It identifies how much and what type of housing is built does not always correlate with the housing people need or want. This is not because builders and owners do not want to meet demand. A variety of other forces often influences building decisions. When the market does not self-correct to meet demand, interventions in the market are necessary. Through community engagement, interviews, community tours, and market analysis, a housing assessment identifies market gaps and possible strategies to meet the housing needs of various households.

WHY NOW?

Housing availability and affordability are primary issues in American communities of all sizes and characteristics. While Lansing has successfully developed new housing, many stakeholders in the housing market believe that the city has lagged behind its development potential and that it lacks housing at both ends of the scale – both starter and higher cost products. Others point to a lack of rental units and local opposition to additional rental development. Local factors in Lansing include:

- Shortage of rental properties
- Limited new subdivision development
- Cost of infrastructure
- Relatively slow absorption rates and lack of economies of scale
- Lack of choice in the housing supply
- Perceived development risk on the edge of the metropolitan area

STUDY ORGANIZATION

This study includes an analysis of the Lansing housing market and offers practical recommendations and tools to address identified housing issues and opportunities. It also includes a close examination of the Towne Center area and its possible development as a mixed use environment. The study integrates an understanding of the physical and socioeconomic conditions and market potential with implementation tools that can be leveraged at the local or regional level.

- Chapter 1 summarizes outreach efforts and community input.
- Chapter 2 examines housing, demographics and economic trends.
- Chapter 3 utilizes a market analysis and community input to identify the community's strategic housing goals.
- Chapter 4 establishes goals for housing policy and development for the city.

- Chapter 5 recommends strategies, programs, and policies that will help Lansing achieve its housing goals.

HOUSING TERMINOLOGY

Some terms used in housing parlance are not easily understood without explanation and sometimes mean different things to different people. The following terms are used from time to time in this document.

Accessory Dwelling Unit (ADU). ADUs can be attached, detached, or a separate interior residential structure on the same parcel as the main single-family dwelling.

Affordable Housing. Any housing that is not financially burdensome to a household in a specific income range. The federal standard for affordability is housing cost equal or less than 30% of a household's gross adjusted income. On a community-wide scale, housing affordability is measured by the number of units with housing cost at or below 30% of the area median income. The term "affordable housing" can include but is not limited to housing assisted by state and federal tax credits federal programs

Appraisal. Assessment of the current market value of a property and usually a key requirement when a property is bought, sold, insured, or mortgaged. Calculation of appraisals uses "comparables" – properties located in the same area with similar characteristics and have an established value (recent sales).

Area Median Income (AMI). The midpoint in Lansing's income distribution, at which half of households earn more and half earn less. A household's income is

calculated by its gross income or the total income before taxes and other payroll deductions.

Attainable Housing. Much like affordable housing, this is housing that is not financially burdensome to a household within given income ranges. This term does not have the association with state and federal programs as defined in affordable housing.

Cost Burdened. Any household spending more than 30% of their monthly income of housing.

Empty Nester. A single person or a couple without children living at home. Empty nester can include any age range, but most often refers to older adults and seniors whose children no longer live at home.

Market Rate. The price that the broad number of home buyers or renters are willing to pay for housing. Market rate housing is not restricted by price and generally implies the cost of housing without direct production assistance or ongoing subsidies from specific programs. Market rates fluctuate with demand, supply, construction costs, and other factors. Note, the market rate price may also be a price buyers must pay because there are no other options accommodating their situation, possibly making them housing cost burdened.

Senior Housing. Often thought of as nursing homes and assisted living facilities, senior housing in the context of this study is more broadly defined and refers to housing that caters to older adults. These housing options could include ground floor apartments, condos, housing with limited assistance, or other options that allow seniors to live independently with less maintenance.

Universal Design. Structural design that focuses on making the house safe and accessible for everyone, regardless of age, physical ability, or stature. Incorporates ideas like task lighting, wide entry ways, and easily adaptable spaces.

Workforce Housing. According to the Urban Land Institute, workforce housing is any housing that is affordable to a household earning between 60% and 120% of the area median income (AMI).



CHAPTER 1

Community Insights

The opinions of Lansing's residents and stakeholders helps define the state of the city's current housing market and citizen preferences about future directions. Understanding and incorporating the views of residents, Realtors, builders, employers, officials, and the financial community helps form appropriate policy. Input from these voices and other stakeholders was gathered through in-person meetings and a community survey. This chapter provides a broad overview of the community's input with additional community comments being spread through the rest of the chapters.



STAKEHOLDER OPINIONS

The planning process started with three listening sessions – informal group conversations with people active in various aspects of the local housing industry. This section summarizes major opinions of these participants, who included property owners and managers, Realtors, developers, financiers, and other stakeholders. *They do not necessarily reflect the opinions or conclusions of RDG.*

HOUSING FOR OLDER ADULTS

A potential market exists for a maintenance-provided rental community for older adults. One-level independent senior housing is needed. There is some developer interest in pursuing this market.

INFILL DEVELOPMENT

Lansing has an untapped market for moderately priced (\$300,000 range) single-family development on infill lots.

LOT AND DEVELOPMENT COSTS

Front end infrastructure costs discourage subdivision development. Street width and sidewalk

standards increase lot costs. Small subdivisions do not provide the economies of scale necessary to make incentives like Rural Housing Incentive Districts (RHIDs) feasible. Appraisals available in incremental phase one development do not address front end costs. *(RDG Comment: Other stakeholders offered the opinion that RHIDs could be helpful in financing infrastructure)*

PAST RECORDS

Poorly designed or executed projects elsewhere in the north edge of the KC metro area have soured the market for other new development.

INCENTIVES

- Property tax abatement has not been used in Lansing, but has been successful in neighboring cities including Bonner Springs. Lansing lags behind others in use of housing and development assistance programs. Need for fewer fees and more incentives.
- RHIDs could be an effective tool for funding infrastructure.
- Neighborhood revitalization tax abatement is used for commercial development, should be extended to residential.

NORTH METRO MARKET HEADWINDS

It is difficult to recruit developers to areas north of Johnson County. Johnson County and Lee's Summit area on the east side remain the strongest residential markets in the perceptions of builders.

LANSING AS A PLACE TO BUILD

Lansing has a story to tell. Builders are tiring of more difficult regulated, "red tape" environments for development, and may find Lansing to be more builder-friendly. This should be marketed as an asset. Quality of life itself will not attract developers who are mostly worried about the price of lots.

ENTRY-LEVEL HOME NICHE

Leavenworth County and Lansing have historically been underbuilt. Currently, there is no such thing as an "entry level house" in town. Opportunity exists to fill that gap.

IMPORTANCE OF GROWTH

More rooftops and population are necessary to create markets for other assets.

VARIETY OF HOUSING TYPES

- Resistance to townhouses has always been



there, but that will have to change. Only way to get unit costs down is to build density. HOA's are necessary in these projects to provide good maintenance.

- Several builders expressed significant interest in building medium-density housing or mixed density projects incorporating twin-homes, duplexes, townhouses).
- Some resistance to traditional apartments, with greater appeal for townhouse settings.
- New housing forms like ADUs and tiny houses should be considered.

AFFORDABILITY ISSUES AND HOUSING SUPPLY

- Difficult to build affordable housing because of construction cost, NIMBY ("not in my backyard") opposition, lack of incentives. Employees who work in the city (including teachers) live outside. In school system, only 20-25% live in town. In some cases, mobile homes were the only option. Typical rents in the \$1,100-1,500 range are not affordable to many workers.
- First time buyers come to town seeking houses in a \$150-200,000 range which cannot be feasibly developed with new construction.
- A significant multifamily project was defeated because of opposition. A reliable commitment to approve projects is necessary.
- As of May, 2023, only eight houses in Lansing were listed for sale.

SCHOOL ENROLLMENT

Lansing's school system has been an attraction, but school enrollment has been flat for the past few years. Facilities can handle 25% growth. Projected need for a new middle school has not emerged. More student enrollment would support expanded educational programs.

LANSING AND BASEHOR

- Basehor has grown at a much faster rate than Lansing. Reasons: Aggressive reuse and build-out of distressed subdivisions, proximity to I-70 and I-435, quicker commute and access to Johnson County in contrast to slower travel on K-7.
- Basehor has more successfully marketed itself and is viewed as being one step from Johnson County. (RDG Comment: Basehor's population has tripled since 2000, while Lansing has grown by only 22%. In actual population, Basehor increased by about 4,600 people, Lansing by about 2,100.)

RENTAL SUPPLY

- Lansing has a large number of single-family rentals. In the Rock Creek area, 20-30% of homes are rentals. Short-term owners often flip houses to property managers. (RDG Comment: Minority opinion that Lansing seems to have enough rental houses available at any one time)
- Prospective apartment residents cannot find settings with covered parking or garages. Modern amenities are a necessity.
- Limited options allow landlords to rent units with reduced upkeep.
- Trend of hedge funds buying lower cost houses, converting these to permanent rentals.
- Lansing and Leavenworth both lack market rate rentals.

PROPERTY VALUES

Leavenworth County values increased by 14% during the last year. Typical house assessments have increased at a faster rate than incomes.

HOUSING AND ECONOMIC DEVELOPMENT

- Development corporation focus has been on industry, but housing availability is increasingly an economic development issue because of need to recruit workers.
- Some large employment projects are also building housing.

BUILDER CAPABILITY

Lansing has a small number of builders. At one point, there were as many as 25 active builders, now only two or three.

MOVE-UP HOUSING

- Lansing lacks higher-end housing. Significant opportunity exists in excess of \$600,000. Average home price in Lansing is \$303,000, compared with \$430,000 in Basehor and \$453,000 in rural Leavenworth County.
- Market also for basic middle-class home – 3 bedroom, 2 bath, 2 car garage.

TRANSPORTATION

- Leavenworth County lacks a good east-west corridor.
- K-7 corridor suffers from too many traffic signals.
- Significant population growth will require either more local industry or better transportation for commuters.

COMMUNITY SURVEY

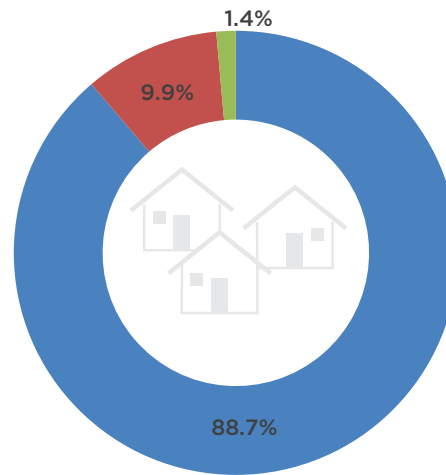
The Community Housing Survey was open from May 5th to June 11th, 2023. The survey, with 157 participants, focused on how respondents felt about their current housing situation, the options available, and their ability and desire to relocate.

DEMOGRAPHICS

The demographic patterns of survey respondents help understand different situations households are in when answering the housing perception questions. A comparison with reported Census data in Chapter 2 shows whether survey respondents are representative of the broader city.

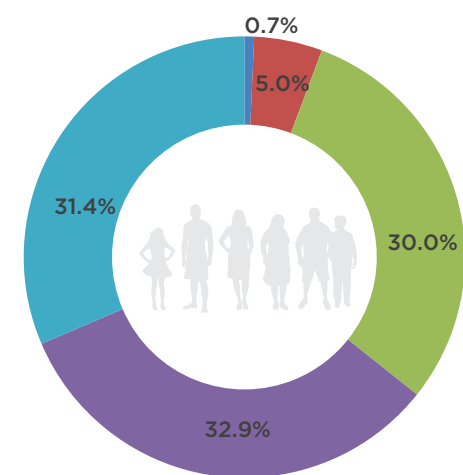
- › The overwhelming majority of respondents are owner occupants. Despite extensive efforts by City staff that included employer outreach, the survey was not successful in reaching renters.
- › Many survey respondents are in their family-rearing years or are empty-nesters. Proportionally, this is a fairly good representation of those heading households. The large percentage of households under 44 would likely indicate that many have been in the housing market in the last few years.
- › The majority of respondents live west of K-7, with about 25% in the city east of K-7 and about 20% from surrounding areas outside the city.

Figure 1.0: Occupancy of Respondents



- Own
- Rent
- Live with parents (for rent or free)
- Rent-to-Own

Figure 1.1: Age of Respondents



- Under 18 years
- 18 to 29 years
- 30 to 44 years
- 45 to 59 years
- Over 60 years

Figure 1.2: Where Respondents Live

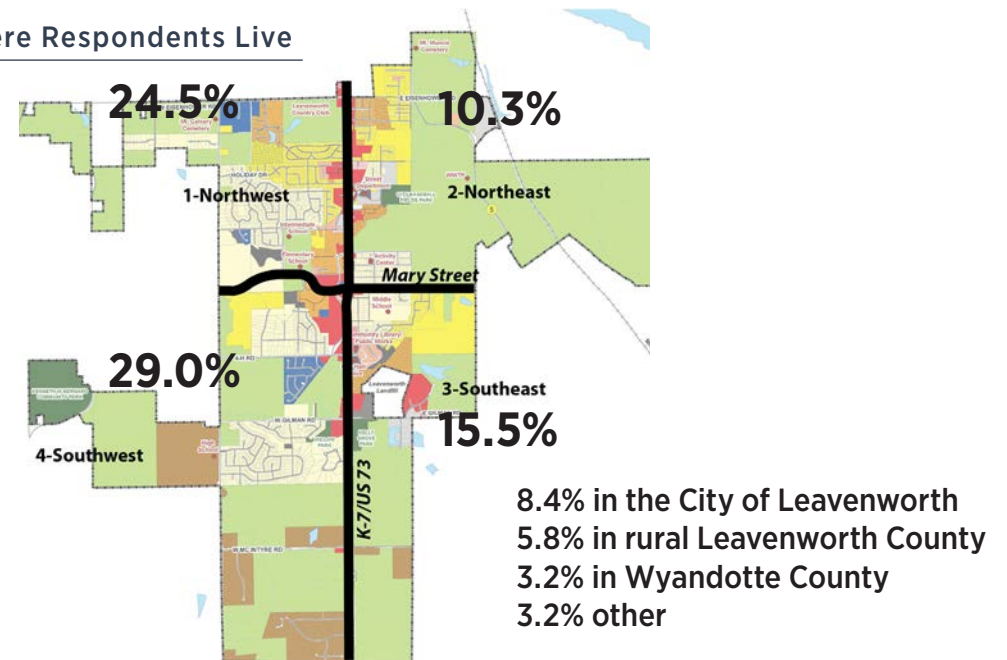


Figure 1.3: Respondent Workplace

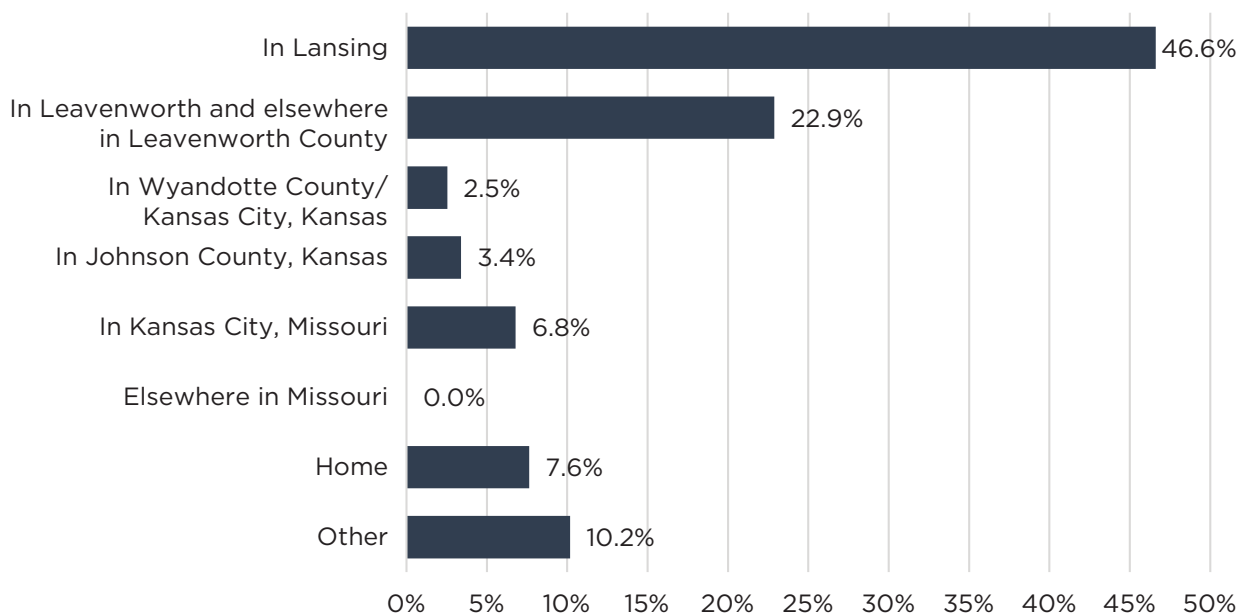


Figure 1.4: Respondent Employment

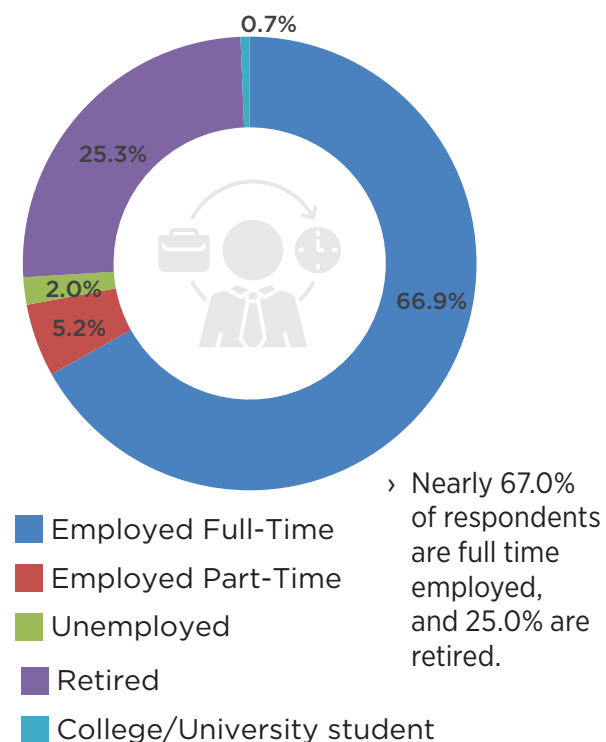


Figure 1.5: Identification by Race or Ethnicity

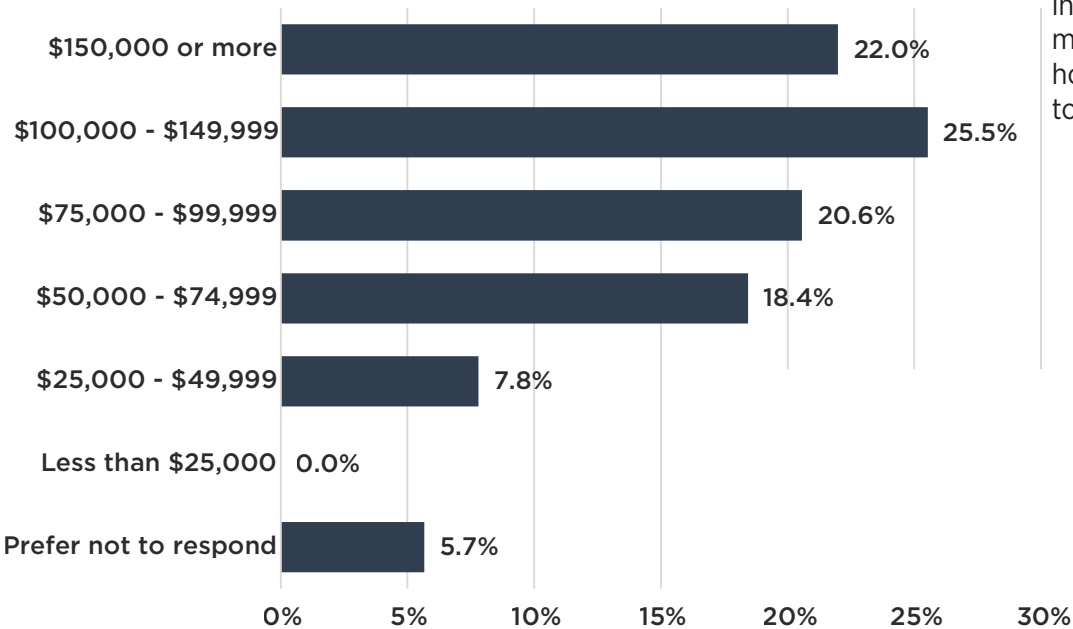
White or Caucasian	83.2%
Prefer not to say	8.8%
Black or African American	3.7%
Two or more races	3.7%
Asian or Asian American	0.7%
American Indian or Alaska Native	0.0%
Native Hawaiian or other Pacific Islander	0.0%
Another race	0.0%

› Most respondents work locally or in the immediate region. The survey included very few commuters to Kansas City, MO.

› Over 83% of survey respondents identify themselves as white or Caucasian. Nearly 7.5% identify themselves as Black or African American, Asian or Asian American and two or more races.



Figure 1.6: Respondent Incomes



› The estimated median household income in Lansing in 2020 was \$98,416. The majority of respondents to the survey had household incomes ranging from \$100,000 to \$149,999.

