



Update to the Five-Year Strategic Plan for Affordable Housing for the State of Missouri

Prepared for
Missouri Housing Development Commission

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COMMUNITY ANALYTICS, LLC

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EXECUTIVE SUMMARY

The Missouri Housing Development Commission (MHDC) contracted with Community Analytics, LLC, a Kansas City, Missouri-based consulting firm, to prepare this *Update to the Five-Year Strategic Plan for Affordable Housing for the State of Missouri* (Update). This is the second annual Update made since the publication of the *Five-Year Strategic Plan for Affordable Housing for the State of Missouri* (Strategic Plan) in May 2020.¹ This Update will be used to inform MHDC’s activities directed at addressing affordable housing need throughout the State of Missouri in 2022.

STRATEGIC PLAN UPDATE PROCESS

The process used to prepare this Update included the analysis of linkages between MHDC’s Qualified Allocation Plan (QAP) 2021 and the Strategic Plan published in 2020, analysis of multifamily development allocations based on the QAP 2021 and Strategic Plan priorities, new stakeholder input, and data analysis. Stakeholder meetings were held virtually on March 1 and March 3, 2022. This multifaceted update process facilitated production of an Update that will be useful for MHDC and a wide array of stakeholders in addressing affordable housing need in Missouri.

STRATEGIC PRIORITIES

An important goal of this Update is determining how Missouri’s QAP 2021 and the results of the 2021 multifamily competitive funding allocations align with the *Five-Year Strategic Plan for*

¹ *Five-Year Strategic Plan for Affordable Housing for the State of Missouri*. Missouri Housing Development Commission, Kansas City, MO, May 2020. Available for download at <http://mhdc.com/notices/2020-0612%20Strategic%20Plan%20No%20Watermark.pdf>.

Affordable Housing for the State of Missouri. The Strategic Plan includes five strategic priorities for affordable housing in the State of Missouri:

1. Missouri will consider engaging in increased production and preservation of rental units affordable to Extremely Low Income (ELI)² households.
2. Missouri will consider increasing its focus on housing for special needs and vulnerable populations.
3. Missouri will consider revising its Qualified Allocation Plan (QAP) scoring criteria to facilitate more production and preservation of affordable housing units in rural areas.
4. Missouri will consider working to link affordable housing production with economic development activities that bring jobs to our state.
5. MHDC will consider engaging in effective implementation practices in support of achieving Missouri’s affordable housing strategic priorities.

QAP ALIGNMENT WITH THE STRATEGIC PLAN

Scoring and other selection criteria contained in Missouri’s QAP 2021 were closely aligned with Strategic Plan priorities. This marks another year with excellent outcomes for affordable housing in Missouri based on the close linkage between strategic priorities laid out in 2020 and the QAP 2021.

Highlights of how the QAP 2021 aligned with the Strategic Plan include:

- Continuation of the Missouri LIHTC
- ELI unit selection criteria
- Affordable housing preservation selection criteria
- Increased funding (30% LIHTC basis boost) for affordable housing preservation
- Special needs and vulnerable population housing selection criteria

² Extremely Low Income (ELI) is a federal category indicating households with incomes at or below 30% of Area Median Income (AMI) as determined each year by the U.S. Department of Housing and Urban Development (HUD).

- Increased funding (30% LIHTC basis boost) for service-enriched and independence-enabling housing
- Increased funding (30% LIHTC basis boost) for veterans' housing
- Rural housing selection criteria
- Affordable housing specifically linked with economic development selection criteria

MULTIFAMILY COMPETITIVE FUNDING RESULTS 2021

The 2021 multifamily competitive round resulted in the award of funding to 33 developments with 1,812 total units. A large majority of developments (97.0%) included units with income restrictions set at the ELI level (30% AMI or below).

Further, 2021 competitive round results included developments addressing critical set-aside categories. These categories included special needs, vulnerable populations, service-enriched, and veterans housing. For instance, special needs housing made up 63.6% of developments with 2021 allocations. Service-enriched housing is a feature of all (100%) developments funded in 2021.