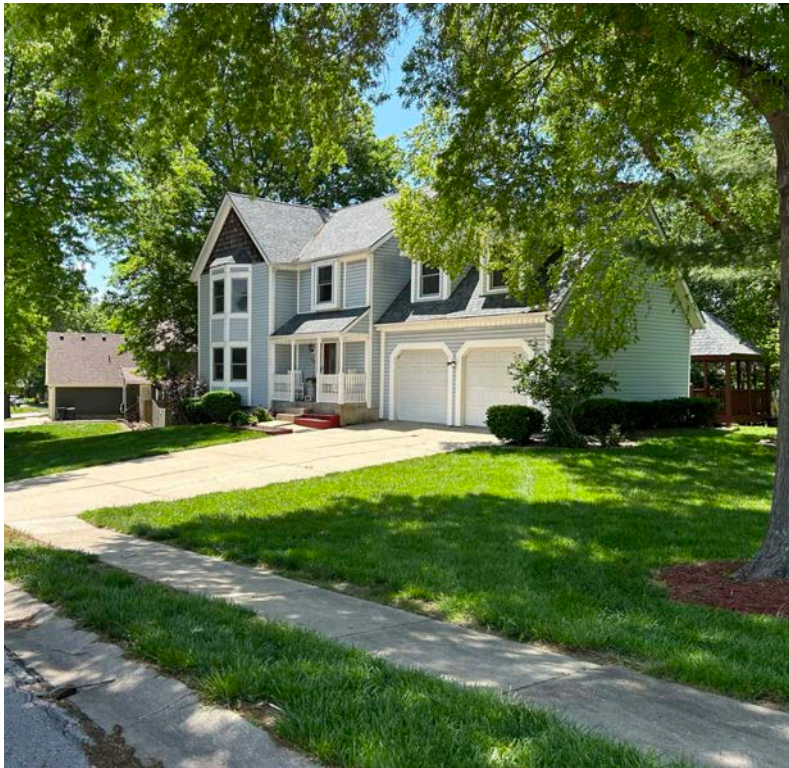
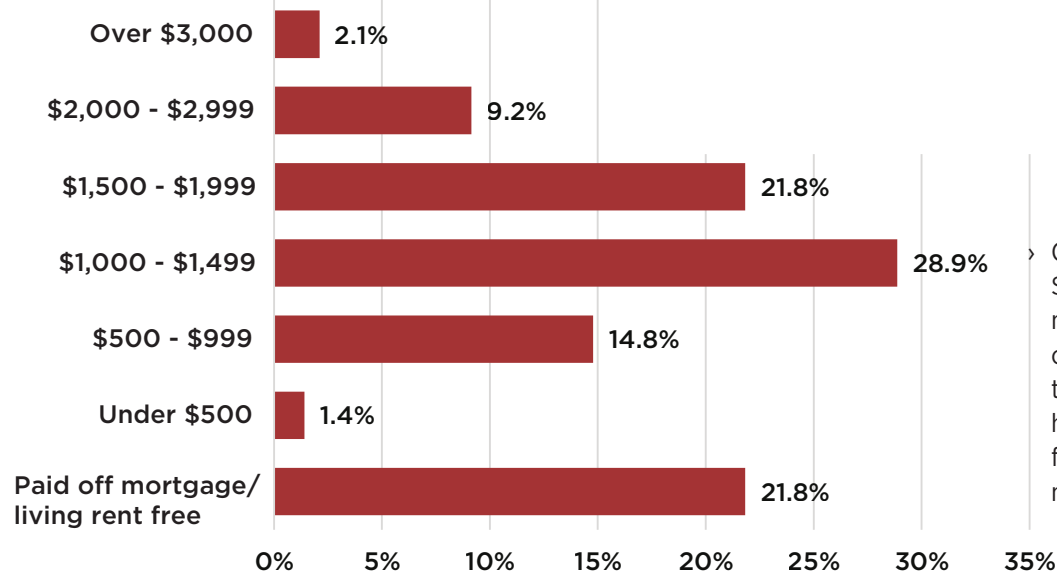


Figure 1.7: Respondent Monthly Rent or Mortgage



› Over 50.0% of respondents pay between \$1,000 and \$1,999 monthly rent or mortgage, and nearly 22.0% have paid off their mortgage. On an overall basis, this suggests that the typical Lansing household pays less than 30% of its income for housing, given the city's relatively high median household income.

Figure 1.8: Respondents' Current Housing Setting

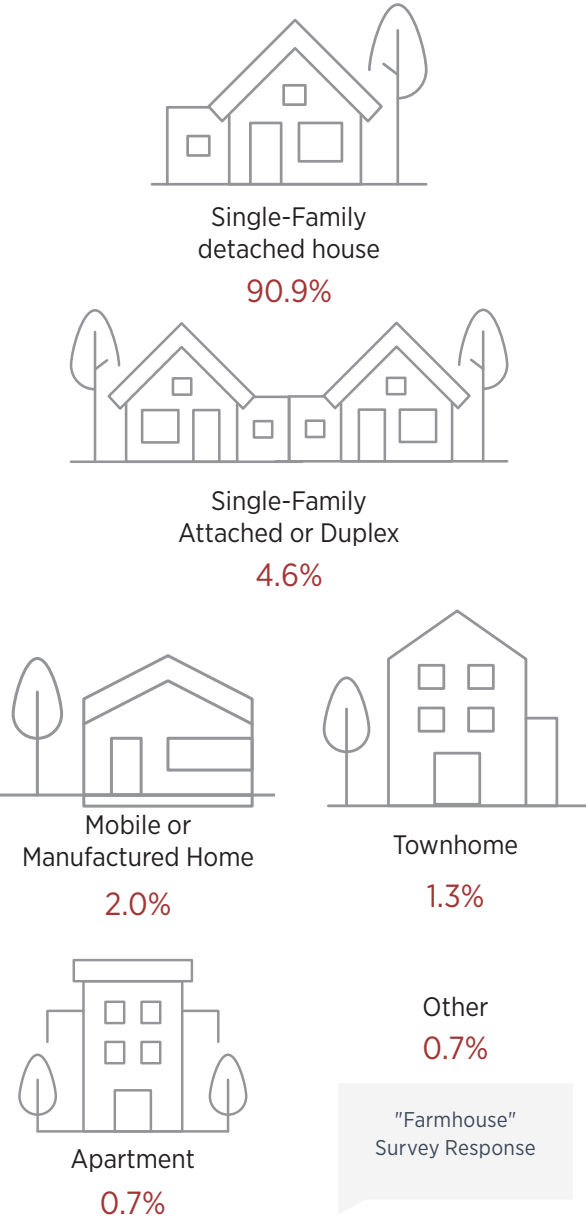
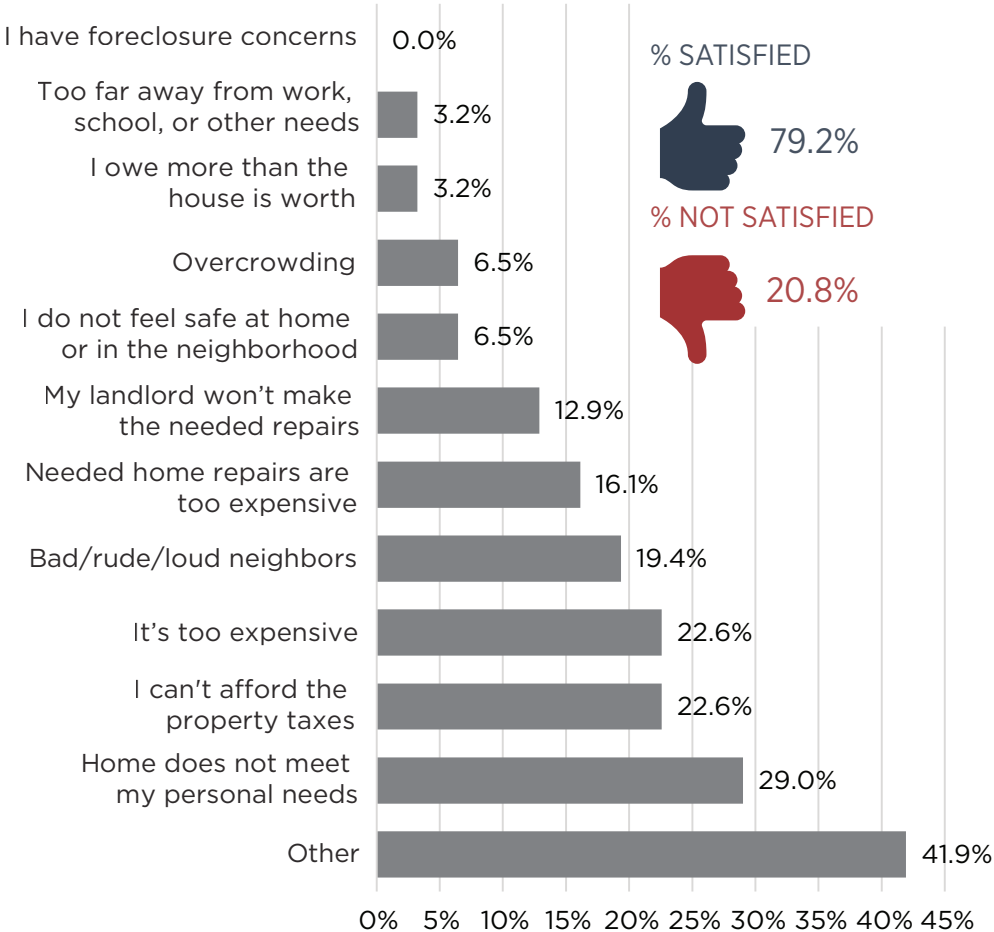


Figure 1.9: Respondents Reasons for Dissatisfaction with Current Housing:



Other Respondent Comments:

"Property taxes are too high"

"I would like to buy a home but there is nothing affordable or available"

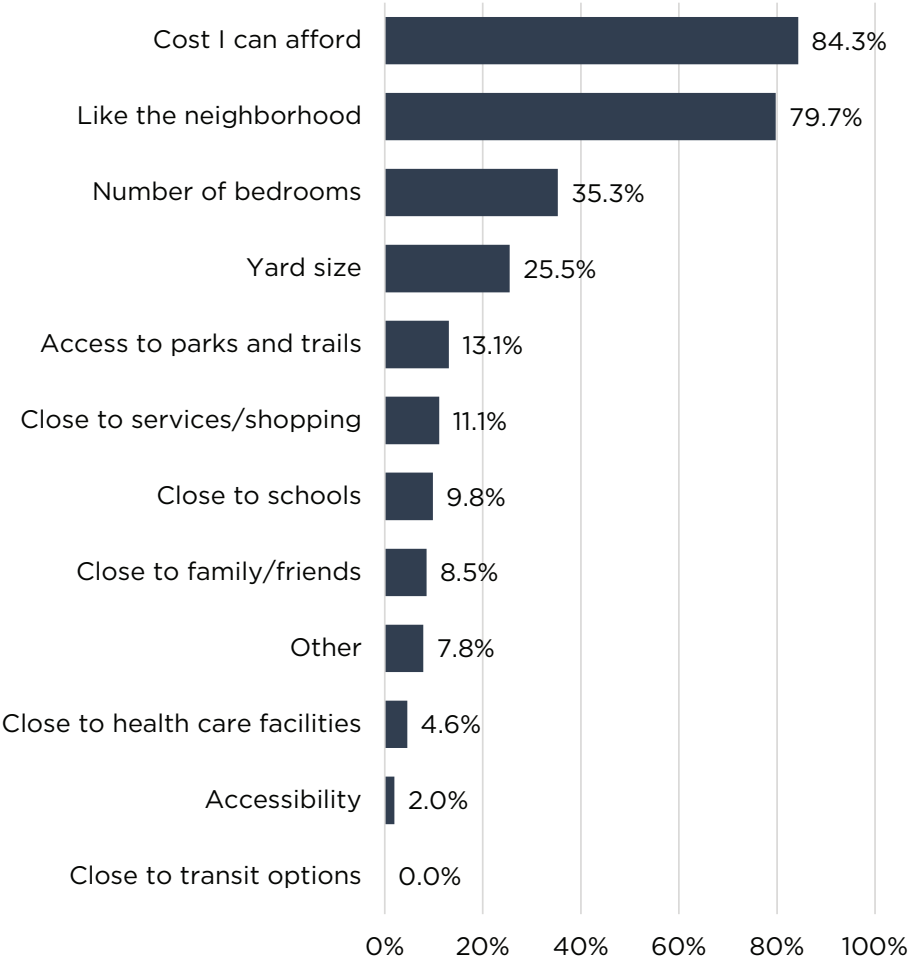
"Not enough housing selection"

"Too small; also want a garage"

"House has drainage issues and am having trouble finding someone to help fix it"

"Neighborhood has stopped repairing & taking care of homes. No oversight by city to help adhere to city codes/rules. Dogs allowed to run at large and off leash with no consequence to owners. City needs to hire animal control and someone who will enforce building codes."

Figure 1.10: Respondents' Most Important Factors in Housing Choice



Other Respondent Comments on Housing Choice:

"Proximity to work"

"Fewer houses nearby"

"Maintenance Free"

"House size"

"Reasonable property tax"

"The new Construction across the street on 4H Road"

"No stairs"

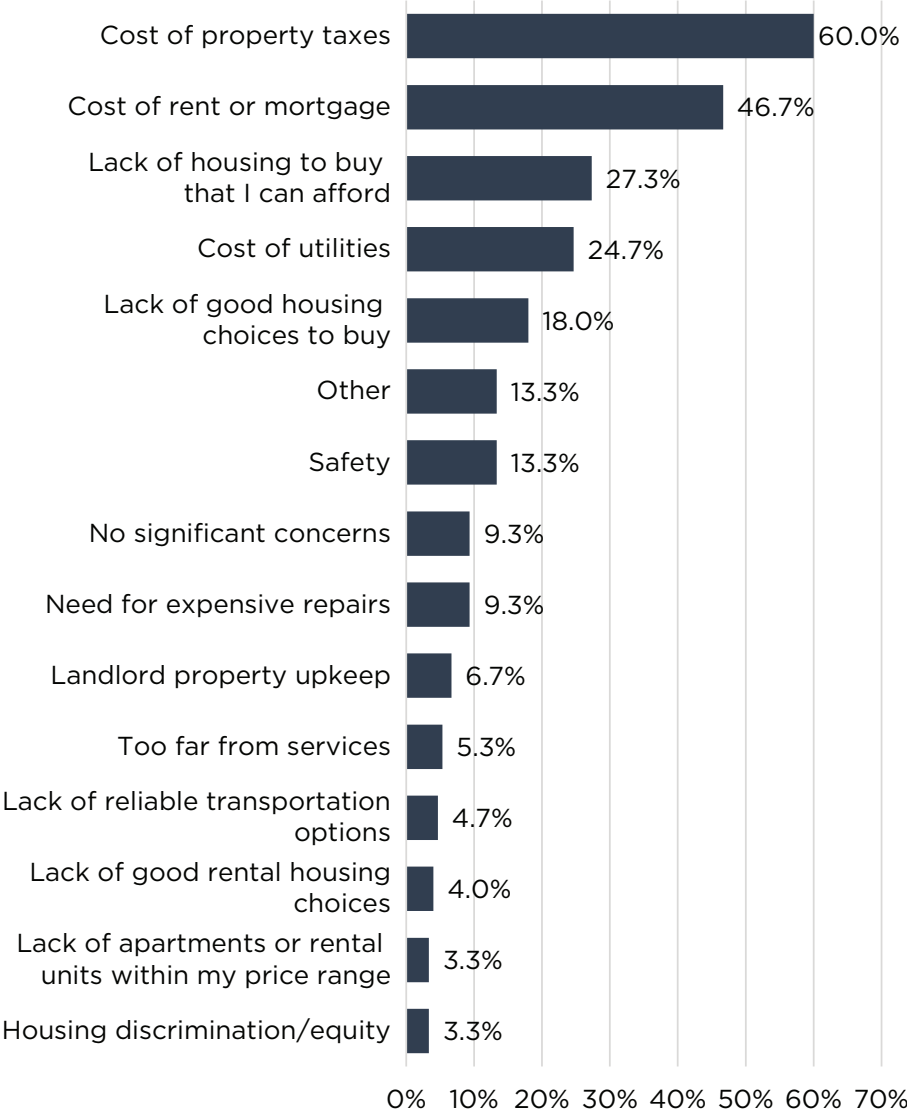
"Close access to Legends, I-70, I- 435"

"Limited mobility friendly"

"Would prefer large lot/ multiple lots; no HOA; enough land to grow food; space for creative workshop/garage"

"Main floor living areas - bedroom/garage/laundry (for elderly)"

Figure 1.11: Major Respondent Housing Concerns for Lansing:



Other Respondent Comments:

"Lack of parks/trails access"

"Housing lots too small"

"School district problems"

"That the city will authorize more unnecessary builds."

"Escalating cost of housing result on property taxes changing"

"Not zoned for home business"

"Crowded subdivisions"

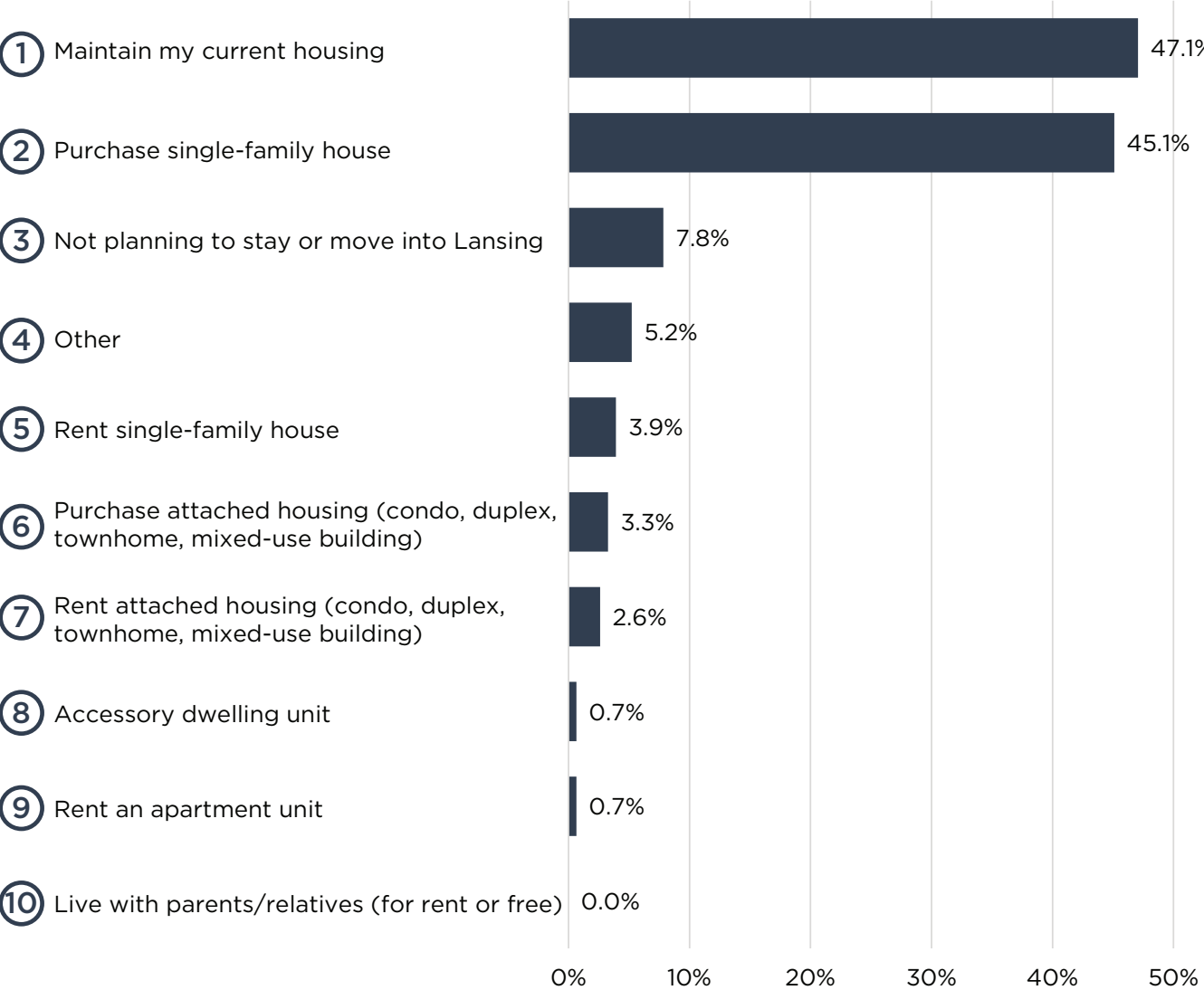
"Upkeep of homes in neighborhood."

"Lack of 55+ housing for middle-class Lansing residents."

"Lack of ordinance enforcement"

"Lack of good housing/apartment options for college students/recently graduated adults"

Figure 1.12: Preferred Housing Actions for Lansing



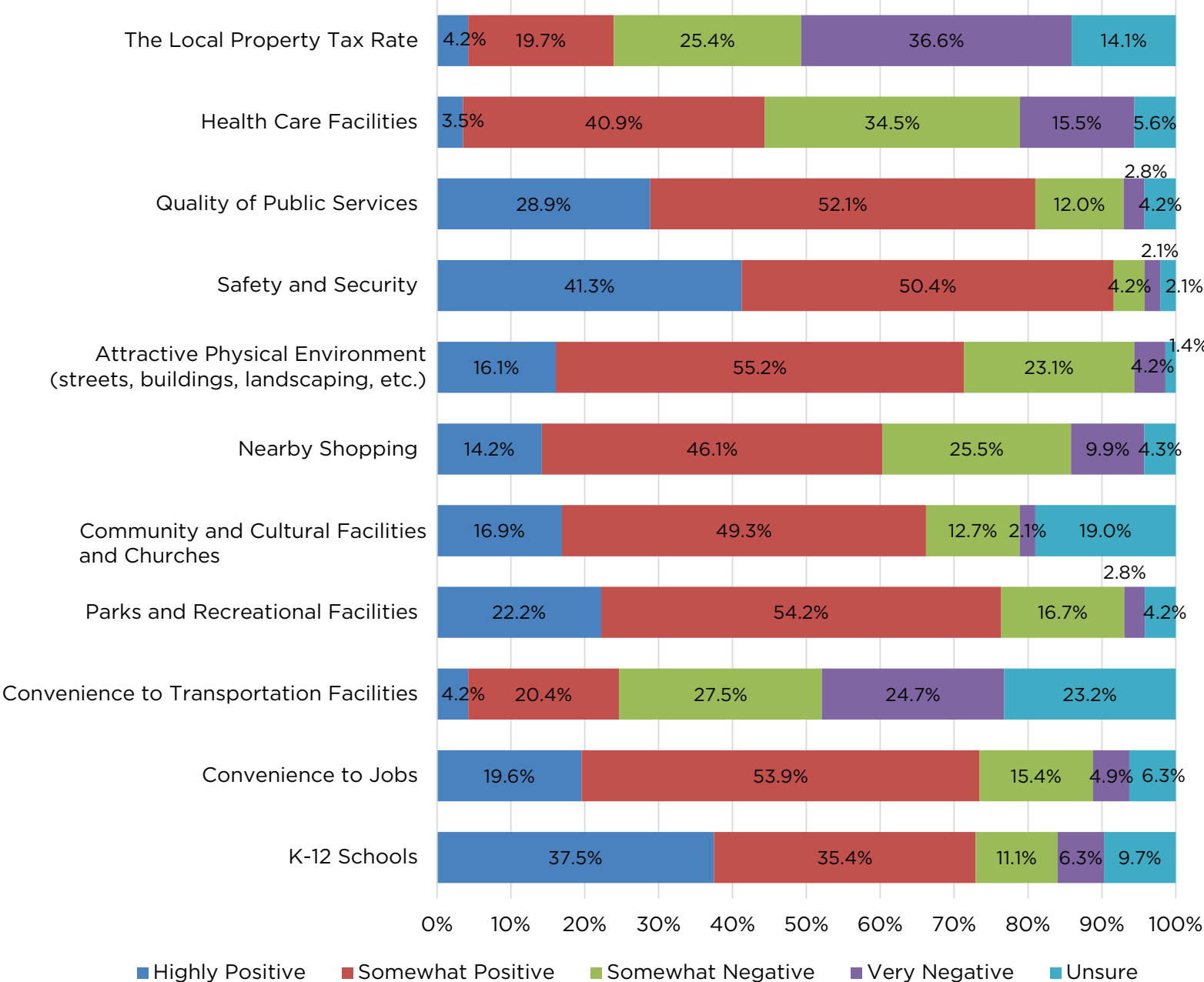
Other Respondent Comments:

"We have been considering trying to find a ranch since our house has so many stairs but those are hard to come by!"

"I need a home I could run massage business out of."

"Build custom single family house on acreage"

Figure 1.13: Respondent Views of Various Lansing Factors Influencing Housing Choice



PREFERRED HOUSING PRODUCTS

Survey respondents were asked whether they felt a series of different housing products would be successful in Lansing. The question intended to explore the type of housing products that may be needed in the future. Overall, respondents believe a variety of housing sizes and types would be successful. This support for a variety of housing can help increase diversity of housing on offer and the affordability of houses on the market.

- › Over 85% of respondents in Lansing felt that mid-size, three- bedroom houses; affordable, small two or three-bedroom houses, would be successful.
- › Between 60% and 76% of respondents thought duplex (60.28%), larger home with four or more bedrooms (65.71%), Commercial/ Residential mixed-use (65.96%), Large lot residential housing in rural areas (74.29%), and independent senior living housing (76.06%) would be successful.
- › Overall, respondents see a need for a greater variety of housing options and only feel less sure about tiny houses, smaller multifamily (quadplex or triplex) units, and manufactured housing.

Figure 1.14: Respondent Preference for Various Housing Types



Mid-size, three-bed-room house - 95.04%



Affordable, small two- or three-bed-room house - 88.81%



Independent - Senior Living Housing- 76.06%



Large lot residential housing in rural areas (over 1 acre) - 74.29%



Commercial/Residential mixed-use- 65.96%



Larger home with four or more bedrooms - 65.71%



Duplex 60.28%



Townhome or Row housing - 49.65%



Apartment - 46.43%



Tiny Houses - 41.43%



Smaller multifamily (quadplex or triplex) - 41.13%



Manufactured housing - 23.40%



CHAPTER 2

Lansing Today

The information in this section builds on the community input to inform the overall housing demand that could be expected in Lansing. Trends in home values, income growth, occupancy, and other factors begin to form the housing demand program.

WHAT MARKET DATA TELL US

Figure 2.1 summarizes the variety of elements that influence housing supply and demand. Quantitative data describes past trends in population, housing occupancy, affordability, and other objective measurements. Market data provide a quick and straightforward representation of the city and how it compares to peer communities. This information helps explain why conditions are the same or different compared to other areas to tailor successful policies.

WHAT MARKET DATA DO NOT TELL US

Census and other objective data have limitations, and provide only one key to understanding the housing market. Hard numbers do not capture the feelings and observations of residents, nor do they indicate how those quantitative conditions affect people in different areas. Market data do not fully capture the condition of housing or community amenities. Lastly, this information is subject to sampling error and insufficient data. Ultimately, the conclusions and strategic directions combine data with on-the-ground observations and discussions.

PEER CITIES

Throughout this chapter, comparisons are made to peer communities. Comparable communities include a baseline to evaluate whether conditions in Lansing are different from those of other cities in the region or state. This analysis uses several peer cities, each of which is similar to Lansing in one way or another. However, every community ultimately has a unique set of circumstances that distinguish it.

- Basehor, KS (Pop. 7,219)
- Belton, MO (Pop. 23,953)
- Blue Springs, MO (Pop. 58,603)
- Bonner Springs, KS (Pop. 7,837)
- De Soto, KS (Pop. 6,118)
- Gretna, NE (Pop. 5,083)
- Grimes, IA (Pop. 15,392)
- Liberty, MO (30,267)

Figure 2.1: Housing Market Influences



A DEMOGRAPHIC SNAPSHOT OF LANSING

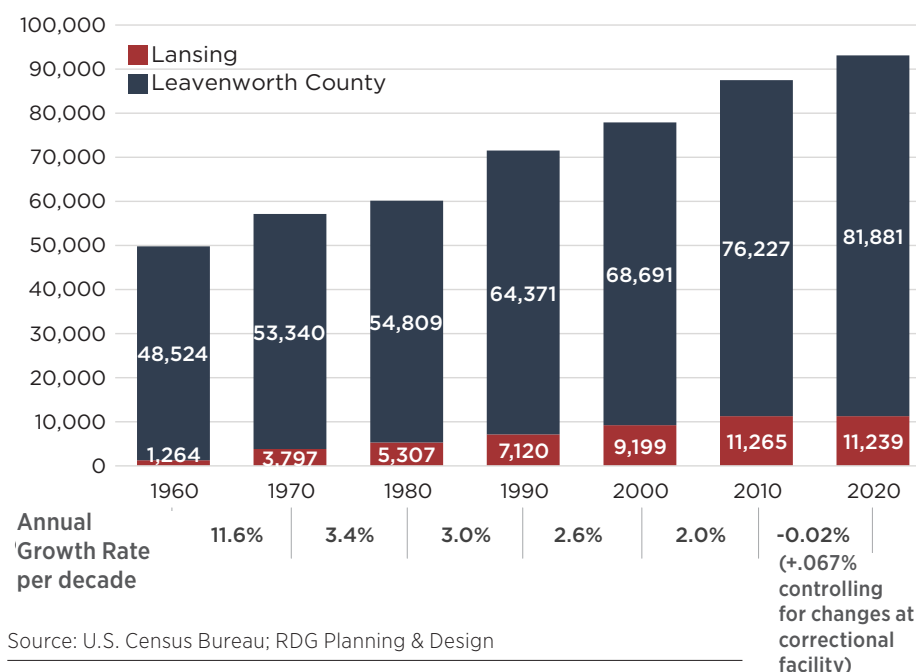
Historical Population Trends

Many factors within population, housing value determinants, incomes, rent to supply chains, national policies, and global events shape the housing market. Factors in this chapter focus on local trends that Lansing be more capable of controlling.

Lansing has experienced steady population growth since 1960. However, its growth curve plateaued between 2010 and 2020, with virtually no change in population during that decade. Figure 2.2 displays the relationship between population change in Lansing and Leavenworth County

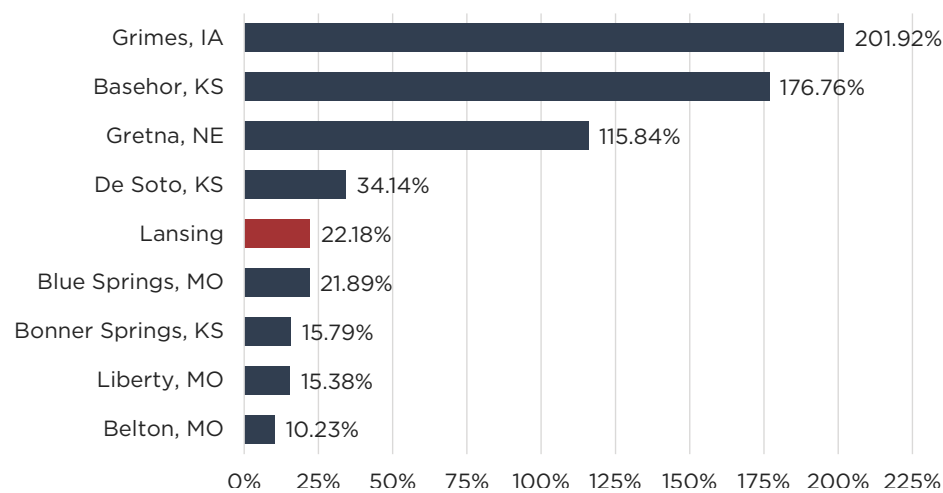
- During the 1960s and 1970s, Lansing grew at over 11.6% annually, whereas Leavenworth county grew 1.0% annually.
- Since 1990 the city's annually growth rate has been just over 2.0% and the county's around 0.7%.
- During the 2010-2020 decade, Lansing's apparent flat growth rate displayed in Figure 2.2 is misleading. According to the Kansas Department of Correction's Annual Reports, the population of the Lansing Correctional Facility (LCF) declined by 642, from 2,346 at the end of FY 2010 to 1,704 at the end of FY 2020. Lansing's non-LCF population grew from 8,919 to 9,535 during this decade, an increase of 6.9% corresponding to an annual average growth rate of 0.67%.
- During this decade, the number of households increased at a faster rate than the overall population. The average annual growth rate for number of households was about 1.1%.
- Controlling for the LCF, Lansing's population change during the 2010-2020 decade resembled Leavenworth more than Basehor growing by 49.5% or Tonganoxie by 11.5%. Even with changes at LCF, Lansing had the fourth largest growth in population between 2000 and 2020 in the sample of peer communities displayed in Figure 2.3.

Figure 2.2: Lansing Historical Population Change



Source: U.S. Census Bureau; RDG Planning & Design

Figure 2.3: 2000-2020 Population Change of Peer Cities



Source: U.S. Census Bureau; RDG Planning & Design

Age and Migration

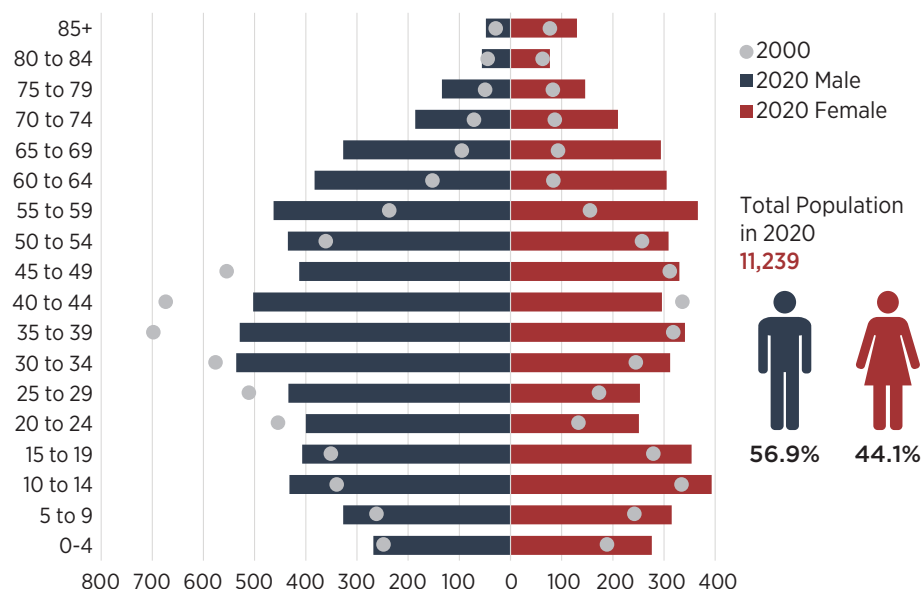
Understanding age characteristics puts perspective into population growth (losses) by seeing which age groups are moving in and out of Lansing. Changes in different population age groups have different implications for housing demand and future needs. Figure 2.4 illustrates how Lansing’s age composition has changed since 2000.

- Lansing saw substantial population growth of older adults since 2000. These groups account for smaller households after children leave home. Statistically, these groups tend to produce lower population counts without reducing the number of households.
- Lansing has added 1,924 adults over the age of 50 in the last twenty years, which may be likely to increase the potential older adult population in future years. This somewhat reinforces the perception of a local market for independent living units.
- The decrease in male population in the age cohorts between 20 and 49 is largely due to reductions of inmate population at LCF. The size of female age cohorts does not exhibit the same pattern.

Figure 2.5 compares the actual change to a prediction based on standard birth and death rates. The prediction assumes natural population growth or loss (children born/residents passing away) without an in-migration or out-migration of residents. The difference between the predicted and actual population highlights which age groups were experiencing in- and out-migration.

- The prediction for 2020 was very close to the actual reported 2020 Census count, indicating overall migration very near zero. However, this differed for individual age cohorts. In-migration appears to be substantial for younger family age cohorts. This may reflect the presence of relatively affordable housing available to these groups.
- On the other hand, out-migration appears high for “middle-aged” cohorts - people between ages 45 and 74 in 2020. This may be consistent with comments about a lack of “move-up” housing in the city. However, significant in-migration occurred among the oldest cohorts. A significant portion of the apparent outmigration of the 45 to 54 cohort (35 to 44 in 2020) is probably the result of reduction in the male inmate population at LCF.

Figure 2.4: 2000-2020 Age Cohort Growth



Source: U.S. Census Bureau; RDG Planning & Design

Figure 2.5: 2020 Predicted versus Actual Population

	AGE	PREDICTED 2020	ACTUAL 2020	DIFFERENCE
Emerging	0-15	1,492	2,011	519
	15-19	710	761	51
	20-24	752	651	-101
	25-34	1,412	1,535	123
	35-44	1,617	1,669	52
Retirees	45-54	1,837	1,487	-350
	55-64	1,848	1,517	-331
	65-74	1,124	1,017	-107
	75-84	368	413	45
	85+	149	178	29
	Total	11,309	11,239	-70

Source: U.S. Census Bureau; RDG Planning & Design

Future Population

Housing demand is generated by growth in the number of households, which is roughly related to population. This relationship is tempered by growing empty-nester populations, which account for fewer people per household. Additionally, the makeup of that population will influence the type of housing; at the same time, the type of housing that is constructed will influence the population the city attracts. The discussion of housing types and demands later in this study will address this relationship.

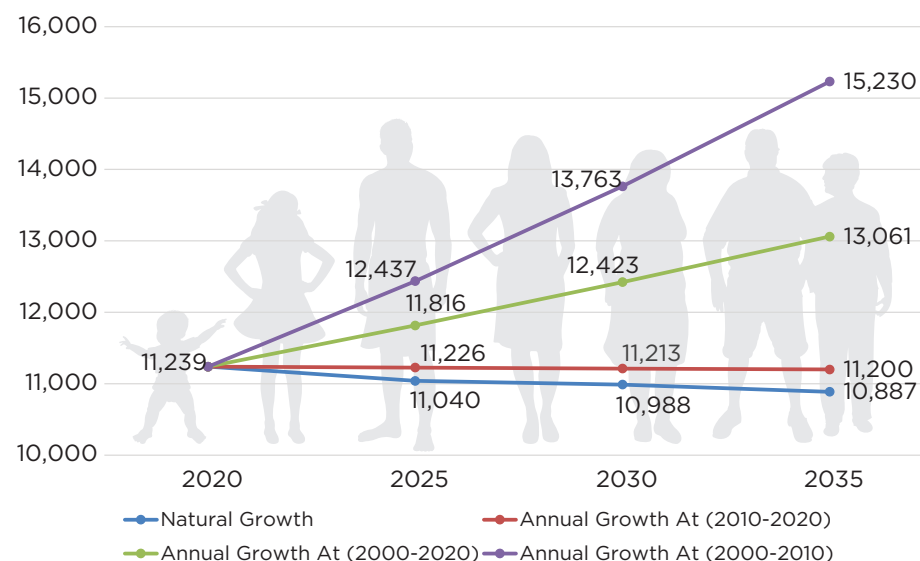
Figure 2.6 considers four alternative population scenarios for Lansing for the 2020-2035 period. These scenarios include:

- Natural growth (Zero net migration). This forecasts population based on the natural balance of births and deaths, using the existing population composition as a baseline. This produces a result very similar to the 2010 to 2020 experience of a flat total population that neither increases nor decreases. This would be paired with some increase in the number of households with a declining average.

- Two decade growth rate scenarios. These apply the growth rates experienced during each of the last two decades to the period from present to 2035. While useful for the sake of comparison and for bracketing minimum and maximum populations, population behavior for one decade is not a trend and it is risky to base policy on such a short term.

- 2000-2020 average growth rate. This seems most reliable as a midpoint projection, taking into account a longer term period that encompasses both rapid and slow growth decades. Achieving this population level is not guaranteed however, and can change based on both internal policies and decisions and external factors such as economic recessions. However, this study will use this calculation as the most accurate for planning future housing and land demand for Lansing.

Figure 2.6: 2020 - 2035 Population Forecast



- Natural Growth (zero migration)**
 A scenario with no net migration and current balance of births and deaths produces very little population change. This calculation generates a 2035 population of 10,887.
- 2000-2010 Average Growth Rate**
 Applying this decade of relatively rapid growth will produce a significantly larger population, exceeding 15,000 by 2035.
- 2010-2020 Average Growth Rate**
 This decade of virtually no change continues the plateau of virtually no change, identical to the natural growth scenario.
- 2000-2020 Average Growth Rate**
 This scenario, applying population change experienced in both decades after 2000, combines a relatively fast growth decade with a no growth decade and reflects a mid-point projection for planning purposes, with a forecast of about 13,000 people.

Source: RDG Planning & Design

AN ECONOMIC SNAPSHOT OF LANSING

Lansing’s employment market and economy is relatively diverse, given the city’s location on the edge of the Kansas City metropolitan area but also adjacent to Leavenworth, a major center for military and public employment. Lansing also has developed a local industrial park and has made some progress with this facility. The result is potential demand for a broad range of housing types and incomes, although the city has maintained a high median household income. This section explores important elements of the local and regional economy that influence housing demand.

Employment

Figures 2.7 and 2.8 displays the top five employment sectors for Lansing residents regardless of the location of their employment:

- 44% of the population is employed in public, educational, health, or social services, the largest single employment sector in the city.
- After these public service sectors, retail and food services constitute large employment sources, followed by manufacturing.
- Actual labor force participation is relatively low for both Lansing and Leavenworth County, compared to peer communities. This may reflect a relatively large retired worker or retired military sector in the community. A comparison to other suburban cities in the periphery of the metro area (Basehor, De Soto, Blue Springs) reinforces this conclusion.
- Lansing’s unemployment rate is similar to other benchmark cities, with unemployment spiking during the height of the COVID-19 Pandemic and returning to near full employment by 2023.

Figure 2.7: 2021 Industry Employment



Source: American Community Survey (5-Year Estimates); Bureau of Labor Statistics

Figure 2.8: 2021 Employment Trends

PLACE	LABOR FORCE (2021)	% LABOR FORCE (2021)	UNEMPLOYMENT RATE (2021)
Lansing	5,149	55.9%	4.8%
Leavenworth County	37,172	57.6%	5.2%
Basehor, KS	3,334	65.6%	6.7%
Belton, MO	12,676	68.5%	4.4%
Blue Springs, MO	30,502	69.6%	3.9%
Bonner Springs, KS	3,838	65.7%	5.2%
De Soto, KS	3,192	72.2%	7.9%
Gretna, NE	2,861	73.7%	0.0%
Grimes, IA	8,500	76.2%	7.1%
Liberty, MO	15,618	67.6%	2.9%

Source: American Community Survey (5-Year Estimates); Bureau of Labor Statistics

Commuting Patterns

Lansing’s employers rely on people commuting from other cities. Figure 2.9 illustrates the Census findings that almost 80.0% of those employed in Lansing live elsewhere.

Figure 2.10 illustrates the general location where employees live. Outside of Lansing, most travel from Leavenworth and other locations. The level of external employees becomes a significant concern for population growth and employee retention. People living elsewhere but employed in Lansing purchase homes, spend money, and more importantly, become comfortable in another community. Should the option to change jobs arise, these households will stay where they are invested.

On the other hand, Lansing is seen as an attractive place to live for many people working in other cities. About 88% of employed people living in Lansing work outside of the city. As of 2021, almost 50% of employed residents commute approximately 20 minutes to work. Employment at Fort Leavenworth accounts for much of this short distance commute activity. The fort is the region’s largest employer and a major generator of housing demand. As of September, 2020, the fort employed about 9,862 people, of which 5,024 are in the military. Off-Post and fort-related population is estimated at 51,158, including military and family members, civilian employees, retirees, and Gold Star Families within the cantonment area.

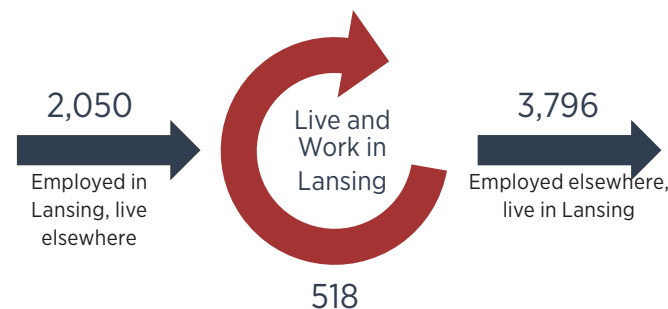
These findings are particularly interesting given the opinion stated in stakeholder discussions that Lansing is disadvantaged by its location off major interstate routes and the relative inconvenience of the K-7 connection to I-70.