USING THIS UPDATE

This Update will provide MHDC with important information to be used in the preparation of the 2022 QAP. It also provides information useful for many MHDC stakeholders, including members of the real estate community, Missouri state agencies, local governments, nonprofit groups engaged in housing and community development work, advocates, and members of the public at large. More specifically, the analyses provided in this Update and stakeholder input gathered through the Update process will make it possible for all concerned with affordable housing in Missouri to easily review progress in addressing our State's strategic priorities. In turn, this will facilitate the continuation of effective action in meeting affordable housing need.

INTRODUCTION

PURPOSE OF THIS UPDATE

The *Update to the Five-Year Affordable Housing Strategic Plan for the State of Missouri (2022)* was prepared by Community Analytics, LLC, a Kansas City, Missouri-based consulting firm, under contract with the Missouri Housing Development Commission (MHDC). The purpose of this Update is to provide a basis for informed action in addressing the need for affordable housing throughout the State of Missouri in 2022 with particular emphasis on addressing priorities identified in the *Five-Year Strategic Plan for Affordable Housing for the State of Missouri (Strategic Plan)* published in May 2020.³

WHAT IS AFFORDABLE HOUSING?

The term “affordable housing” has been in common use since the 1980s, yet it is seldom defined. Federal guidelines indicate that households can afford up to 30% of gross monthly income for housing costs. For renters, housing costs are calculated as rent plus utilities such as electric, gas, and water. For homeowners, housing costs are mortgage payment (principal, interest, homeowners’ insurance, property taxes, mortgage insurance premiums, and homeowner association fees, if any) plus utilities.⁴⁵

³ *Five-Year Strategic Plan for Affordable Housing for the State of Missouri*. Missouri Housing Development Commission, Kansas City, MO, May 2020. Available for download at <http://mhdc.com/notices/2020-0612%20Strategic%20Plan%20No%20Watermark.pdf>.

⁴ Williamson, Anne R. "Can They Afford the Rent? Resident Cost Burden in Low Income Housing Tax Credit Developments." *Urban Affairs Review* 47, no. 6 (2011): 775-99.

⁵ Utilities in the cost burden calculation do not include telephone, cable, or internet service. This applies to calculations made for both renters and homeowners.

HOUSING COST BURDEN

Households paying more than 30% of gross monthly income are considered **cost burdened**. Households paying more than 50% of gross monthly income are termed **severely cost burdened**.⁶ Housing is not affordable if the household is experiencing cost burden or severe cost burden. These categories are often used to analyze housing need within geographic boundaries such as local jurisdictions, states, or the nation.

STRATEGIC PRIORITIES

An important goal of this Update is determining how Missouri's QAP 2021 and the results of the 2021 multifamily competitive funding allocations align with the *Five-Year Strategic Plan for Affordable Housing for the State of Missouri*. The Strategic Plan includes five strategic priorities for affordable housing in the State of Missouri. These priorities are shown below:

1. Missouri will consider engaging in increased production and preservation of rental units affordable to Extremely Low Income (ELI)⁷ households.
2. Missouri will consider increasing its focus on housing for special needs and vulnerable populations.
3. Missouri will consider revising its Qualified Allocation Plan (QAP) scoring criteria to facilitate more production and preservation of affordable housing units in rural areas.
4. Missouri will consider working to link affordable housing production with economic development activities that bring jobs to our state.
5. MHDC will consider engaging in effective implementation practices in support of achieving Missouri's affordable housing strategic priorities.

⁶ Williamson, Anne R. *ibid*.

⁷ Extremely Low Income (ELI) is a federal category indicating households with incomes at or below 30% of Area Median Income (AMI) as determined each year by the U.S. Department of Housing and Urban Development (HUD).