Figure 2.9: Lansing Job Counts by Places (Cities)

WHERE LANSING WORKERS LIVE			WHERE LANSING RESIDENTS WORK		
CITY	# JOBS	SHARE	CITY	# JOBS	SHARE
Leavenworth	679	26.40%	Leavenworth	1,036	24.00%
Lansing	518	20.20%	Lansing	518	12.00%
Kansas City, KS	157	6.10%	Kansas City, KS	419	9.70%
Kansas City, MO	70	2.70%	Kansas City, MO	358	8.30%
Atchison	56	2.20%	Overland Park	266	6.20%
Overland Park	56	2.20%	Lenexa, KS	182	4.20%
Lawrence	50	1.90%	Olathe	172	4.00%
Shawnee	43	1.70%	Topeka	160	3.70%
Olathe	35	1.40%	Lawrence	117	2.70%
Basehor	34	1.30%	Shawnee	106	2.50%
All Other Locations	870	33.90%	All Other Locations	980	22.70%
TOTAL	2,568	100.0%	TOTAL	4,314	100.0%

Source: Census OnTheMap, 2020

Figure 2.9: 2020 Inflow and Outflow - Lansing



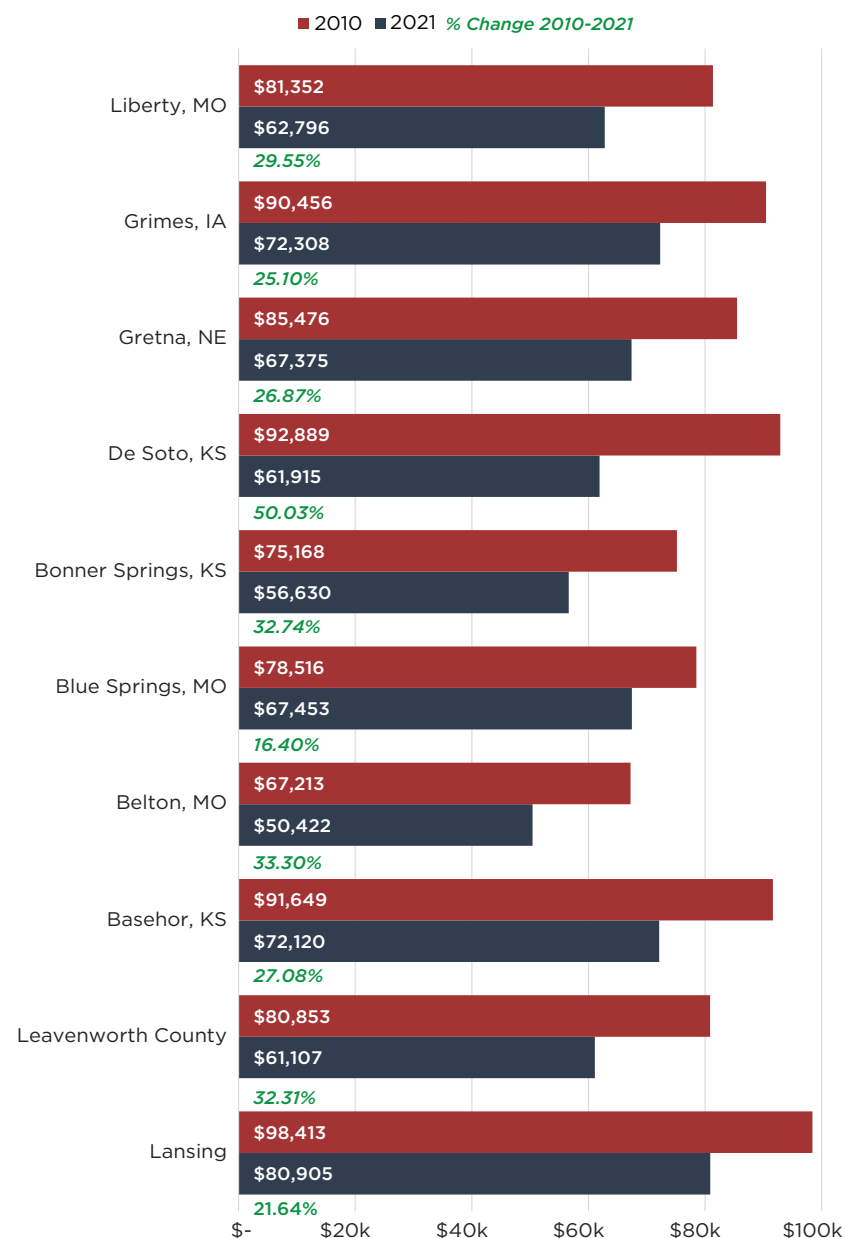
Source: U.S. Census Bureau, OnTheMap 2020

Income

Household income, along with housing costs, naturally are the leading determinants of housing burden and whether a city's housing supply is affordable to its residents. The 2021 ACS estimated median household income (MHI) for Lansing is \$98,413, comparable to the State of Kansas (\$64,521) and Leavenworth County (\$80,853). This is the highest among peer communities in the sample displayed in Figure 2.10. In the larger Kansas City area, Lansing's MHI is greater than that of Overland Park and about equal to Lee's Summit. In addition:

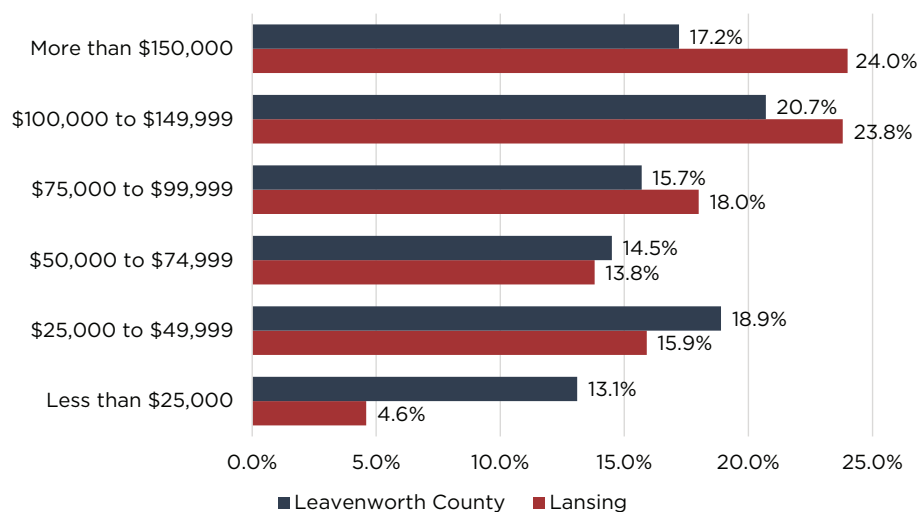
- Lansing's HMI has grown substantially during the past decade, at 21.6%, although not rapidly as some suburban cities displayed in Figure 2.10. On the other hand, Lansing's 2010 base was also higher than those of cities in the sample. Consequently, its growth in actual dollars at the high end of group with the exception of De Soto.
- About 1/4 of Lansing's households have incomes greater than \$150,000, making these high earners the largest of all the income range cohorts displayed in Figure 2.11.

Figure 2.10: Median Household Income, Peer Cities



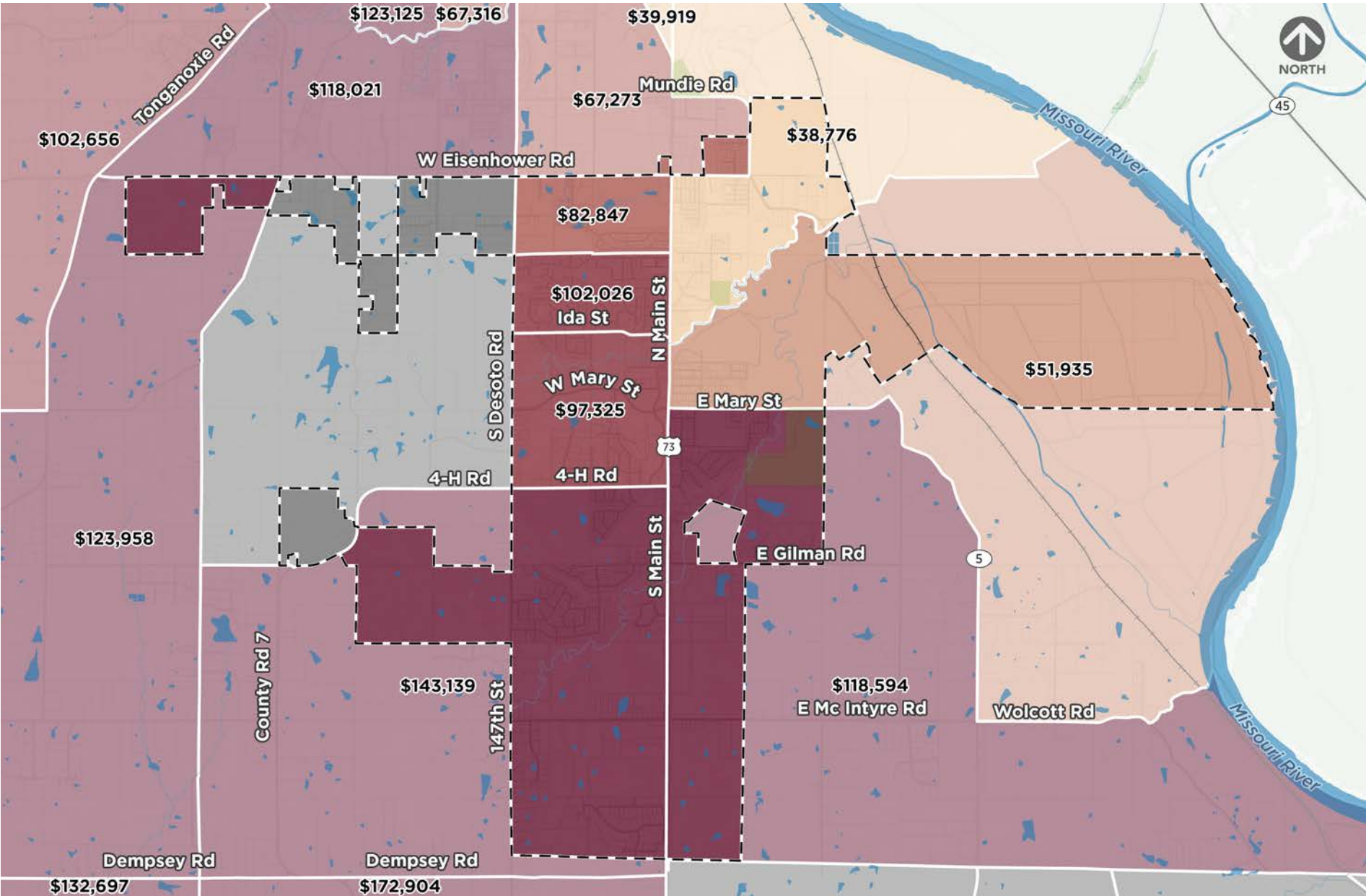
Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)

Figure 2.11: 2021 Household Income Distribution



Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)

Figure 2.12: 2021 Lansing Median Household Income by Census Block Group



Source: Leavenworth County Assessor; RDG Planning & Design

LANSING HOUSING SNAPSHOT

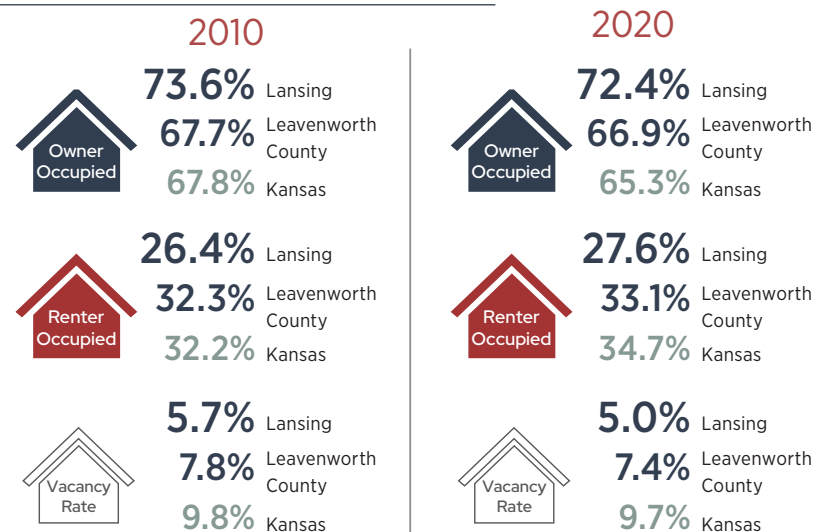
A strong economy can lead to community growth if adequate housing is available to retain employees. The characteristics of housing in Lansing help understand the options that current and future residents have in the market. These characteristics include occupancy, construction rates, housing quality, and affordability.

Housing Occupancy

A mix of rental and owner-occupied units creates balance and affordability in the market and accommodates a variety of preferences. Figure 2.18 shows the split of owner and renter-occupied housing over time compared to the State of Kansas and Leavenworth County.

- Lansing's housing stock is primarily owner-occupied. The percentage of renters has grown slightly since 2010 from 26.4% to 27.6%. This growth is accounted for by two items: some recent activity in single-family home conversions reported by listening session participants and a limited amount of new rental construction compared with a relatively small amount of new single-family housing development. A significant amount of new demand in national housing markets has been for rental development, as new households entering the market struggle with downpayment resources and interest rates, or are not ready to make the long-term commitment of buying a house.
- Lansing has similar occupancy and vacancy characteristics as its peer communities, shown in Figure 2.14. Communities across the state, including Lansing, likely have much lower vacancy rates than indicated by the Census count. A lack of quality and available units of all kinds is a recurring theme in most cities.
- Basehor's very high rate of owner-occupancy is largely the result of a growth spurt during the 2010s, satisfied largely by recent new single-family construction.

Figure 2.13: Occupancy and Vacancy Rates



Source: U.S. Census Bureau;

Figure 2.14: Peer Communities Housing Occupancy

CITY	% OWNER-OCCUPIED 2020	% RENTER-OCCUPIED 2020	% CHANGE IN OWNER-OCCUPIED UNITS '10-'20	VACANCY RATE
Lansing	72.41%	27.59%	6.15%	4.98%
Leavenworth County	66.86%	33.14%	7.96%	7.38%
Basehor, KS	82.10%	17.90%	50.91%	2.50%
Belton, MO	63.50%	36.50%	-0.80%	7.70%
Blue Springs, MO	68.60%	31.40%	6.71%	4.20%
Bonner Springs, KS	65.95%	34.05%	3.94%	5.15%
De Soto, KS	66.97%	33.03%	13.10%	6.78%
Gretna, NE	64.19%	35.81%	12.17%	3.49%
Grimes, IA	74.51%	25.49%	61.40%	5.84%

Source: U.S. Census Bureau;

- The vacancy rate in 2020 was 4.98%. Cities want to have a vacancy rate high enough to allow movement in the market but not too high to start dampening the property values of surrounding homes. This healthy vacancy is typically between 5-6%. In most normal markets, single-family ownership vacancies usually run in the range of 2%. This would suggest that rental vacancies in Lansing are in the range of 12% – quite high, but explained by Figure 2.15 below.
- The 2020 American Community Survey estimates that nearly 60% of the vacant units are classified as “other vacant,” which includes reasons like held for settlement of an estate, held for personal reasons, or held for repairs. If excluding these units, the vacancy rate of available or habitable is closer to 2.0%.

Figure 2.15: Lansing Vacancy Distribution, 2020

2020 ESTIMATE	ESTIMATE	% OF TOTAL VACANT UNITS
Total	194	
For rent	44	22.68%
Rented, not occupied	0	0.00%
For sale only	20	10.31%
Sold, not occupied	21	10.82%
For seasonal, recreational, or occasional use	0	0.00%
For migrant workers	0	0.00%
Other vacant	109	56.19%

Source: 2020 American Community Survey (5-Year Estimates)

Construction Activity

The construction of residential units is an indicator of market demand, but also a measure of builders' interest or ability to meet that demand, the fact that demand and economic feasibility might be mismatched, or that various local policies, interest rates, land availability, or other factors may present obstacles.

Figure 2.16 below indicates that actual construction in Lansing in recent years has underachieved, at certainly taken place at a reduced rate from previous periods. During the past six years, the city has produced 73 units, or an average of about 12 units per year. RDG uses a basic test that a city growing at an annual rate of 1%, characteristic of mature cities experiencing steady but not explosive growth, will produce about 50 new units annually per 10,000 people. By this measure, new construction in Lansing has surely lagged, and that lag is borne out by the city's relative lack of growth.

One explanation for this lag is that builders are serving only one sector of a larger market and from the value of permits, it appears to be a middle-level sector. But this appears to be missing markets both above and below that specific range. This is consistent with opinions expressed during listening sessions with stakeholders.

Figure 2.16: Lansing Building Permits Issued 2010-2022

PERMIT TYPE	2017	2018	2019	2020	2021	2022	TOTAL
1-Family	15	8	7	6	1	8	45
Duplex	4	0	0	4	6	0	14
Multifamily	0	0	0	0	0	14	14
Total	19	8	7	10	7	22	73

Source: City of Lansing

Housing Values, Age, and Condition

Housing age, condition, and value are related factors that are useful indicators of both the quality and relative affordability of the city's existing housing inventory. Of the cities in our sample, Lansing's housing age resembles that of Kansas City area communities with relatively older core neighborhoods and somewhat larger populations such as Belton and Blue Springs. Not surprisingly, communities with newer housing (exhibited by later median dates of construction) have higher median home values – newer houses cost more to build. An anomaly here is De Soto, which has experienced a recent construction boom of high cost homes, but still retains a proportionately large core district.

In this sample, Lansing's median home value is relatively low, again ranking with cities that have substantial core districts as a percentage of overall housing supply. It ranks with Gretna, Nebraska, a similarly located and somewhat smaller suburb of Omaha. However, this city is growing rapidly and its median value is likely to increase in the near future.

Figure 2.17: 2021 Median Home Value and Median Year Built

CITY	MEDIAN HOME VALUE	MEDIAN YEAR BUILT
Lansing	\$193,100	1985
Leavenworth County	\$207,500	1980
Basehor, KS	\$261,500	2001
Belton, MO	\$153,700	1985
Blue Springs, MO	\$189,100	1985
Bonner Springs, KS	\$178,200	1974
De Soto, KS	\$279,900	1987
Gretna, NE	\$194,100	1994
Grimes, IA	\$238,600	2005
Liberty, MO	\$206,800	1983

Source: American Community Survey (5-Year Estimates)

Eras of Development



Immediate Post-War



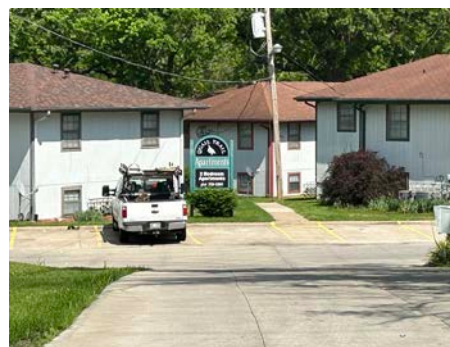
1960-1980



1980-2000



Post- 2000

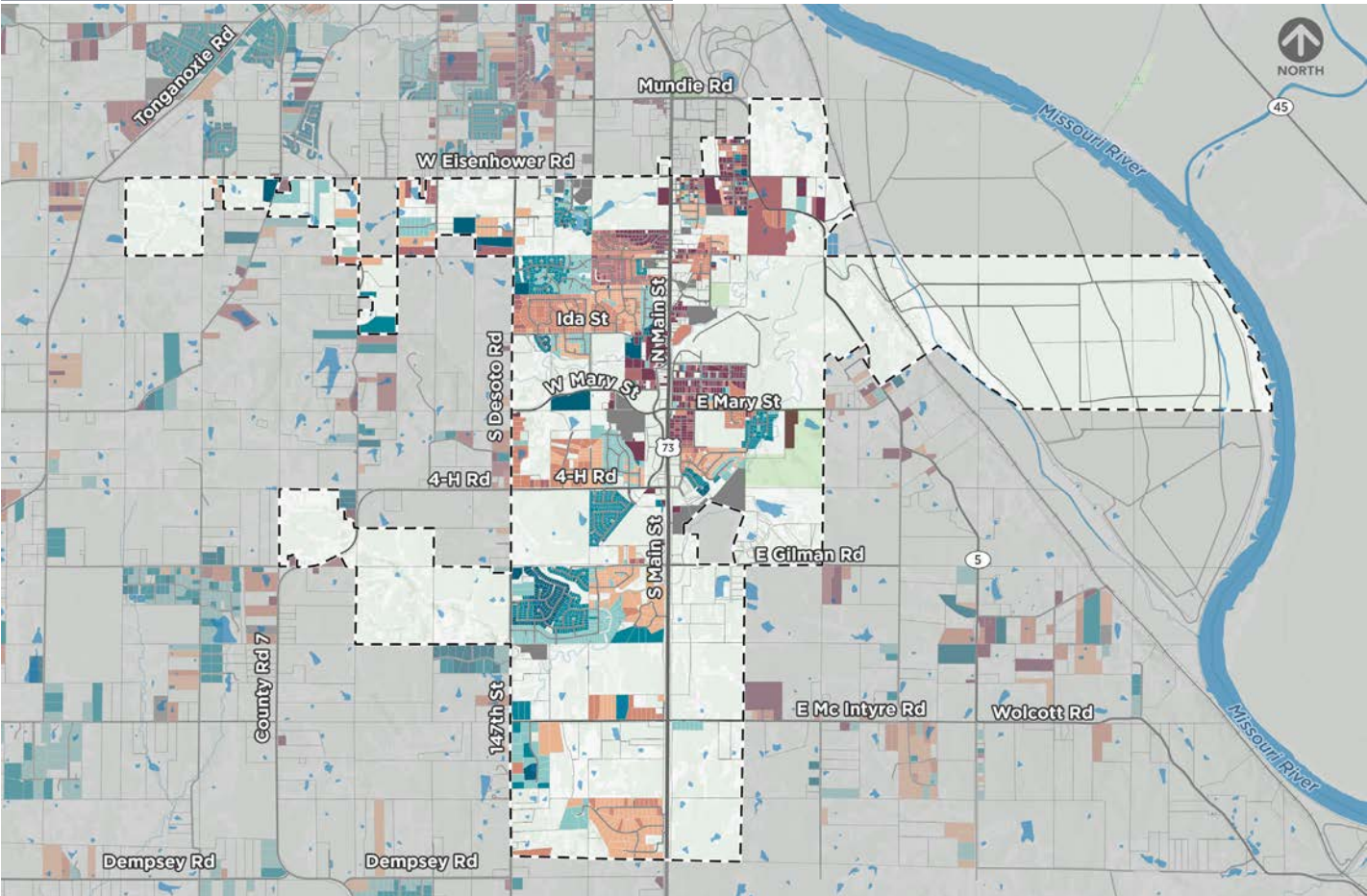


Post-War Multifamily



Contemporary Multifamily

Figure 2.18: 2021 Lansing Housing Median Year Built

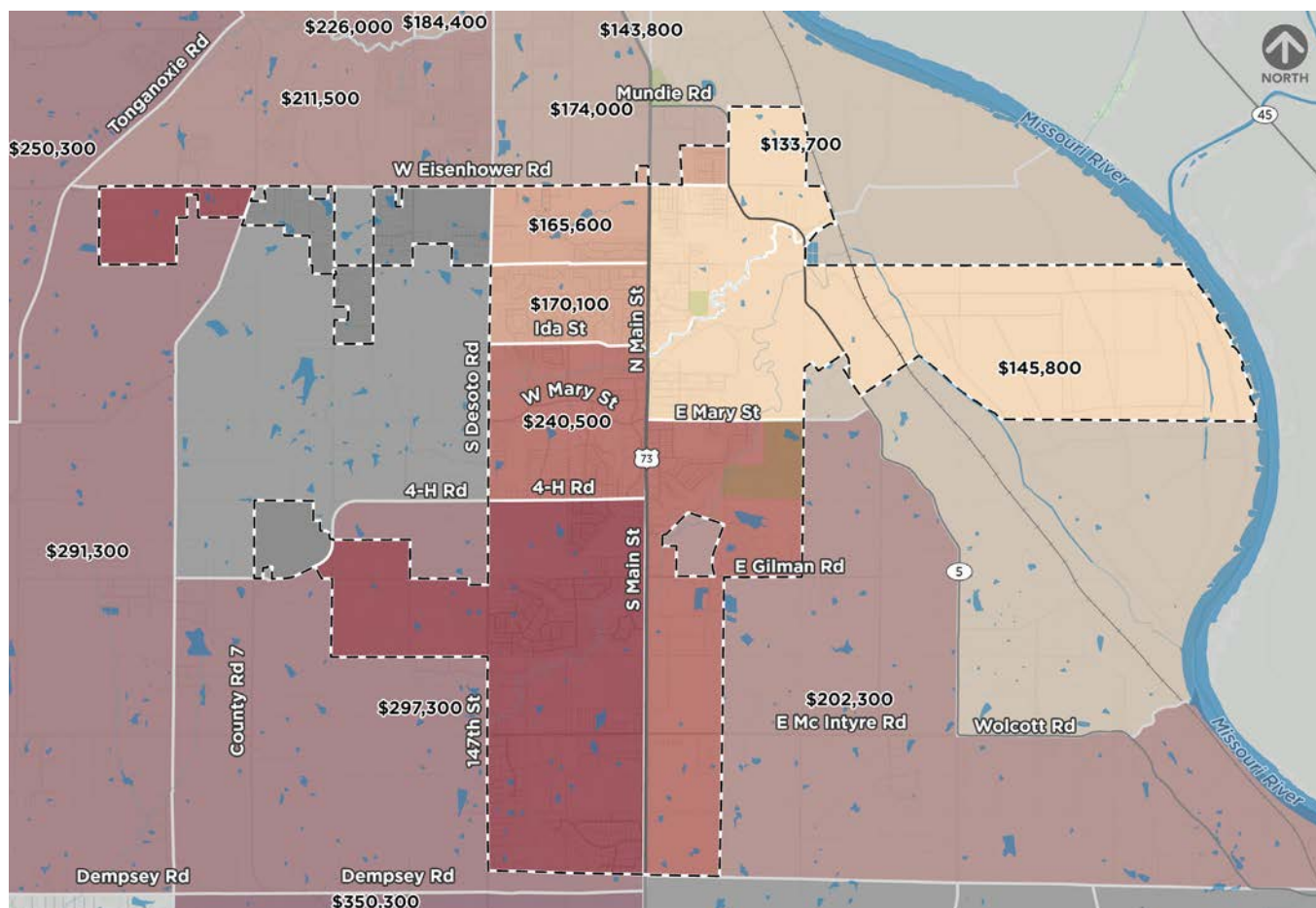


The original core neighborhoods of Lansing are located east the K-7 (Main Street) corridor between Olive Street and Kansas Avenue, south of the Lansing Correctional Facility and immediately south of the Leavenworth Country Club and north of Highland Road. Later phases of residential developed between 1960 and 1990 in corridors a half mile each east and west of K-7 with newer post 1990 subdivisions extending west to Desoto Road (147th Street). The development pattern of the city is relatively discontinuous, with self-contained subdivisions separated by intervening areas of open land. The most recent large development clusters are The Ridge immediately east of Lansing High School, Wyndham Hill south of 4-H Road and west of Main, and Woodland Hills north of Englewood Street and east of Desoto Road. Figure 2.18 displays date of residential construction of residential buildings, based on information from the Leavenworth County Assessor.

Source: Leavenworth County Assessor; RDG Planning & Design

- Residential Year Built**
- Before 1960
 - 1961 - 1970
 - 1971 - 1980
 - 1981 - 1990
 - 1991 - 2000
 - 2001 - 2010
 - 2011 - 2023
 - No Data

Figure 2.19: 2021 Lansing Median Housing Values by Census Block Group



Source: 2021 American Community Survey (5-Year Estimates)

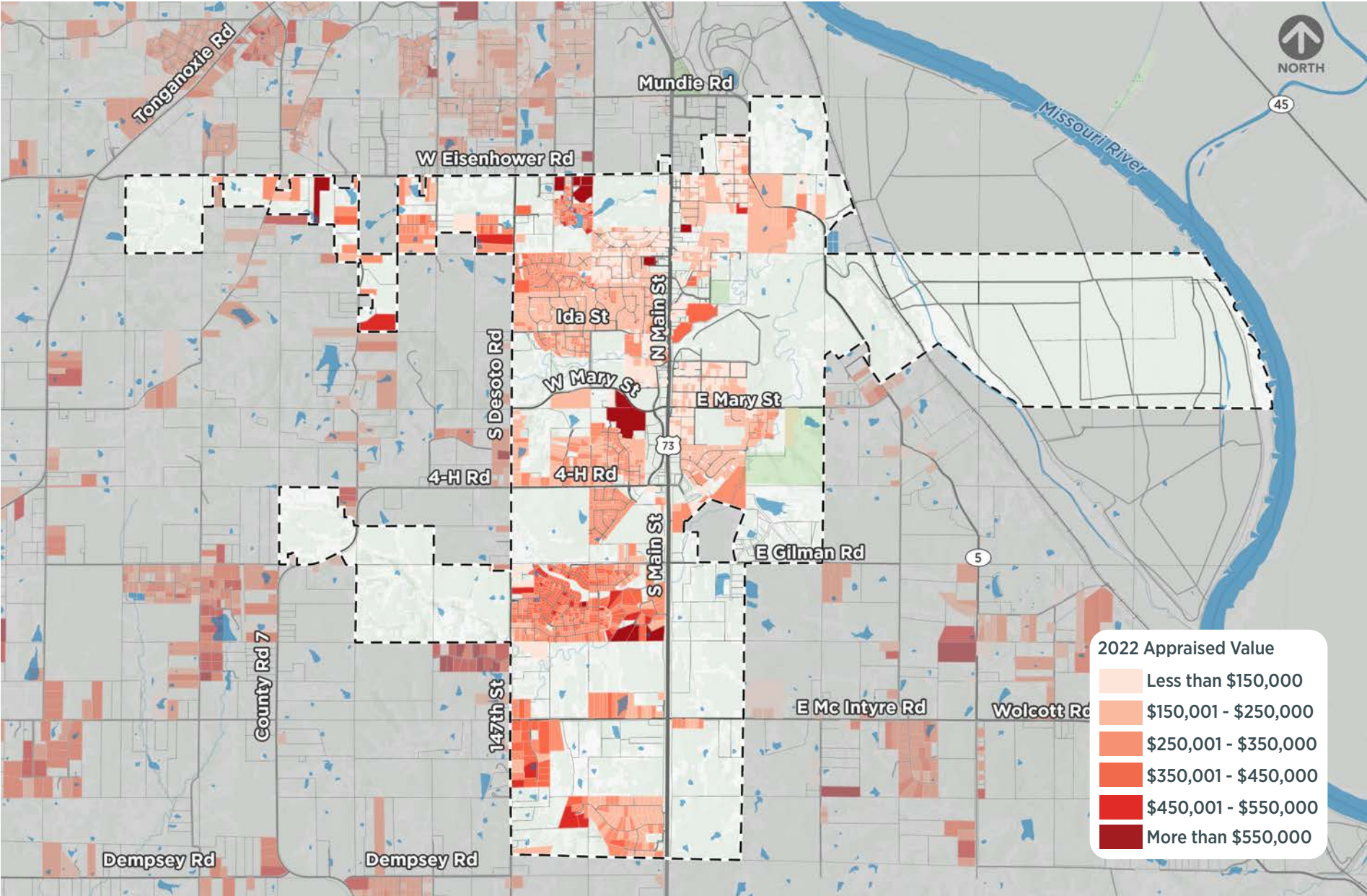
2021 Median House Values

- Less than \$150,000
- \$150,001 - \$200,000
- \$200,001 - \$250,000
- \$250,001 - \$300,000
- More than \$300,000

Figure 2.19 displays median house values for block groups, using American Community Survey 2021 estimates. These estimates indicate the highest home values located in developed areas west of K-7 and south of 4-H Road, followed by the area between Ida Street and 4-H. It is important to note that these surveys combine unlike areas into block groups and often understate the market value of property. An examination of real estate sales data and estimated prices by on-line services like Zillow, and appraised values illustrated in Figure 2.20, indicate the following:

- Home values are generally related to period of development. Typical values range from \$300,000 to \$450,000 in newer subdivisions, with top of the market approaching but not exceeding \$500,000.
- Homes in the middle-age range (construction typically in the 1970s and 1980s) for in a value range from \$200,000 to \$300,000.
- The oldest housing inventory, usually the smallest houses on the market, range between \$150,000 to low \$200,000's, although some units fall below \$150,000.
- In general, home values fall within a high affordable range by contemporary standards, especially when compared with Lansing's high median household income.

Figure 2.20: 2022 Lansing Residential Parcels - Appraised Value



Source: Leavenworth County Assessor

Figure 2.21: 2021 Lansing Housing Condition Rating

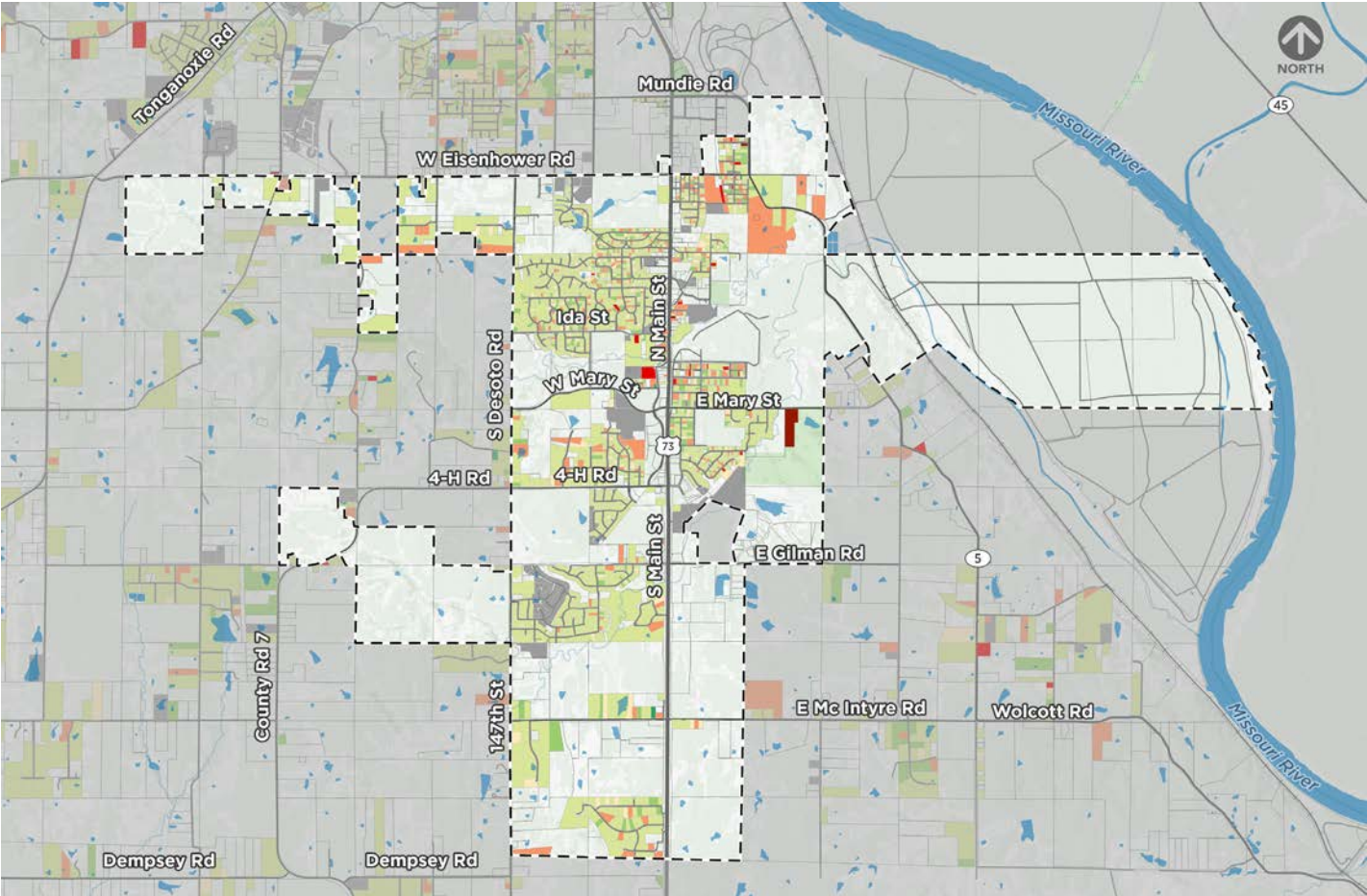


Figure 2.21 displays the Leavenworth County Assessor’s evaluation of conditions of residential structures in the city. In general, Lansing’s inventory is rated “above average” or better. Units in below average or poor condition are clustered in two neighborhoods:

- East of K-7, north of Mary Street to the Correctional Facility.
- East of Main Street in the extreme northeast corner of the city, north of Emile to the Leavenworth/ Lansing city line.

A scattering of potential condition issues are also present in some “middle-aged” subdivisions west of K-7.

Housing Conditions

- Excellent
- Very Good
- Good
- Above Average
- Average
- Below Average
- Poor
- Very Poor
- No Data

Source: Leavenworth County Assessor; RDG Planning & Design



Housing Affordability

"Affordability" is a relative thing. A home that is out of the reach of a moderate income family will be easily within the means of a buyer with an income well into six figures. A standard in common use is that a household can afford to allocate 30% of its adjusted gross income to housing-related cost. But even this standard is highly subjective – an empty nest household is likely to be able to direct a higher percentage of its income to housing than a family with several members in college at the same time.

As we have seen in the aftermath of Covid, the cost of housing can also be extremely fluid. High demand and low production produced dramatic increases in housing costs, as did material shortages, supply chain problems, and worker shortages. On top of that, interest rate increases to reduce inflationary pressures made housing even more expensive – ironically, increasing the cost of one of the main factors contributing to inflation. Numbers and analysis that were valid and useful in 2020-21 may not be accurate descriptors of housing affordability today, and housing has risen as a priority on the national urban and rural agendas.

In this section, we will explore dimensions of housing affordability in Lansing and comparable communities. It an analysis that pairs households with affordable price-points to better visualize gaps in the housing market.

VALUE TO INCOME RATIO

One useful metric that evaluates whether a community's housing is generally affordable on a macro scale to its existing population is the ratio of median home value to median household income (V/I). In most instances, an affordable, self-sustaining housing market has a value to income ratio between 2.5 to 3.0 – reflecting a reasonable match between typical incomes and values. Ratios above 3.0 suggest that a number of households are facing significant housing cost burdens. On the other hand, ratios below 2.0 suggest that housing that is significantly undervalued relative to income or that a substantial unmet move-up market exists. Undervaluation can be just as challenging as an unaffordable market. Figure 2.22 displays the V/I ratio for Lansing and peer cities. Figure 2.23 illustrates local V/I ratios within Lansing by block group. Significant facts displayed here include the following:

Figure 2.22: 2021 Peer City Owner Costs and Affordability

	VALUE TO INCOME	MEDIAN HOUSEHOLD INCOME	MEDIAN HOME VALUE	MEDIAN CONTRACT RENT	% COST BURDENED
Lansing	1.96	\$98,413	\$193,100	\$945	Owner: 11% Renter: 23%
Leavenworth County	2.57	\$80,853	\$207,500	\$778	Owner: 16% Renter: 37%
Basehor, KS	2.41	\$91,649	\$261,500	\$857	Owner: 16% Renter: 66%
Belton, MO	2.29	\$67,213	\$153,700	\$927	Owner: 16% Renter: 39%
Blue Springs, MO	2.41	\$78,516	\$189,100	\$854	Owner: 15% Renter: 35%
Bonner Springs, KS	2.27	\$75,168	\$178,200	\$829	Owner: 12% Renter: 38%
De Soto, KS	3.01	\$92,889	\$279,900	\$763	Owner: 12% Renter: 49%
Gretna, NE	2.27	\$85,476	\$194,100	\$917	Owner: 10% Renter: 32%
Grimes, IA	2.64	\$90,456	\$238,600	\$784	Owner: 12% Renter: 27%
Liberty, MO	2.54	\$81,352	\$206,800	\$804	Owner: 15% Renter: 48%

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design

- Lansing's value-to-income ratio is a low 1.96, the lowest among this sample of peer communities by a large margin. Of this sample, De Soto has the highest V/I ratio, barely over 3. Most of the suburban cities in this sample have ratios in a comfortable range, with Basehor, Liberty, and Blue Springs around an optimal value of 2.5. Lansing's low V/I is caused by a combination of a relatively low distribution of housing vales, including a lack of housing about \$400,000, and a high household median income.

- Lansing's median contract rent is the highest in this group but paradoxically, it also has the lowest percentage of cost-burdened renters. This indicates that most of the renters in the city have adequate resources available to afford the marginally higher rents.
- The only block group displaying a high V/I ratio suggesting significant housing burden is the northeast corner of the city, east of K-7 and south of the city line. This is also the area with some of the lowest ratings on building condition, oldest housing, and lowest values.

COST BURDENED HOUSEHOLDS

Another important metric in housing affordability is the percent of income that residents spend on their housing needs. According to the U.S. Department of Housing and Urban Development (HUD), "families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care."

- Lansing's homeowners are less likely to be cost burdened. But the highest percentage of burdened households is for owners east of K-7 between the correctional center and for renters, the northeast corner of the city adjacent to Leavenworth and East of K-7.
- Since 2010 the number of cost burdened renters has gone up. This is a national trend and may be even higher due to the overall inflation rate in the last 18 months.

Figures 2.24 and 2.25 show Lansing's 2021 percentage of Cost Burdened Owners and Renters by Census Block Group.

Figure 2.23: 2021 Lansing Value to Income Ratio by Census Block Group

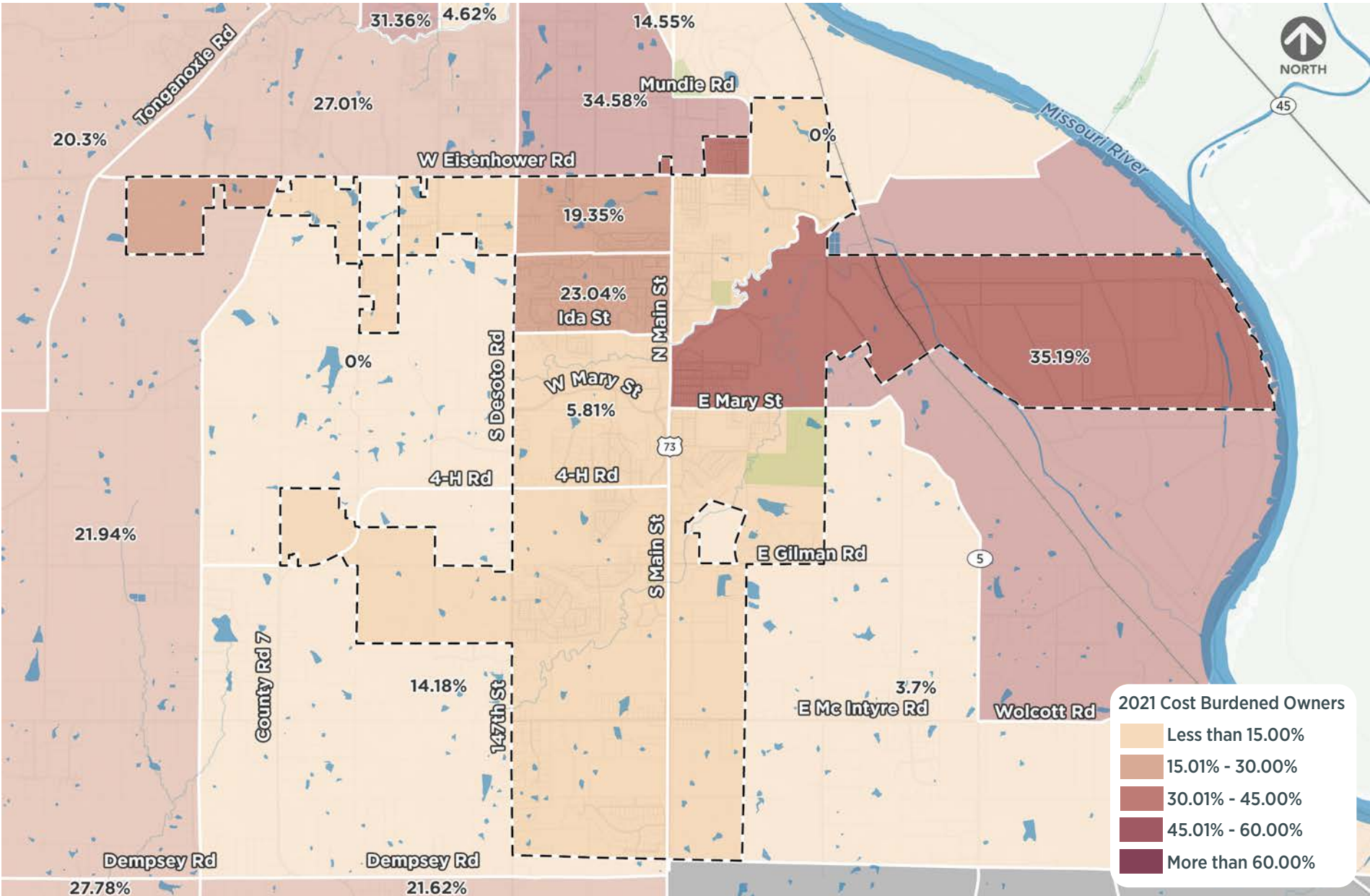


Source: 2021 American Community Survey (5-Year Estimates)

2021 Value to Income Ratio

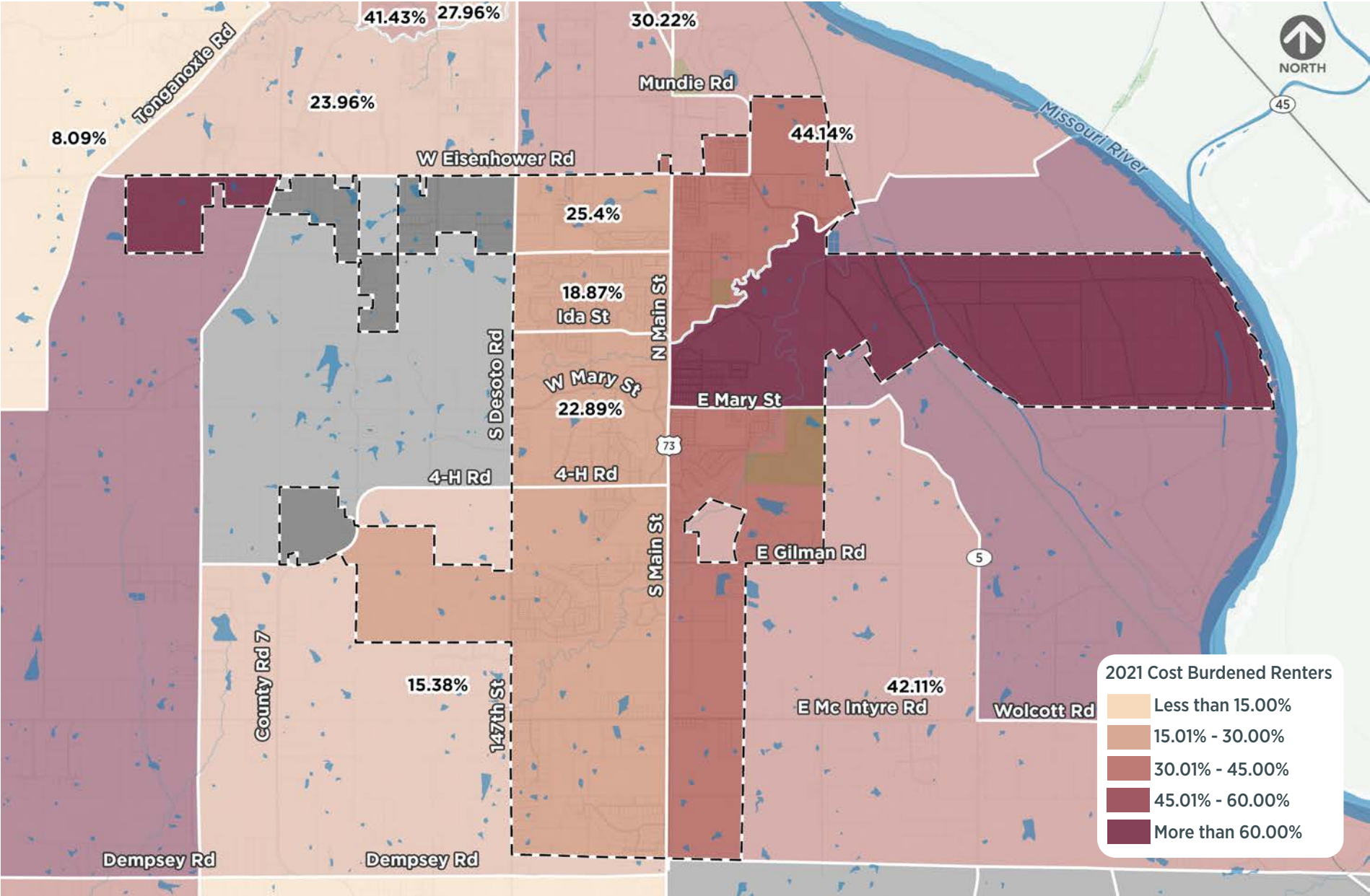
■	Less than 1.00
■	1.01 - 2.00
■	2.01 - 3.00
■	3.01 - 4.00
■	No Data

Figure 2.24: 2021 Lansing Cost Burdened Owners by Census Block Group



Source: Leavenworth County Assessor; RDG Planning & Design

Figure 2.25: 2021 Lansing Cost Burdened Renters by Census Block Group



Source: Leavenworth County Assessor; RDG Planning & Design

HOUSING AFFORDABILITY SUPPLY GAPS

Figure 2.25 evaluates the availability of affordable housing at different income ranges and the quantity of homes required to balance the need. It compares the number of units within a specific costs range with the number of people in an income cohort paired with that range using the 30% standard. A positive balance indicates a "surplus" of housing units within the affordability range of a given income group, while a negative balance indicates a "gap". A surplus in lower value ranges suggests that higher income people occupying units that would be affordable to lower income households. A gap at higher values indicates an unfulfilled market for higher cost housing.