HOW THIS UPDATE IS ORGANIZED

This Update is organized as follows:

- Executive Summary
- Introduction
- QAP 2021 Alignment with the Strategic Plan
- Multifamily Competitive Funding Results 2021
- Stakeholder Listening Sessions
- Data Analysis
- Conclusion

QAP 2021 ALIGNMENT WITH THE STRATEGIC PLAN

Missouri’s QAP 2021 was closely aligned with the five priorities laid out in the *Five-Year Strategic Plan for Affordable Housing for the State of Missouri*. Table 1 provides details of the linkages between the Strategic Plan and the QAP 2021.

Table 1. Strategic Plan and QAP 2021 Linkages

Strategic Priority	QAP
ELI Production and Preservation	<p>p. 2: Reintroduction of the State LIHTC and introduction of a pilot program for State LIHTC accelerated redemption supports financial feasibility of both ELI production and preservation, as well as other affordable housing</p> <p>pp. 8-9: State-Designated DDAs for preservation</p> <p>pp. 13-14: Units for special needs and vulnerable populations affordability at ELI level</p> <p>pp. 16-17: Preservation boost in basis (up to 30%)</p> <p>p. 22: Priority Group scoring for Preservation (45 points)</p> <p>p. 23: Income Targeting points for ELI</p> <p>p. 25: Preservation points</p> <p>p. 26: Rental assistance points</p> <p>p. 29: Development size exception for preservation</p> <p>p. 30: Market Characteristics exception consideration exception for preservation</p>
Special Needs and Vulnerable Populations	<p>p. 2: Reintroduction of the State LIHTC and introduction of a pilot program for State LIHTC accelerated redemption supports feasibility of special needs and vulnerable population housing, as well as other affordable housing</p>

	<p>p. 5: all developments with 12 or more units will have a minimum of 5% physically accessible units and 2% hearing/visually impaired accessible units (federal requirement); all new construction will have universal design, regardless of number of units; all rehab developments with special needs set-aside will meet federal accessibility requirements (5% physical/2% hearing/visual impairment) and universal design greater than or equal to special needs set-aside percentage; developments must provide facilities, amenities, and equipment appropriate for the population served</p> <p>p. 9: State-Designated DDAs for special needs and vulnerable populations</p> <p>pp. 13-14: Special needs and vulnerable populations set aside; units for special needs and vulnerable populations affordable at ELI level</p> <p>p. 15: Service-Enriched Housing basis boost (up to 30%) is especially helpful in making special needs and vulnerable populations developments financially feasible, as well as housing for seniors and other groups</p> <p>pp. 17-18: Independence-Enabling Housing basis boost (up to 30%)</p> <p>p. 18: Veterans' Housing basis boost (up to 30%)</p> <p>p. 22: Priority Groups for Service Enriched Housing, Including Veterans and Special Needs, Vulnerable Populations, and Independence-Enabling Housing (45 points)</p> <p>p. 24: Services points</p> <p>p. 24: Special Needs/Vulnerable Population points</p> <p>p. 28: Consideration given to development characteristics, including properties serving special needs/vulnerable population tenants</p> <p>pp. 28-29: Development size exceptions for properties serving certain populations, including special needs and service-enriched housing</p>
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	<p>p. 30: Market Characteristics exception consideration for certain properties, including those serving special needs/vulnerable populations, independence-enhancing housing and/or service-enriched housing</p> <p>p. 31: Housing Needs/Market Characteristics consideration for housing for special needs/vulnerable populations</p>
Rural Housing	<p>p. 2: Reintroduction of the State LIHTC and introduction of a pilot program for State LIHTC accelerated redemption supports feasibility of rural housing, as well as other affordable housing</p> <p>p. 25: Rural under-served points</p> <p>p. 26: Rental Assistance points (includes Rural Development properties)</p> <p>p. 28: Proportional allocation of 9% credits to include MSA-rural and rural region properties</p>
Affordable Housing Linked with Economic Development	<p>p. 19: Encouraging development in Opportunity Zones</p> <p>p. 23: Priority Groups for Opportunity Area and Opportunity Zone (45 points)</p> <p>p. 24: Family properties in Opportunity Area points</p> <p>p. 25: Economic Development (significant connection) points</p> <p>p. 30: Market Characteristics consideration of exception for location in a community with new employment opportunities and proven need for workforce housing</p>
Implementation Practices in Support of Strategic Plan	Review of 2020 competitive round results in the context of the Strategic Plan; 2021 update of Strategic Plan