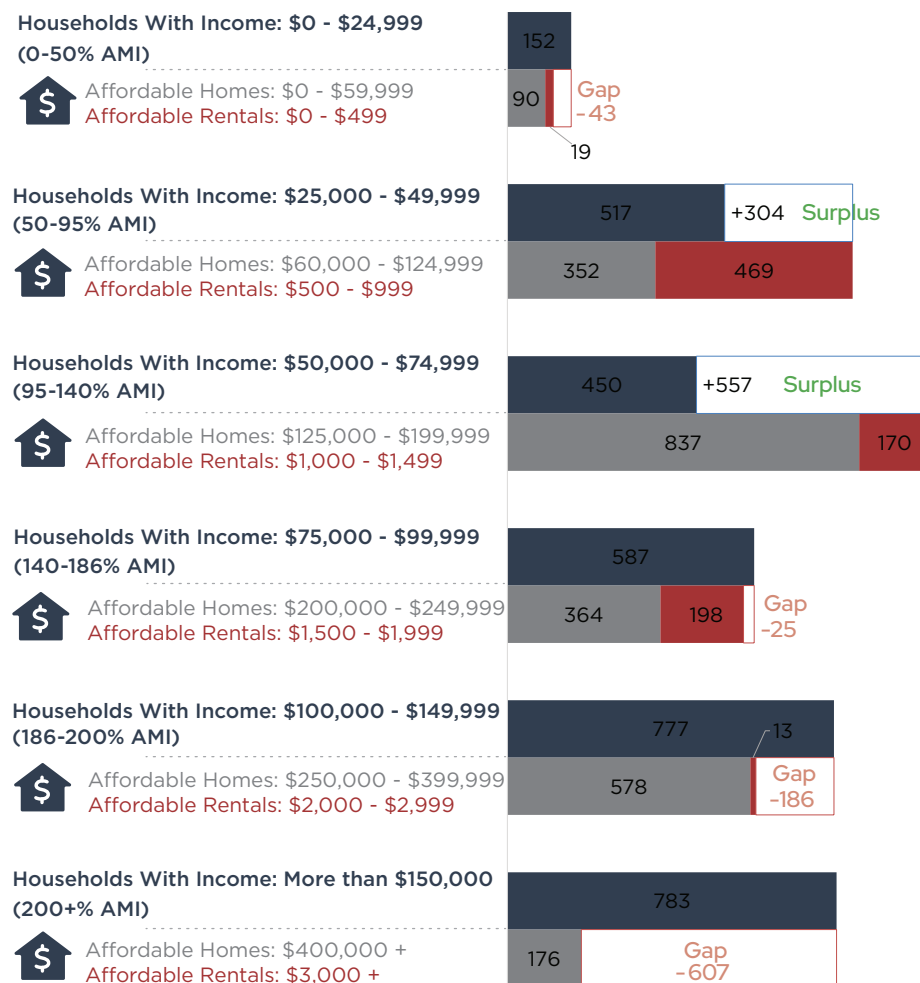
To illustrate, consider households with incomes between \$75,000 and \$100,000. Approximately 587 of Lansing's households fall within this range.

- Based on the 30% standard, an "affordable" home for purchase would fall within a price range of \$200,000 to \$250,000. This range will also vary with volatility in interest rates, an issue that has intensified with the Federal Reserve Board's aggressive actions to reduce inflation rates in 2022-2023. The ACI estimated that Lansing had about 364 owner-occupied units within this price range.
- A rental unit affordable to a household in this income range would fall within a \$1,500 to \$2,000 range. ACI estimates indicate about 198 rental units in this range.
- Combined, there are about 562 units affordable to households in this income range (the sum of ownership and rental units). Subtracting the supply of affordable units (562) from the number of households in this income range (587), indicates the size and direction of an imbalance. In this case, the calculation indicates a gap of about 25 units – in reality a close balance between theoretical demand and supply of units in this affordability range.

CONCLUSIONS:

- Overall, the city has a very good supply of moderately priced homes, but appears to have an undersupply of higher end homes for a city with Lansing's income characteristics.
- It appears that many of these moderate priced homes are occupied by

Figure 2.25: 2020 Value to Income Ratio



Source: American Community Survey (5-Year Estimates); RDG Planning & Design

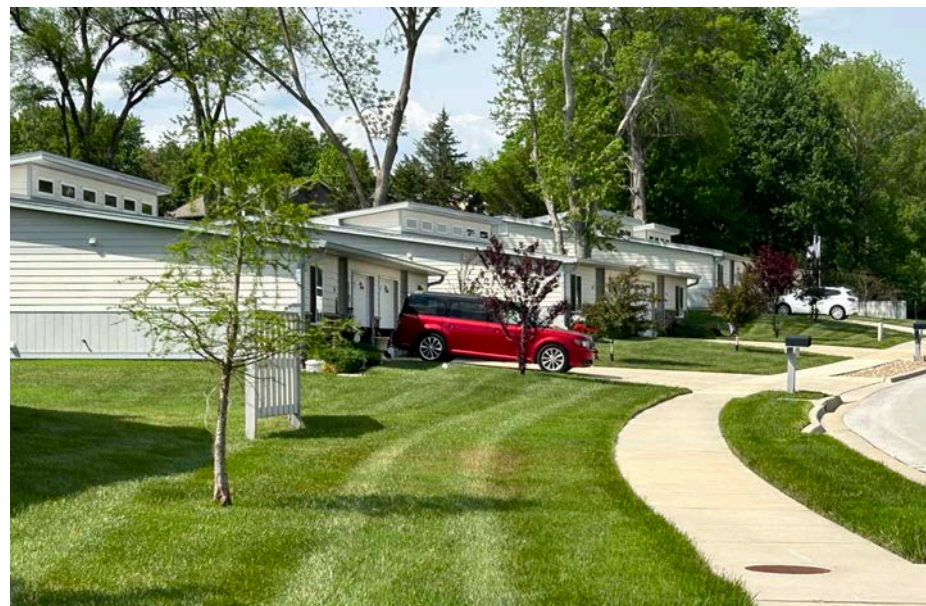
households that could afford higher priced housing.

- This analysis is descriptive and does not indicate actual demand or production targets. Households move or don't move for a variety of reasons, include staying in homes where they are comfortable, liking the idea of using a relatively low proportion of their income for housing, or lacking move-up alternatives in town.
- Taking together with the outmigration of middle-aged cohorts reported earlier, a reasonable conclusion is that Lansing is losing some of its higher income, mature households to other cities.

Future Directions

Based on the analysis and factors considered in this section, future development policy for Lansing should:

- Consider housing development to be a key policy priority for Lansing.
- Restoring a sustainable growth rate for the city and again build a proportionate share of being developed in Leavenworth County.
- Provide move-up housing opportunities at higher price points to free some existing units for prospective moderate and middle class homeowners.
- Develop a greater range of housing types to address preferences and finances of a wider range of population groups.
- Improve the balance of owner- and renter-occupied housing by encouraging rental development (including "market-rate" rentals) in appropriate areas.
- Create opportunities for independent living communities for older adults.
- Promote better connectivity among neighborhoods to produce a more cohesive development pattern. Ensure that new subdivisions link to street and trail/greenway systems.
- Catalyze development of vacant, undeveloped areas between neighborhoods and infill sites within or adjacent to existing neighborhoods.
- Create a neighborhood development program to address areas with higher housing cost burdens and some issues of housing deterioration.



Twin homes. These attached units on Ida and Gamble Streets are an example of a higher density transitional use between the K-7 corridor and the single-family Carriage Crossing neighborhood to the west. While the design has been somewhat controversial, this housing type can help deliver owner-occupied housing more affordable for new homeowners.



City Center. Vacant city-owned sites can help address the need for higher density housing that in turn supports and complements corridor commercial development.



CHAPTER 3

Markets and Development Program

The information in this section builds on the community input to inform the overall housing demand that could be expected in Lansing. Trends in home values, income growth, occupancy, and other factors begin to form the housing demand program.

MARKET PROJECTIONS AND DEVELOPMENT PROGRAM

This section identifies a potential market needs and a development program for the period from 2023 to 2030, the year of the next decennial census. Figure 3.1 displays an overall demand model built on the following assumptions:

Growth Rate. Despite the underperformance of the 2010 to 2020 decade, Lansing should grow at a moderate, sustainable rate. The demand model here assumes growth into the future at an average annual rate of 1.1%. It is unrealistic to project a return to Lansing's peak single-family construction era between 2001 and 2005, where the city averaged 78 single-family permits annually or Basehor's recent development boom between 2017 and 2021 averaging about 103 single-family permits. A 1.1% rate is the city's overall average since 2000, which incorporates both a rapid growth decade and a no-growth decade, and is a reasonable goal for the near-term future.

The city has a large non-household population, accounted for primarily by the Correctional Facility. The model assumes that this institutional population will remain flat through 2030.

People per household. Population per household translates the number of people living in households to housing unit demand. This focuses on units generated by new growth. In 2020, Lansing averaged 2.88 people per household, not atypical for a family-oriented community. Our model leaves this average constant, on the premise that in the 2023-2030 period, smaller household size generated by an aging population and younger families without children will be balanced by larger households as younger millennials have children.

Vacancy rate. A city should not have zero vacancy and some housing units must always be available. Lansing's 2020 vacancy rate was about 5%, on paper a healthy number. However, a significant number of those units were tabulated as "other vacancy" in the census, indicating units that were not available for occupancy for a variety of reasons, including their condition. Taking those units out of consideration reduces Lansing's real vacancy rate to about 2.8% – much

too low to be healthy. The model increases the real vacancy rate to a still low but better real vacancy rate of 3.9% by 2030.

Demand generated by actual population and household growth. A calculation based these factors generates a demand for about 48 new units annually.

Latent demand. The model is built on projecting growth back through 2020. A 1.1% growth projection would generate a need for about 144 units from 2020 through 2022. However, actual production during that period totaled only 39 units, or a shortfall of 105 unit. Filling that shortfall over a five year period would add 21 units annually to the basic demand projection.

Replacement demand. This factor replaces housing units that leave the market through demolition, conversion to other uses like offices, redevelopment, or other factors. The "other vacant" category is a reasonable measure for units that will leave the housing market for a specific reason. This calculation assumes that 50% of the "other vacant" units in Lansing will be replaced and distributes that demand on an annual basis over this eight year period.

Total demand. These assumptions indicate a potential market demand for 560 units on Lansing between now and 2030, or an annual average of 70 units. This includes both owner and renter occupancies.

Development Program

A proposed development program to 2030 divides the total unit demand projected at 560 units into occupancies and price points, based on the relative current income distribution of the city. This methodology assumes that new people moving into Lansing will generally economically resemble the current population. The program model is built on the following assumptions:

Tenancy split. Lansing's current owner/renter split is approximately 72% owner/28% renter and its relatively post-2017 construction ratio has been roughly 60% owner (single-family) and 40% renter (duplex and multifamily). The model here assumes a 65% owner/35% renter split to 2030. The division is much of the country for new development has been closer to 50/50, largely because of reluctance or inability of newer households to buy homes. We suspect this will change over time, but home purchases may be forms other than conventional

Figure 3.1: Lansing Housing Demand Summary

	2020	2023-2025	2026-2030	TOTAL
Population at End of Period	11,239	11,871	12,538	
Household Population at End of Period	8,844	9,350	10,143	
Average People Per Household	2.88	2.88	2.88	
Household Demand at End of Period	3,071	3,290	3,522	
Projected Real Vacancy Rate	2.8%	3.4%	3.9%	
Unit Needs at End of Period	3,157	3,402	3,659	
Demand Generated by Growth	---	146	257	403
2020-2022 Shortfall	---	63	42	105
Replacement Need (total lost units)		20	32	52
Cumulative Need During Period		229	331	560
Annual Need		76	66	70

Source: RDG Planning & Design

single-family, that is detached houses on relatively large lots.

Mortgage rates. Mortgage rates will stay at their current level with some slight adjustments. Buyers have become accustomed to the very low mortgage rates, in the 2-4% range) in place since the housing finance crisis of 2008. But these levels were atypical. Table 3.2 examines monthly payments and target home prices for various income groups in Lansing, based on 6%, 30-year fixed term mortgages, the use of the federal affordability standard of 30% of income for housing cost, and that 75% of this sum is attributable to principal and interest payments.

Rent payments and affordability. The program model uses also the 30% of income standard to determine "affordability." Unlike mortgages, a single payment describes housing cost because debt service, taxes, insurance, repairs, and utilities are all included in that single number. Table 3.3 displays rent ranges

Figure 3.2: Supportable Mortgages by Income Group

Current Income Range	% OF LANSING HOUSEHOLDS	AVAILABLE FOR DEBT SERVICE		CORRESPONDING PURCHASE PRICE	
		LOW	HIGH	LOW	HIGH
UNDER 25,000	4.60%	\$-	\$469	\$-	\$78,058
25,000-50,000	15.90%	\$469	\$938	\$78,058	\$156,000
50,000-75,000	13.80%	\$938	\$1,406	\$156,000	\$234,000
75,000-100,000	18.0%	\$1,406	\$1,875	\$234,000	\$312,734
100,000-150,000	23.80%	\$1,875	\$2,813	\$312,734	\$470,000
150,000-200,000	15.80%	\$2,813	\$3,750	\$470,000	\$625,468
200,000+	8.20%	\$3,750	\$5,625	\$625,468	

Source: RDG Planning & Design

rent ranges affordable to various income groups in Lansing. It continues by estimating the likelihood that each income group will be seeking rental housing. For example, the scarcity of habitable houses to buy for the lowest income group means that almost all of its households will be served by a rental market. On the other hand, participation rates by high income groups in Lansing will probably be very low. These numbers together are used to calculate the number of new units that will be needed for each group, based on their current share of the city's households.

Development Program

Figures 3.4 and 3.5 display a projected development program for owner and renter occupied housing development between 2023 and 2030. The lowest cost ownership categories cannot be served by the private market along and require major public or philanthropic interventions. Some of these needs will be met by adapting and rehabilitating existing housing supply and establishing special financing programs and supportive services for low income households. Similarly, rental units for low-income households typically require rental assistance, low-income housing tax credits (LIHTC), and other subsidy forms.

Development Types and Land Needs

The great majority of development in Lansing and other suburban communities has been single-family detached homes on relatively large lots, served by urban infrastructure. The Ridge, a contemporary subdivision with relatively standard lot sizes, has a gross density (including streets) of about 2.7 to 2.8 units per acre or about 15,000 square feet per unit. Assuming that areas like streets and other uses outside of private lots accounts for 25% of the subdivision's area, this suggests a typical lot size of about 12,000 square feet. Wyndam Hill, a somewhat denser single-family subdivision, has a gross density of about 3.3 units per acre or about 13,000 square feet per unit, with a typical lot size in the range of 10,000 square feet.



Figure 3.3: Supportable Rent Payments by Income Group

Current Income Range	AVAILABLE FOR DEBT SERVICE % OF LANSING HOUSEHOLDS	AVAILABLE FOR HOUSING COST		CORRESPONDING PURCHASE PRICE	
		LOW	HIGH	LIKELIHOOD OF BEING IN THE RENTAL MARKET	% OF NEW RENTAL SUPPLY ALLOCATED TO GROUP*
UNDER 25,000	4.60%	\$-	\$625	90%	12%
25,000-50,000	15.90%	\$625	\$1,250	50%	23%
50,000-75,000	13.80%	\$1,250	\$1,875	50%	20%
75,000-100,000	18.0%	\$1,875	\$2,500	40%	21%
100,000-150,000	23.80%	\$2,500	\$3,750	20%	14%
150,000-200,000	15.80%	\$3,750	\$5,000	20%	9%
200,000+	8.20%	\$5,000	\$7,500	10%	2%

Source: RDG Planning & Design

*Calculated by multiplying the rental market likelihood factor by the % of households within that income range, divided by the sum of the same calculation for all income ranges.

Figure 3.4: Lansing Housing Development Program: Ownership Summary

	2023-2025	2026-2030	TOTAL
Very Low: 0-\$75,000 (Note 1)	7	10	17
Low: \$75,000-\$150,000 (Note 1)	24	34	58
Low Market: \$150,000-\$230,000 (Note 2)	21	30	50
Moderate Market: \$230,000-\$310,000 (Note 3)	27	39	66
Middle Market: \$310,000-\$450,000	35	51	87
Upper Middle Market: \$450,000-\$600,000	23	34	57
High: Over \$600,000	12	18	30
Total	149	215	364

Source: RDG Planning & Design

Notes:

1. Categories below \$150,000 are unachievable with conventional new construction. This need may be met through special programs, nonprofit or philanthropic programs like Habitat for Humanity, and/or rehabilitation of existing units.

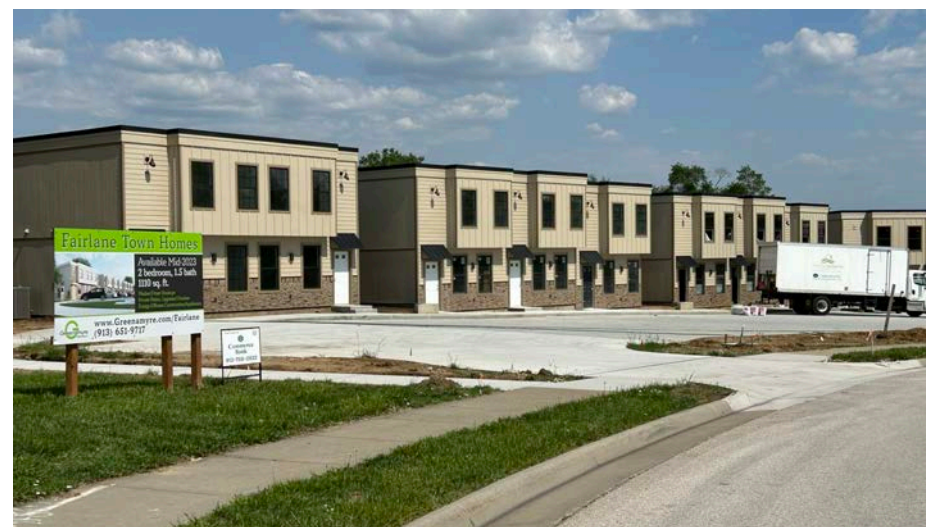
2. This category may be achievable through attached or townhome units, possibly combined with financing assistance programs.

3. This category will typically involve medium density solutions or some form of assistance with development costs, such as RHIDs. These infrastructure, tax increment, or tax abatement programs may also be used as incentives or risk abatement measures for higher cost units.

Figure 3.5: Lansing Housing Development Program: Rental Summary

	2023-2025	2026-2030	TOTAL
Deep Subsidy: 0-\$500	9	14	23
Subsidy: \$500-\$1,050	18	26	45
Market: \$1,000-\$1,500	16	23	39
High Market: \$1,500-\$2,000	16	24	40
Luxury or Service Provided : Over \$2,000	20	29	49
Total	80	116	196

Source: RDG Planning & Design



While these developments defined much of the residential development picture from the 1970s on, substantial changes in the market are taking place. Some of these changes are driven by preferences – younger families with a number of demands on their free time are attracted to less time spent on lawn maintenance, want greater walkability, and are sometimes motivated by environmental impact and climate concerns. But the leading influences are economic – land and development costs per conventional subdivision lots are very high and the relatively large, detached homes on them are also expensive as construction costs rise. Typical new construction home costs are typically starting at \$400,000 to \$450,000 and upward, and younger prospective homebuyers are priced out of the market. Higher interest rates are exacerbating the problem.