The QAP 2021 fully reflected the priorities of the Strategic Plan. It reflected a balanced approach to encourage multifamily program applications consistent with Strategic Plan priorities. For instance, priorities were often supported through both set-asides and scoring criteria. Further, priorities were supported through the availability of exceptions to

development size and characteristics requirements. Exceptions were also available for developments addressing strategic priorities based on market characteristics and housing need. Overall, exceptions were used appropriately to support affordable housing opportunities consistent with the Strategic Plan.

MULTIFAMILY COMPETITIVE FUNDING RESULTS 2021

The 2021 multifamily program competitive round resulted in the award of funding to 33 developments with a total of 1,812 units.⁸ The largest development had 147 units, while the smallest had 16. The median number of units per development was 43, while the arithmetical average was 50.

Table 2 presents data on the number of developments and units funded by income restriction category.

Table 2. Developments and Units Funded by Income Category 2021⁹

Income Restrictions ¹⁰	Developments	% Developments	Units ¹¹	% Units
ELI	32	97.0%	273	16.4%
VLI	3	9.1%	16	1.0%
LI to 60%	33	100.0%	1,358	81.7%

All but one development (97.0%) funded in the 2021 competitive round included units with ELI income restrictions. This compares with 80.5% of developments with ELI units funded in 2020. Further, ELI units as a percentage of all units funded rose from 12.1% in 2020 to 16.4% in 2021.

Three developments funded in 2021 included VLI units, down from seven developments in 2020. The proportion of VLI units funded fell from 19.4% of total units in 2020 to 1.0% in 2021.

⁸ Total units includes 165 market-rate units. Market-rate units are not subsidized with housing program funds and do not have income restrictions.

⁹ Developments may have a mix of units with different income restrictions.

¹⁰ No housing units with income restrictions at 40% AMI were funded in 2021.

¹¹ Units column includes only subsidized units.

All developments (100%) funded in 2021 included 60% AMI units. These units made up 81.7% of total units funded. This compares with 94.4% of developments with 60% AMI units in the 2020 competitive round, representing 72.1% of total units funded.

Overall, MHDC continued to make progress by providing incentives for developers to produce units for ELI households. Some of this progress may be due to incentives and selection criteria for the production of housing opportunities for special needs and vulnerable populations.

Units at 60% AMI remain the choice of most developers and investors throughout the country, because it is financially challenging to offer units below 60% AMI. However, Missouri’s State LIHTC provides substantial assistance in making multifamily development feasible even when some units target incomes below 60% AMI. Further, the QAP selection criteria provide an incentive to include ELI units.

Table 3 provides data for multifamily developments funded in 2021 based on set-aside categories.

Table 3. Set-Aside Categories for Developments and Units Funded 2021

Set-Aside Category	Developments	% Developments	Units	% Units
Special Needs	15	45.5%	113	6.8%
Vulnerable Population	7	21.2%	55	3.3%
Service-Enriched Priority	33	100.0%	1,663	100.0%
Veteran Population	4	12.1%	193	11.6%

The set-asides and selection criteria for special needs, vulnerable population, service-enriched priority, and veterans were very effective for the 2021 funding cycle. Results for 2021 compare favorably with 2020. The number of developments serving vulnerable populations rose from one in 2020 to seven in 2021. Further, the number of developments serving veterans rose from one in 2020 to four in 2021. While the number of special needs developments remained at 2020 levels in 2021, together the proportion of special needs and vulnerable population developments rose to 66.7% of all developments in 2021 from 44.4% in 2020. Finally, the

proportion of service-enriched priority developments rose to 100% in 2021 from 41.7% and 91.7% in 2020.¹²

Although the proportion of family to senior developments was not part of the Strategic Plan priorities, an analysis was performed on these categories to supplement the set-aside analysis. Family properties made up 60.6% (20) of the developments funded in 2021. Family units accounted for 60.38% (1,094) of total units in 2021.¹³

Senior 55+ properties were 33.3% (11) of the developments funded in 2021, making up 28.8% (521) of total units funded. Senior 62+ properties made up 6.1% (2) of the total number of developments funded and had 10.9% (197) of total units.

¹² This result occurred due to fewer developments funded in 2021 (33) as compared with 2020 (36).

¹³ Total units funded refers to all units in each development, including market-rate units.

STAKEHOLDER LISTENING SESSIONS

Two stakeholder listening sessions were held virtually on March 1 and March 3, 2022. Meetings were facilitated by Dr. Anne Williamson of Community Analytics, LLC. Meetings were designed to foster a dialogue about affordable housing in Missouri. MHDC representatives were present at each meeting.

DATA ANALYSIS

This section provides an update of data presented in the *Five-Year Strategic Plan for Affordable Housing for the State of Missouri*. Data used in this Update were obtained from the U.S. Census Bureau’s American Community Survey’s 2019 five-year estimates (2015-2019), while data used in the Strategic Plan were based on the American Community Survey’s 2017 five-year estimates (2013-2017). Data are presented in tabular and map formats below.

SEVERE HOUSING COST BURDEN

Severe housing cost burden is a strong indicator of unmet affordable housing need, because these households have little left over for other life necessities such as food, transportation, child care, and health care once housing costs have been paid. Severely cost burdened households also face a higher likelihood that they will fall into homelessness due to lack of adequate financial resources.

SEVERE HOUSING COST BURDEN AMONG MISSOURI RENTER HOUSEHOLDS

Table 4 provides information on severe housing cost burden among Missouri renters.

Table 4. Renter Households with Severe Cost Burden, 2020

[See table on following page.]

County	Total Households	Renter Households	Renter Households w/ 50% or more CB	% of All Renter Households	% of All Households
[MISSOURI]	2,440,212	802,838	158,540	19.7%	6.5%
Adair	9,078	3,489	785	22.5%	8.6%
Andrew	6,799	1,459	144	9.9%	2.1%
Atchison	2,549	787	83	10.5%	3.3%
Audrain	9,349	2,754	425	15.4%	4.5%
Barry	13,872	3,597	668	18.6%	4.8%
Barton	4,830	1,512	408	27.0%	8.4%
Bates	6,565	1,963	314	16.0%	4.8%
Benton	8,060	1,363	351	25.8%	4.4%
Bollinger	4,426	769	194	25.2%	4.4%
Boone	71,919	31,631	8,073	25.5%	11.2%
Buchanan	33,642	12,760	2,749	21.5%	8.2%
Butler	16,358	5,904	897	15.2%	5.5%
Caldwell	3,703	886	108	12.2%	2.9%
Callaway	16,233	4,129	419	10.1%	2.6%
Camden	17,300	3,207	528	16.5%	3.1%
Cape Girardeau	30,215	10,299	2,262	22.0%	7.5%
Carroll	3,518	968	63	6.5%	1.8%
Carter	2,334	659	40	6.1%	1.7%
Cass	40,397	9,921	1,590	16.0%	3.9%
Cedar	5,573	1,674	250	14.9%	4.5%
Chariton	2,723	619	83	13.4%	3.0%
Christian	32,487	8,215	1,224	14.9%	3.8%
Clark	2,633	630	84	13.3%	3.2%
Clay	92,514	29,268	4,854	16.6%	5.2%
Clinton	8,100	1,795	196	10.9%	2.4%
Cole	30,291	9,960	1,200	12.0%	4.0%
Cooper	6,342	1,630	320	19.6%	5.0%
Crawford	9,798	2,661	509	19.1%	5.2%
Dade	3,028	789	59	7.5%	1.9%
Dallas	6,412	1,576	252	16.0%	3.9%