There are two primary ways to address some of these issues: higher residential densities to reduce land and development cost per unit and reducing construction cost by building smaller houses and/or using common walls and rooflines through attached configurations like duplexes, twin homes, and townhomes. These forms are now commonly referred to as "missing middle" development – the middle range between conventional large lot single family development and typical apartments. But economic imperatives and changing development practices are beginning to make these housing forms less "missing."

Our analysis indicated a significant market for "move-up" housing at higher cost and this demand will continue to be largely met by large lot single-family development. But other configurations will be needed to meet the needs of other markets – required for Lansing to continue to grow. The opinion survey described in the first chapter showed some substantial acceptance for affordable smaller single-family homes, independent living senior settings, duplexes and twinhomes, mixed use multifamily, and townhouses – even among a sample that was largely made up of owner occupants of single-family homes.

A housing mix scenario that responds to potential market sectors includes four different overall categories:

- **Large-lot single family on standard subdivision lots**, typically in the range of 10,000 to 15,000 square feet. Under current conditions, these will generally serve the high-end, move-up market, with home prices upward from \$450,000 and \$500,000. This development form will produce a gross density of 2.5 to 3.0 units per acre.
- **Small lot single family**, detached units in urban subdivisions, existing neighborhoods, and urban development and cluster configurations. Typical small lot residential is in the lot size range of 5,000 to 7,500 square feet per unit. This will increasingly be the dominant detached alternative for middle-income families. In contemporary pricing, this form will tend to produce housing in the \$350,000 to \$500,000 range at a typical gross density of about 5 units per acre. Nationally, a market has emerged in build-to-rent houses as well, becoming feasible because of the general rise in rents.
- **Middle-density residential**. This category includes attached units, duplexes, and small townhome and rowhouse developments and can be built to relatively high densities. These housing types can serve a number of income groups, from moderate income households to very high income people attracted to their urban quality and usually provided site maintenance services. Units in this range can serve both ownership and rental markets. Typical site area per unit ranges from 2,500 to 4,000 square feet with net densities between 8 and 12 units per acre.
- **Multifamily**. Multifamily residential types can vary significantly, from small buildings to very large apartment blocks. While multifamily housing can achieve very high densities in large cities, suburban density of low-rise buildings will tend to average 16 to 20 units per acre.

While the private market will produce the actual mix of these types of residential development, public policy can guide decisions and remove or minimize unnecessary obstacles. To that end, it is helpful to construct a general concept of how these configurations combine to meet the entire range of residents. In addition, a moderate increase in density can improve housing affordability for younger families, reduce impact on the land, and provide more efficiency in providing public services.

A suggested target scenario projects the following distribution:

- 30% of housing in conventional subdivisions, a a gross density of 2.75 units/acre.
- 30% in small lot single-family with a gross density of 5 units/acre.
- 20% in middle-density residential with a gross density of 8 units/acre.
- 20% in multifamily residential, with a gross density of 16 units/acre.

Figure 3.6 describes the number of units projected for each housing type for this scenario and the relative owner/renter split for each type. As examples, all conventional single-family homes are likely to be owner occupied. But only about 55% of middle density units are projected for as owner-occupied. Figure 3.7 presents the amount of new residential land needed to accommodate this scenario. The overall projected gross density is 4.8 units per acre, close to a desirable residential of 5 units/acre that many communities identify as a goal for mixed density development in suburban settings.



Figure 3.6: Suggested Housing Type and Owner/Renter Tenancy

HOUSING TYPE	% OF NEW DEVELOPMENT	NUMBER OF PROJECTED UNITS	OWNER/RENTER SPLIT FOR CATEGORY	OWNER UNITS FOR CATEGORY	RENTER UNITS FOR CATEGORY
Conventional 1-family	30%	168	100%/0%	168	0
Small lot 1-family	30%	168	80%/20%	134	34
Middle-density residential	20%	112	55%/45%	62	50
Multifamily residential	20%	112	0%/100%	0	112
TOTAL				364	196

Source: RDG Planning & Design

Figure 3.7: New Residential Land Needs for Scenario

HOUSING TYPE	UNITS/ACRE	NUMBER OF PROJECTED UNITS	REQUIRED LAND AREA (A)
Conventional 1-family	2.75	168	61
Small lot 1-family	5.0	168	34
Middle-density residential	5.0	112	14
Multifamily residential	16.0	112	7
TOTAL	4.84	560	116

Source: RDG Planning & Design





CHAPTER 4

Goals

The previous chapters laid out the market analysis and public engagement process which brought to light a variety of issues the community will need to navigate in the years to come. At the same time, this process identified key assets and opportunities that community leaders can leverage to ensure a healthy housing market. The purpose of this chapter is to explore the primary issues and opportunities and identify the strategic housing goals that will guide the policies and initiatives that will be outlined in the following chapter.

OPPORTUNITIES, ISSUES, GOALS

This study's previous chapters included a review of the opinions and priorities of both major stakeholders and the general public; an analysis of key demographic, economic, and housing characteristics; and a projection of housing needs and markets for the 2023 to 2030 periods. This chapter synthesizes this information into a summary of assets and issues, using this as a springboard for developing focused goals that will in turn lead to policy recommendations and actions.

Defining Assets and Issues

HOUSING ASSETS

Affordable Housing for its Population

In general, most current residents of Lansing can afford the city's housing supply and are not unduly burdened by housing cost. The city's households enjoy a relatively high median income near \$100,000 and a moderately priced housing inventory, although that could change with rising costs and demand.

Sound Housing Inventory

The majority of Lansing's housing was built after 1970, with construction peaking between 2000 and 2010. Much of the city's housing stock is relatively new and is owner occupied. Older single-family houses and apartments are clustered east of K-7.

Land for Development

Despite topographic challenges, Lansing has a good supply of developable land within its municipal limits. Logical areas for development include the south K-7 corridor between McIntyre Road, parcels east and west of Wyndham Hills between 4-H Road and Gilman Road, and various infill sites. These potential sites appear capable of accommodating the land use needs identified in Chapter 3. The next most likely development areas surround Lansing High School, but are currently outside the city.

Towne Center

An unusual asset is city ownership of the strategic Towne Center property



along K-7 between Kansas Avenue and 4-H Road. This site, originally intended for commercial use, is developing with a variety of uses, including a proposed apartment project. However, much of the site is still available and has the ability to develop as a true mixed use center with a significant residential component.

Local Developers

Local developers have been active in Lansing and have been willing to experiment with new housing types. Other younger builders are also interested in entering the development market. With support and possible risk reduction programs, these enterprises could mobilize to increase development in the city.

An Active Market

Leavenworth County has been and continues to be an active development market. Home construction activity in Lansing between 2000 and 2010 and Basehor between 2010 and 2020 is testimony to this market strength. In addition, some development challenges and costs in Johnson County may cause additional Kansas City builders and developers to look north for additional opportunities.

Community Quality Investments

Lansing has made and is making major community investments in school

buildings, trails, and the planned Water Park. These community quality projects help enhance the features that Lansing offers to prospective residents. The 2020 Parks Master Plan also sets forth an excellent program for enhancing and connecting Lansing’s park system.

HOUSING ISSUES

Underachieving Development

After a productive ten years between 2000 and 2010, construction activity and population growth in Lansing went flat during the last ten years. People in the industry offer various explanations, many of which are identified in Chapter One. They include perception of risk, lack of economic scale, limited transportation

options to the metropolitan area, development costs, and neighborhood opposition to projects, among others. But simply stated, Lansing is not building enough housing, and the iterative relationship of little housing development and population plateauing is in full force. A significant recent development is the approval of the 50-unit Covington Woods development for Low Income Housing Tax Credits (LIHTC) in 2023

Limited Housing Variety

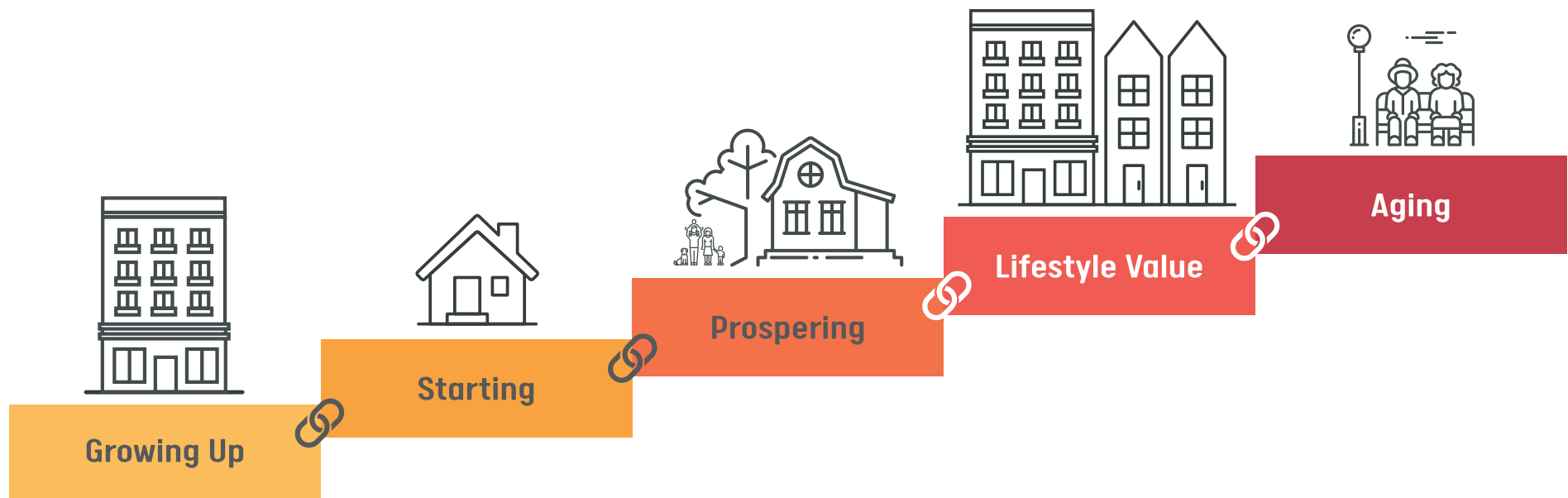
People and their families have different housing needs at different stages of life. A healthy community ideally provides the range of housing necessary to meet the needs of its residents at all stages. Over the past decade, Lansing has seen the construction of “prospering” and some “growing up” but there have been few “starting,” “lifestyle (including move-up)” and “aging” options. Greater housing diversity includes low-maintenance and smaller square footage in both renter and owner markets.

Shortage of Rental Options.

Lansing remains largely an owner occupied city and provides limited rental

Housing Stages

 = Each stage often requires the previous to be possible



options. Some strides are being made, including the new Fairlane Townhomes and a new apartment project proposed for a parcel at Towne Center. But increasingly, rental housing is a necessary entry into the housing market for young households. At the other end of the age scale, the demographic analysis indicates that Lansing is losing mature households because of a lack of move-up housing or maintenance provided, independent living communities for older adults.

A shortage of units also creates a market environment that encourages investors to purchase older homes for use as rentals. This removes potential first-time homebuyer options or can even result in units remaining on the market that should be demolished. Participants in stakeholder groups confirm that this trend is in fact occurring in Lansing.

Shortage of Ready to Build Lots

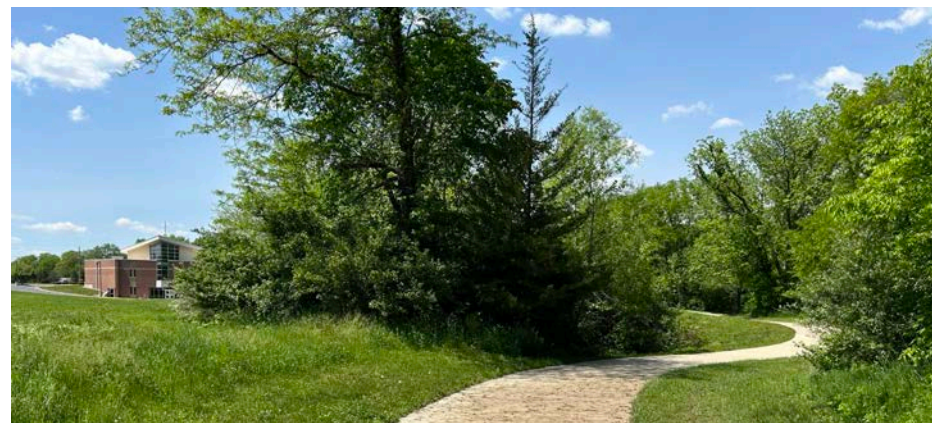
Buildable lots in existing subdivisions are in limited supply in Lansing and new subdivision platting is not occurring. A dwindling lot supply is a serious challenge and the policies and strategies for lot development are directly impacted by a community's absorption rate. The current cost of lot development and a slower absorption rate will make it difficult for the private market to carry the debt of a new subdivision. Lot variety is also needed to support housing variety. If these are seen as riskier, then partnerships will be essential to sharing this risk. Some infill development is taking place on vacant lots east of K-7, but these are not sufficient to meet housing needs.

Room to Grow

While land may be available to meet development needs to 2030, there is relatively little land to grow beyond that, and development to the south tends to become distant from the center of the community. Some of the most attractive residential sites are around the high school, contiguous to the school, its playing fields, trail connections, and The Ridge subdivision. Annexation of some of these areas may help encourage development in this direction.

Dispersed and Separated Developments

Many of Lansing's neighborhoods are self-contained subdivisions that are dispersed and separated by open land. Internal street systems lack connectivity to other neighborhoods and a system of connecting trails and greenways, while feasible, is still fragmentary. These connections, linking neighborhoods together



and to community destinations, can help build community.

Neighborhood Conditions in Older Areas

Older residential areas south of the Correctional Facility and south of Eisenhower between K-7 and 8th Street display some spot housing deterioration, obsolete units, vacant lots, and highest housing cost burdens for its residents. It also appears that some of purchase and conversion of some of houses to rental occupancy could be taking place in these areas. While these areas are experiencing some reinvestment with new infill construction, gradual decline of these areas should be reversed and a concerted community development initiative could benefit both existing and potential new residents.

HOUSING GOALS

It is important to note that there is no single solution to all aspects of the housing market. Ultimately, though, in a communities like Lansing, it is perception of risk that keeps demonstrable markets from being served. These risks involve both land development and construction of more diverse building types. These specific areas of perceived risk but real strategic importance to the city's future include:

- Subdivision development
- New ownership housing forms, including so-called "missing middle" forms to provide affordable units for young families
- Independent living senior housing
- Higher-end housing to retain older and established residents

Building on the opportunities and issues identified in the planning process the following goals should guide community leadership's housing policies and strategies. This next section expounds on policies that build on assets and seeks to address the challenges in Lansing's housing market.

1. SHARE RISK WITH THE PRIVATE MARKET WHEN APPROPRIATE

Subdivision development and introduction of new products to the housing supply will not occur at a significant scale if developers or builders perceives the risks involved in their investments to be greater than the rewards. The risks associated with development of moderate to lower price-point units often is high, with a loss or very small profit margin more likely. This problem is compounded because delivery of units at these moderate price points will involve introducing unfamiliar products to the Lansing market. At the higher end of the scale, there are few comparables or examples to prove the marketability of homes at a high cost range.

Subdivision development can be a risky proposition as well. Land purchases and infrastructure development require substantial, speculative front-end investments by the developer. Many cities that have successfully developed adequate supplies of lots share the front-end risk through public financing tools,



including revenue bonds and in Kansas, the very useful tool of Rural Housing Incentive Districts (RHIDs).

Finally, even in places with demonstrable markets for multifamily rental development, opposition by neighbors can often successfully defeat projects, even after a developer has invested considerable money for land control, design, and various application fees. This adds a further level of risk, and was cited by stakeholders as an obstacle in Lansing.

OBJECTIVES:

- Laying the groundwork for the next two goals.
- Expand the awareness and partnerships in addressing the city's housing needs.
- Lower the risk and therefore provide incentives more private market involvement in housing production.
- Lower the risk of introducing new housing products that fill local needs.



2. INCREASE HOUSING PRODUCTION AND VARIETY

Lansing should strive to develop a variety of housing types and occupancies that meet people's needs at their specific stage of life. For example, when households reach the point in life when they decide to "move up or move out," they choose the latter if options are not there. New settings for older adults can free up existing units for a new generation of residents. As we have seen, Lansing typically builds single-family detached homes with smaller groups of apartments, twin homes, and recent rental townhomes. Ownership options other than single-family detached units have been missing in the market. A healthy housing market should allow a resident to transition through several homes in accordance with their life cycle - from an affordable apartment, to a family home, and eventually to a lower maintenance option for their senior and empty-nester years.

OBJECTIVES:

- Address the need for 560 units of a range of housing options during the balance of this decade.
- Build and free up more housing for moderate and middle income households as well as those that do not qualify for low-income programs.

- Address the need for options beyond apartments and detached single-family, including duplexes, townhomes, and downtown living.
- Create a mechanism that creates new improved lots and sites for development.
- Incorporate dense housing solutions as part of the development of Towne Center.
- Increase the number of universally designed products.

3. PRESERVE EXISTING HOUSING AND STRATEGICALLY REINVEST IN LANSING'S OLDER NEIGHBORHOODS

The production of new units will not fully address the need for units affordable to diverse households. Securing and conserving existing housing is a way to provide affordable housing and reduce the impact on the environment. The most affordable and sustainable unit is one that already exists. Traditionally, the preservation of existing units through maintenance was enough to ensure an adequate supply of affordable housing and, although most of Lansing's neighborhoods are in good condition, care must be taken to ensure that they remain that way. But older neighborhoods east of K-7 also demand attention and continued reinvestment.

OBJECTIVES:

1. Maintain and protect the most attainable housing in the city.
2. Target programs to strategic areas of most need and opportunity.
3. Stabilize neighborhoods to create healthy and vibrant areas.
4. Ensure that zoning regulations promote affordability and housing variety.



CHAPTER 5

Strategies

This chapter presents recommended policy directions that can help Lansing achieve its housing development goals.



CREATING A STRATEGY

The analysis of the previous chapters indicates that Lansing is not producing the housing that it needs to meet demand and sustain even the moderate level of growth that it has experienced in the past. This problem largely revolves around perceptions of risk to builders and developers, including front-end exposure and lack of confidence in new markets and products, the cost of development, and uncertainties over project approvals. The strategies proposed here are not all-inclusive, but produce suggestions for how Lansing can address these obstacles and improve its competitive position in the larger metropolitan region.

In developing strategy recommendations, we recognize that Lansing as a small city does not have the cash resources to invest heavily in incentives or housing development. But it can use existing programs effectively and create an encouraging environment for the private market to work more effectively. Because Lansing and Leavenworth are in many ways a unified housing market, cooperation between the two cities can increase the scale of resources that can be devoted to housing development. The two cities already have a joint chamber of commerce that can be a foundation for cooperative action in the housing sector.

WHAT HOUSING STRATEGY CAN AND CANNOT DO

The strategies identified in this study will not overcome all housing challenges but should be seen as a first step in a journey that is regularly re-evaluated. The City of Lansing led the creation of this study but many others state, developers, nonprofits, philanthropic communities, etc.) play a role in implementation.

What the Housing Strategy CAN do

- Establish a blueprint for new public policy and programs geared toward the housing goals.
- Stimulate conversation on existing programs and level of funding.
- Show builders and developers the high demand for different products, and the price points needed.
- Motivate other partners to get involved in solutions - whether staff assistance, housing development, or direct funding of programs.

What the Housing Strategy CANNOT do

- Force builders or developers to construct a certain housing product, or housing at all.
- Affect challenges at the national level including interest rates, lending standards, raw material costs, and federal funding sources.
 - › However, it can help organize policy/programs that decrease risk in lending, create gap financing methods, and offset material costs when appropriate.
- Require redevelopment of any specific site or building.

REDUCING RISK, PRODUCING HOUSING

We have seen that perception of risk is a major obstacle to housing development in Lansing – and this situation is certainly not unique to Lansing. The policies and programs that help achieve this goal should:

- Focus on affordable housing and new to the market project types.
- Lower the risk related to infrastructure and public improvements in ways that help share the cost and address housing gaps.
- Develop a regional housing partnership with access to a larger funding pool and the ability to form partnerships with private developers.

Lot Development

Without improved lots or development sites, there is no place to build new housing. As discussed earlier, lot development through private financing is a high risk, low reward proposition for developers in smaller cities. Money is spent on the front end for streets, sewers, and water, and if lot absorption is slow, the developer experiences stress. Kansas has two primary tools to address this problem:

Special assessments. With this commonly used technique, the city or public agency issues revenue bonds that retired by assessments on properties. This shares front-end risks, but if lots do not develop, the owner of the lots – namely the builder or developer – remains liable for the assessments. When the lots are built on, the homebuyer or property owner becomes responsible for the assessments, which are now collected as part of their property taxes. Special assessments address front-end financing and reduce developer risk but do not lower the cost of housing to the eventual owner.

Rural Housing Incentive Districts (RHIDs). RHIDs in Kansas specifically deal with the costs and risks of site development. They are essentially tax increment financing districts applied specifically to housing development and have worked very successfully in a number of Kansas cities. In RHIDs, added taxes

created by the new development are directed to retiring bonds that financed the improvements. Because the ultimate property owner pays normal taxes, RHIDs do not burden owners with additional assessment charges. However, several stakeholders believed that their projects were not large enough to make RHID use feasible. This may or may not be true. However, a concerted program to restore traditional growth rates, combined with some of the findings of this study, may suggest that developers can undertake large enough projects to use this tool effectively.

Site Acquisition for Housing Development. For infill development projects, assembling a site can remove a significant time and cost barrier to a builder. Most builders do not have the capacity to work with multiple land owners, negotiate purchases, and prepare sites. Even in new development areas, site assembly for residential development would be analogous to doing the same for an industrial or commercial park. Also, the city itself has important land holdings that can be used for housing, particularly in the Towne Center area.

Housing Production

Projects or initiatives that a community needs most often entail the highest perceived risk because of lack of confidence in the market. No market study or consultant opinion can predict how people will behave or respond to a specific project with any certainty. For example, stakeholders have identified a need, and this study's analysis tends to confirm, a need for upper-end housing at a price level higher than the top of the city's current market. But numbers alone do not mean that people will move from their current homes. Similarly, builders tend to build what they are accustomed to building, and the new forms that are increasingly demanded by economics are new to them. In some cases, a demonstration of these markets has to take place, and demonstrations require enough units to constitute a critical mass. Strategies that can address at least some of these problems include:

A Housing Partnership with Leavenworth. While adjacent cities often compete with each other, Leavenworth and Lansing have demonstrated a strong level of partnership. A recognition that the cities are a unified economic and employment market has led to creation of a joint Chamber of Commerce, and housing issues are equally linked. Importantly, the same financial institutions serve both cities, and resource pools can be expanded with a unified approach.