County	Total Households	Renter Households	Renter Households w/ 50% or more CB	% of All Renter Households	% of All Households
Daviess	3,002	600	79	13.2%	2.6%
DeKalb	3,800	1,155	175	15.2%	4.6%
Dent	6,355	1,810	295	16.3%	4.6%
Douglas	5,317	925	143	15.5%	2.7%
Dunklin	12,119	4,647	931	20.0%	7.7%
Franklin	41,127	9,362	1,553	16.6%	3.8%
Gasconade	6,154	1,283	85	6.6%	1.4%
Gentry	2,495	598	44	7.4%	1.8%
Greene	127,532	55,786	13,350	23.9%	10.5%
Grundy	3,900	1,278	141	11.0%	3.6%
Harrison	3,361	1,050	213	20.3%	6.3%
Henry	9,284	2,680	426	15.9%	4.6%
Hickory	4,012	664	224	33.7%	5.6%
Holt	2,010	471	45	9.6%	2.2%
Howard	3,460	706	140	19.8%	4.0%
Howell	15,557	4,943	1,012	20.5%	6.5%
Iron	4,102	1,101	162	14.7%	3.9%
Jackson	291,532	121,133	26,007	21.5%	8.9%
Jasper	46,461	16,903	3,275	19.4%	7.0%
Jefferson	84,978	17,393	2,590	14.9%	3.0%
Johnson	19,931	7,492	1,282	17.1%	6.4%
Knox	1,400	210	21	10.0%	1.5%
Laclede	14,413	4,618	609	13.2%	4.2%
Lafayette	12,711	3,698	648	17.5%	5.1%
Lawrence	14,849	4,263	526	12.3%	3.5%
Lewis	3,597	846	106	12.5%	2.9%
Lincoln	19,818	3,898	846	21.7%	4.3%
Linn	5,002	1,207	165	13.7%	3.3%
Livingston	5,907	1,967	258	13.1%	4.4%
Macon	5,908	1,517	187	12.3%	3.2%
Madison	4,851	1,432	324	22.6%	6.7%

County	Total Households	Renter Households	Renter Households w/ 50% or more CB	% of All Renter Households	% of All Households
Maries	3,808	1,012	153	15.1%	4.0%
Marion	11,537	4,070	610	15.0%	5.3%
McDonald	8,393	2,678	248	9.3%	3.0%
Mercer	1,333	284	33	11.6%	2.5%
Miller	10,452	2,771	192	6.9%	1.8%
Mississippi	4,998	1,970	367	18.6%	7.3%
Moniteau	5,450	1,279	152	11.9%	2.8%
Monroe	3,731	929	91	9.8%	2.4%
Montgomery	4,995	1,365	138	10.1%	2.8%
Morgan	7,639	1,437	214	14.9%	2.8%
New Madrid	7,281	2,741	529	19.3%	7.3%
Newton	22,123	6,125	882	14.4%	4.0%
Nodaway	8,510	3,567	724	20.3%	8.5%
Oregon	4,298	1,161	329	28.3%	7.7%
Osage	5,273	853	93	10.9%	1.8%
Ozark	4,082	839	65	7.7%	1.6%
Pemiscot	6,640	3,095	878	28.4%	13.2%
Perry	7,577	2,002	158	7.9%	2.1%
Pettis	16,193	5,000	895	17.9%	5.5%
Phelps	18,213	7,322	1,592	21.7%	8.7%
Pike	6,653	1,900	263	13.8%	4.0%
Platte	39,918	13,110	1,895	14.5%	4.7%
Polk	11,833	3,675	634	17.3%	5.4%
Pulaski	15,061	7,184	1,077	15.0%	7.2%
Putnam	1,698	361	75	20.8%	4.4%
Ralls	4,132	602	112	18.6%	2.7%
Randolph	8,872	2,568	457	17.8%	5.2%
Ray	8,766	1,945	340	17.5%	3.9%
Reynolds	2,580	464	52	11.2%	2.0%
Ripley	4,973	978	212	21.7%	4.3%
Saline	8,235	2,406	227	9.4%	2.8%

County	Total Households	Renter Households	Renter Households w/ 50% or more CB	% of All Renter Households	% of All Households
Schuyler	1,440	440	45	10.2%	3.1%
Scotland	1,687	360	58	16.1%	3.4%
Scott	15,342	5,185	1,029	19.8%	6.7%
Shannon	3,063	770	62	8.1%	2.0%
Shelby	2,485	605	36	6.0%	1.4%
St. Charles	149,472	27,568	4,521	16.4%	3.0%
St. Clair	4,120	806	66	8.2%	1.6%
St. Francois	24,572	7,882	1,402	17.8%	5.7%
St. Louis City	143,566	80,228	19,673	24.5%	13.7%
St. Louis	409,658	129,943	27,736	21.3%	6.8%
Ste. Genevieve	7,252	1,384	210	15.2%	2.9%
Stoddard	11,545	3,461	535	15.5%	4.6%
Stone	12,689	2,118	318	15.0%	2.5%
Sullivan	2,218	583	26	4.5%	1.2%
Taney	22,390	7,721	1,360	17.6%	6.1%
Texas	9,852	2,347	449	19.1%	4.6%
Vernon	8,294	2,165	461	21.3%	5.6%
Warren	13,129	2,689	569	21.2%	4.3%
Washington	9,278	2,186	342	15.6%	3.7%
Wayne	5,438	1,370	237	17.3%	4.4%
Webster	13,697	2,984	383	12.8%	2.8%
Worth	808	149	17	11.4%	2.1%
Wright	6,977	1,691	324	19.2%	4.6%