One of the most successful tools for addressing risk is a lending consortium that provides interim financing to projects that may seem unusual or risky. Because resources are pooled, no one institution takes on excessive risk. The consortium can help build a critical mass necessary to demonstrate a real market, scaling a project to a level that a single developers may not be able to do with their own resources. This type of cooperative initial financing may be most useful for projects like owner-occupied attached or twinhome units, townhouses, or an early stage for an independent living "cottage" community for older adults.

A Cooperative Community Development Corporation (CDC).

CDC's are nonprofit developers that will undertake projects avoided by conventional developers. They can complete unconventional developments because of their nonprofit status and direct connections with lenders. Target projects can include acquisition/rehab/resale of homes, an activity relevant to "old town" neighborhoods east of K-7 that maintains an affordable owner-occupancy option for moderate income families and partnerships on larger projects with private developers.

Production Incentives. A variety of tax-based and direct funding programs are available to reduce the risk of development. These include well-known programs like Low Income Housing Tax Credits (LIHTC), administered by the Kansas Housing Corporation. The new Kansas Moderate Income Housing program provides project grant to \$650,000 for a variety of uses, including the development of medium-density solutions.

Regulatory Uncertainties

Stakeholders in Lansing identified zoning and regulatory obstacles as problems that add risk and uncertainty to the development process. The so-called NIMBY ("Not In My Back Yard") problem is not unique to Lansing. Neighbors have legitimate and understandable concerns about the impact of projects on their properties, but frequently, opposition can be based on rumors and opponent's own sense of uncertainty about what could happen.

CASE STUDY

Missing Middle Housing in Chattanooga, TN

Developers are not always familiar with medium-density housing – the so-called missing middle which increasingly will be critical to providing affordable owner-occupied housing. With help from the Incremental Development Alliance, Chattanooga leaders and stakeholders undertook an intensive developer workshop to identify solutions for missing middle housing types. The process resulted in a development packet that lays the framework for a developer to pursue these projects including:

- Picking a building type based on the developer's financing options and site circumstances
- Guides and site plans for good urban design amid traditional single-family neighborhoods.
- Technical considerations for packaging development applications.
- Bank packages for different building types to show how to bring the project to life by proving profits for lenders.

Learn more at [Chattanooga Neighborhood Enterprise](#) or [Incremental Development Alliance](#)

By addressing these regulatory uncertainties, Lansing could establish itself as a city that is open to responsible development and market itself to builders on that basis. Recommended directions include the following:

Zoning and Subdivision Review. Many land development regulations are poorly adapted to the medium-density housing forms that are increasingly important in providing affordable housing that is also oriented to families. Nationally, there is a growing discussion regarding the negative impact ordinances have on the development of affordable housing. While adequate review of project applications is necessary, land development ordinances should not place obstacles in the way of developing these new configurations. Lansing should review its current development regulations for such obstacles as excessive minimum lot sizes and setbacks, single-use districts, excessive setback requirements, districts that treat single-family and medium-density housing as incompatible land uses, and other factors. The city should also consider the possible use of auxiliary dwelling units (ADUs) on single residential lots with appropriate standards.

Expanding Permitted Residential Uses. In reviewing current ordinances, Lansing should consider broadening residential permitted uses by right under certain contexts and design standards. These may focus on the Towne Center district (already subject to an overlay), areas around parks and schools, and major street corridors.

Establishing administrative site plan approval when housing meets city's comprehensive plan goals and targeted housing needs. If the comprehensive plan is regularly updated with community input then there should be little need to push projects through an extended development review process. Site plans that meet the intent of the comprehensive plan should not require a public hearing by city council. Some site plans will still require city council approval such as those that require rezoning, have a major traffic impact, or are inconsistent with the comprehensive plan.

Focusing on design, not density. Evaluate lot size and setback reductions to ensure that the market can respond to both the need and desire for smaller lot sizes. Reducing minimum lot size requirements does not mean all developments will occur at the minimum. However, it gives developers an option to create more diverse neighborhoods. Design also means establishing family-friendly standards that provide for private and common open space in the design of

multi-building projects and avoid dominance of site design by cars or paving.

Pre-approved site plans. These site plans communities show what will get approved and trigger interest by potential investors. Development agreements can also be leveraged to produce greater variety.

The development approval process can be further streamlined by having prepackaged site plans available. Builders will often continue to build what they know - single-family homes or large apartments - because they are confident that they can get approval and make a profit. By creating a package of example site plans and products that will get approved, a level of risk is taken off the builder. The city could go as far as to release a request for proposals (RFP) to develop assembled sites under specific criteria and standards. Both methods are straightforward ways to eliminate approval risks.

Comprehensive Plan Modification. Lansing's comprehensive plan is a complete and well-conceived document. However, its Future Land Use Map designates only very limited areas for medium or high-density development, with the great preponderance of land west to 155th Street and within the existing city limits as single-family residential. As a result, most projects at medium density require a comprehensive plan amendment and an added degree of uncertainty. Criteria should be developed for where higher density residential is permitted and the plan should be modified with a more granular approach to reflect these standards.

Fee Reductions. Lansing has a fee reduction policy on infill sites for residential construction one and two-unit structures under \$250,000 for sites within designated areas. This policy, established in 2018, is good but should be rethought in terms of current conditions and priorities. We recommend that the value cap should be increased or removed and the type of structure also should include townhouse buildings up to four units. In addition, fee waivers should also be considered for certain types of units or projects that are compatible with city goals.

Table 5.1 presents concepts for risk-reducing incentives and policies, paired with price points identified in the development Program in Chapter 3. This represents a starting point for discussion, but identifies different ideas to improve Lansing's environment for different types of housing development.

Figure 5.1: Risk Reduction and Incentive Structure for Price Points

PRICE RANGE	% OF DEMAND	INCENTIVES
High Ownership Over \$450,000	16%	<ul style="list-style-type: none"> Tax abatement for a specific term RHID if including a product new to the Lansing market or integrating more moderate cost categories Fee reduction as incentives for innovative projects
Middle Market : \$310,000-\$450,000 or rents over \$2,000	24%	<ul style="list-style-type: none"> Special assessments or RHID, Fee reductions Tax abatement if RHID is not used Possible grant or deferred payment of land with Towne Center for medium-density or multifamily development Multifamily pre-approval and planned sites Fee reductions on infill sites
Market: \$230,000-\$310,000 or rents between \$1,500-\$2,000	19%	<ul style="list-style-type: none"> Special assessments or RHID. Fee reductions. Front-end financing of infrastructure when producing new to market or filling housing gap. Lot assembling and site prep assistance in infill Gap financing for redevelopment areas. Development through regional housing partnership Multifamily pre-approval and planned sites
Low Market \$150,000-\$230,000 or rents \$1,000-\$1,500	16%	<ul style="list-style-type: none"> RHID. Fee waivers. Rehabilitation/acquisition-rehab-resale Lot assembling and site prep assistance Gap financing for redevelopment areas. Development through regional housing partnership Kansas Moderate Income Housing Program
Low Under \$150,000 or below rents \$1,000	25%	<ul style="list-style-type: none"> Low Income Housing Tax Credits Front-end financing of infrastructure when producing new to market or filling housing gap. Lot assembling and site prep assistance in infill Gap financing for redevelopment areas. Development through regional housing partnership Section 8 and other rental assistance programs

CASE STUDY

Pre-Approved Housing - South Bend, IN

Facing a shortage of affordable housing and hundreds of potential infill lots, the City of South Bend, Indiana developed a set of pre-approved, ready to build housing plans. The plans are small to middle scale housing developments or what the city has described as a “Sears Catalog” of housing options that are contextually appropriate to South Bend’s neighborhoods and fit with local building materials and techniques. The plans can be used in any zoning district that allows the selected building type per the current zoning ordinance.



LANSING TOWNE CENTER

Lansing Towne Center presents a unique opportunity – a city-owned site in the core of Lansing with the potential to provide the city with something that it lacks– a defined, mixed use, and pedestrian-oriented central district. The original concept, which did not develop, was for a large scale commercial corridor. Development plans cover several parcels, including a KCK Community College education center, a Tractor Supply store, and an apartment group. The three projects are relatively automobile-oriented and separated from each other, but enough space remains to incorporate them naturally into a site master plan.

From a development point of view, the remaining acreage on the site could accommodate both additional retailing (although not necessarily a big box) and a portion of the multifamily development anticipated by the market analysis. This is a natural site for higher density housing and public space, given its direct access to Main Street, the site amenities and water features already in place, and its central location at intersections with both Mary Street and 4-H Road. In addition, the concept of vertical mixed use – residential over street level retail – was highly rated in the community survey. Finally, the site is unlikely to generate opposition from neighbors and the presence of a significant population would be mutually advantageous to existing and proposed commercial and highly compatible with the KCKCC building. A development plan would envision mixed use, commercial over retail buildings defining Center Street on the site between Tractor Supply and Mary Street, a potential townhouse community north of Mary, and commercial on the remaining site on Mary between Center and Main.



Founders Square, Portage, Indiana. A new town center in a suburb along a major street corridor, similar in many ways to the Towne Center site.

Figure 5.2: City Center: Existing and Pending Projects and Infill Recommendations



COMMUNITY ENHANCEMENT AND MARKETING

While Lansing has a variety of community assets and will be developing a new water park in the near future, additional community enhancements will be important to the city's efforts to restore growth. The *Vision 2030 Plan* (2014) and the *Parks Master Plan* (2018) both contained significant recommendations for future city investments. In this section, we add some additional observations.

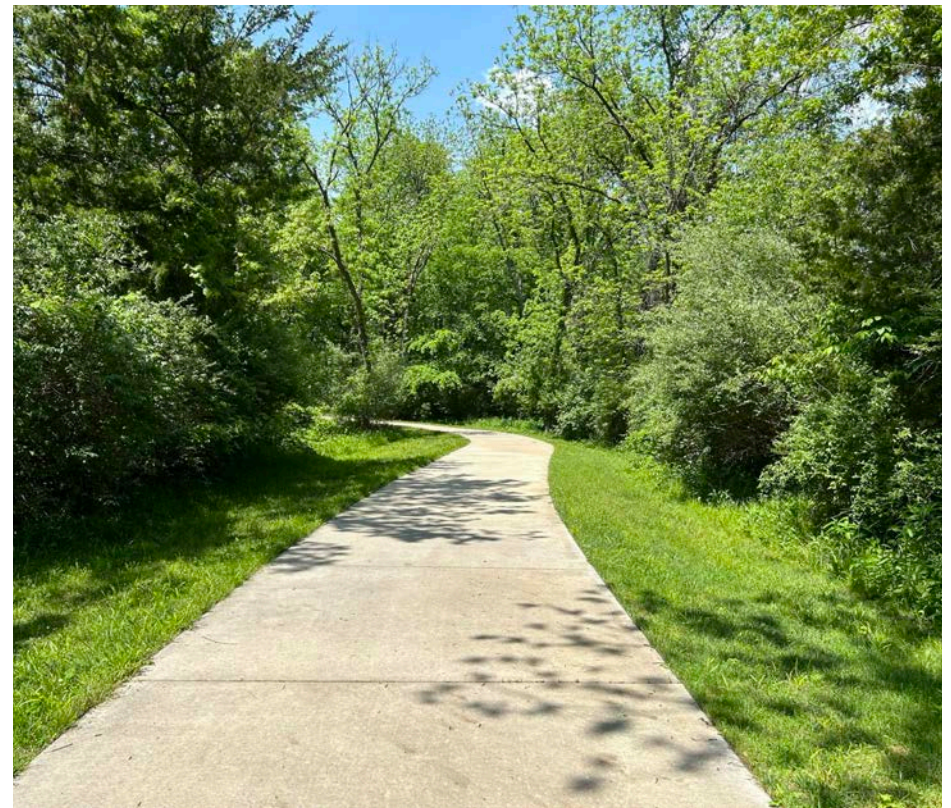
Parks and Trails. Outdoor life, public space, and trails and walkability have become major hallmarks of community quality. Lansing's existing parks are not highly visible and the city's major community park, 128 acre Kenneth W. Bernard Park, is away from most of the city's current residents. This will make the Water Park and existing park enhancements (especially at City Park from a neighborhood development perspective) and connecting trails especially important. Lansing has the foundation of a major north-south trail corridor from Eisenhower Road to Gilman Road, but this connection has gaps that require wayfinding through local streets. Both Vision 2030 and the Parks Master Plan include ambitious trail recommendations and the city should identify priorities and budget for development of a core system that connects these somewhat separated trail corridors together and uses streamways and potential greenways to connect to other neighborhoods.

Street Connections. Connectedness of neighborhoods is also an important element of building community. Much of Lansing's existing development is characterized by self-contained subdivisions that work internally but do not connect to one another. The 2030 Plan proposes a collector grid and a southwest trafficway. The collectors are important and should be expanded with pre-designated local streets as possible development areas east of 147th Street fill in.

Towne Center. The previous discussion touched on the opportunity that Towne Center provides to evolve into a walkable mixed use center for the city. It is tempting to sell off remaining sites, but Towne Center's development should be guided by the thoughtfully design, market-based master plan.

Community Marketing. Lansing does many things well, including its impressive periodic magazine that describes the city, its people, and ongoing projects extremely well. From a housing point of view, marketing focuses involve three logical groups:

- People who already live in the city to retain them and reduce the existing tendency to move out as they age.
- Prospective residents, largely millennial and increasingly older Gen Z households considering affordable, amenity-rich places to settle and establish their households.
- Developers and builders, looking for opportunities that both have strong potential markets and provide predictable standards and environments for their proposed projects.



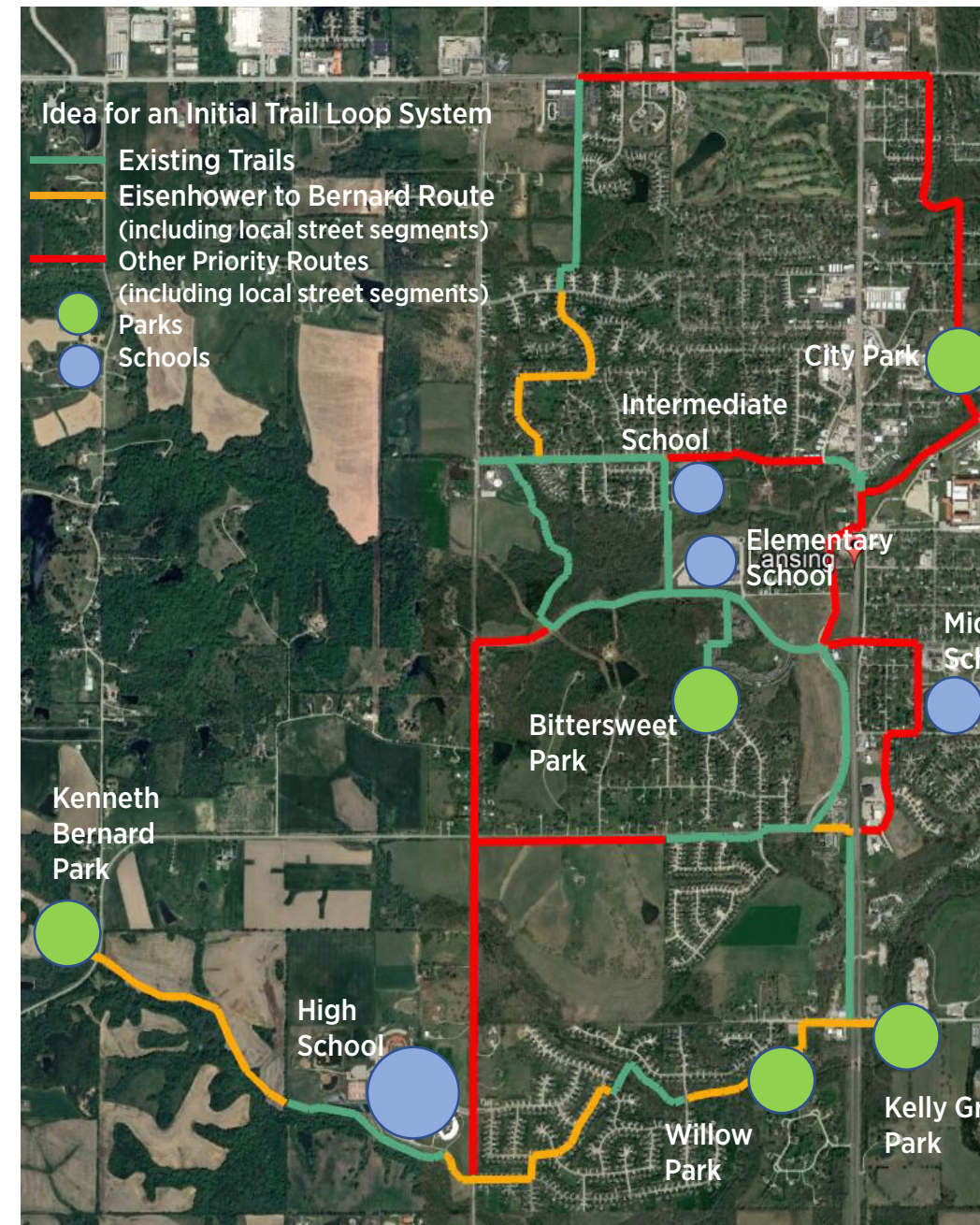
The K-7 Corridor. The K-7 Corridor is literally Lansing's Main Street and is the city's main link to the surrounding region. In addition to their role as regional transportation facilities, they present an image of the community to others and significant economic opportunities. In cities like Lansing, which lack traditional town centers, corridors are even more important. While continued development at Towne Center can anchor the central part of the K-7 corridor, the rest of the corridor is a highway environment scaled to high-speed vehicular traffic. Without reducing the road's primary function as a regional arterial, a gradual corridor development program can enhance Lansing's community image and reduce the barrier effects of the road. An excellent example of this transformation is Coralville, Iowa, where a thoughtful multi-year improvement program on US 6, its primary strip, over a twenty year period was the first step in creating one of the state's most desirable cities and a model for other similarly situated communities. Components of a corridor development program for K-7 in Lansing include:

- Possible participation and funding for a comprehensive corridor plan under MARC's Planning Sustainable Places (PSP) program.
- Corridor branding and roadscape improvements, including continuous pedestrian or shared use path access.
- Mixed use development, that incorporates residential development.



The US 6 strip in Coralville, Iowa. A once derided corridor has been transformed into an image center for this Iowa City area city, marketed under the slogan "A Classy Strip is Worth the Trip."

Figure 5.3: Active Transportation Concept



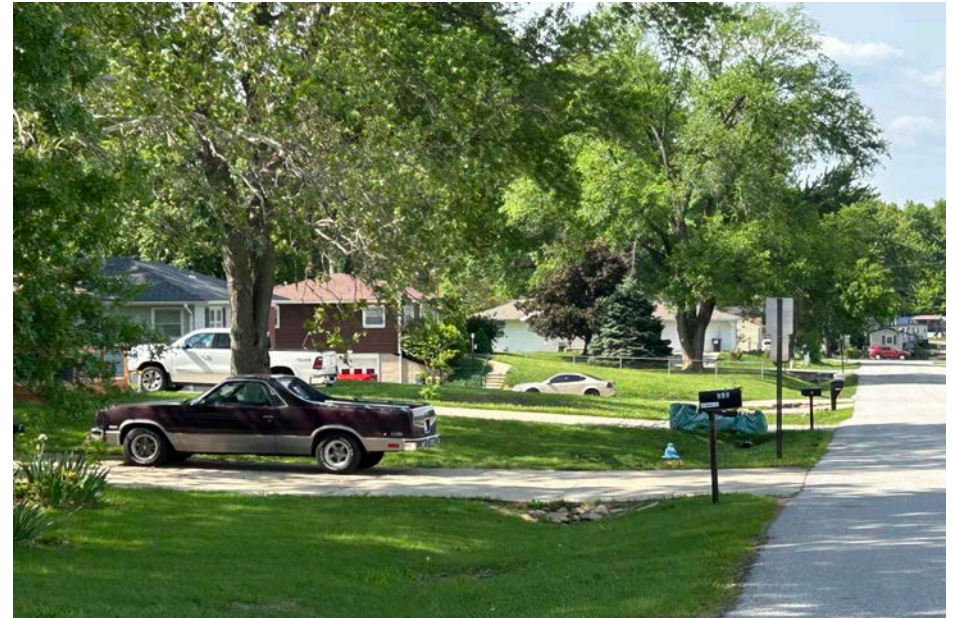
NEIGHBORHOOD REINVESTMENT

The Lansing 2030 comprehensive plan addressed neighborhood revitalization issues in general terms, focusing on the two neighborhoods also highlighted in this study – the area east of Main Street and immediately south of Eisenhower Road and the East Kansas to Mary neighborhood, immediately south of the Correctional Facility. These neighborhoods are both contained in the city's Neighborhood Revitalization Development area, making improvements eligible for tax abatement, and are within the infill development policy area, using fee waivers and reductions as incentives to new development. Tax abatements have proven more effective at encouraging infill development than for catalyzing smaller scale rehabilitation efforts by homeowners. These neighborhoods provide Lansing's most affordable housing for residents but also have the highest housing cost burdens for residents. This could be a consequence of a trend toward investors buying formerly owner-occupied houses at relatively low cost, making some repairs, and renting them at high market rents. We believe that these neighborhoods, their relationship to each other and to the Main Street corridor, and individual housing issues require individual attention that is beyond the scope of this study. But we do suggest the following ideas for consideration:

Modification of the Infill Policy. This is discussed in the preceding section. The policy is good, but the restrictions should be eased. Major construction and infill is a positive virtue and should be encouraged – and the larger the investment the better.

A Street Rehabilitation Program. A strategy that has been dramatically effective in encouraging reinvestment is providing curbs, gutters, and sidewalks on rural section streets. This upgrade in appearance to standards seen elsewhere in the city produces major results, particularly if paired with a targeted rehabilitation financing program.

A Community-Based Acquisition/Rehab/Resale Program. This program, generally requiring a nonprofit community development corporation, has the capacity to buy houses at reasonable prices, rehabilitate them, and sell them



to new, moderate income owners. It is a positive alternative to the trend being observed now in the private market and an effective way of providing good housing to people entering the market.

Major rehabilitation of City Park. A park improvement program, developed in the Park Master Plan, would provide a major enhancement to the east side of the city if connections were made to east side neighborhoods (see below).

Demolition and demolition of vacant and deteriorated structures and blighted sites for redevelopment, including infill housing and community amenities.

Bridges over Sevenmile and Ninemile Creeks and connecting trails, linking these neighborhoods together and to City Park. The eastside neighborhoods are isolated with no connections other than Main Street. This would be a major Transportation Alternatives project but would meet an important neighborhood enhancement need.