Data source: Census ACS 2016-2020 5-Year Estimates

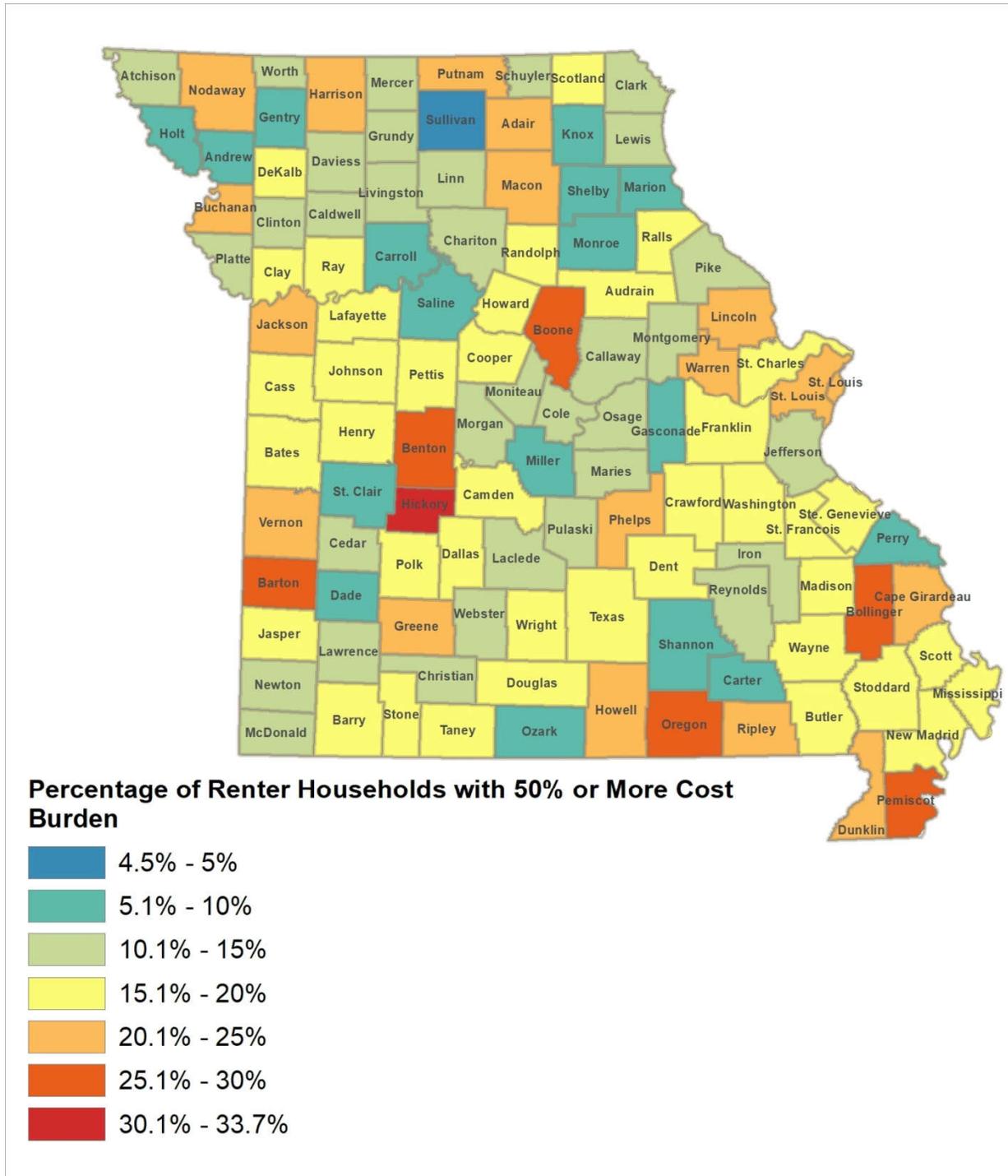
The five counties with the highest proportion of severely cost-burdened renter households are Hickory (33.7%), Pemiscot (28.4%), Oregon (28.3%), Barton (27.0%), and Benton (25.8%). Boone

County, which had the highest rate of severely cost-burdened renters in 2019, ranked as the sixth highest county as measured by severely cost burdened renters in 2020 (25.5%).¹⁴

Map 1 illustrates the geographic distribution of severe housing cost burden among Missouri renters.

¹⁴ The five counties with the highest rate of severely cost-burdened renters in 2019 were Boone (26.3%), Randolph (26.1%), St. Louis City (25.4%), Warren (25.0%), and Adair (24.7%).

Map 1. Renter Households With Severe Cost Burden as a percentage of All Renter Households, 2020



Data source: American Community Survey, 2016-2020 5-Year Estimates

SEVERE HOUSING COST BURDEN AMONG ELI RENTER HOUSEHOLDS

Table 5 provides information on severe housing cost burden among ELI renters. This information is organized by Metropolitan Statistical Area (MSA) and non-MSA regions of the state due to certain geographic limitations in American Community Survey (ACS) income data that prevent the calculation of renter cost burden specific to ELI households at the county level.

As with other states, MSAs, and non-metropolitan areas throughout the country, the majority of ELI renters are severely cost burdened. Even in Northeast Missouri, the region with the smallest rate of ELI renters with severe cost burden, the figure is still relatively high (42.2%).

The highest proportion of severely cost burdened ELI renters is found in the Columbia MSA (75.6%). In addition to the Columbia MSA, five other areas have rates above 60% of ELI renter households: St. Louis MSA (65.8%), Springfield MSA (65.67%), Kansas City (62.6%), Pettis, Randolph, Saline, Cooper, Howard, Carroll, and Chariton Counties (62.3%), and Cape Girardeau MSA (61.5%). Further, the statewide rate of severe cost burden among ELI renters is also greater than 60% (62.1%).

Table 5 appears on the following page.

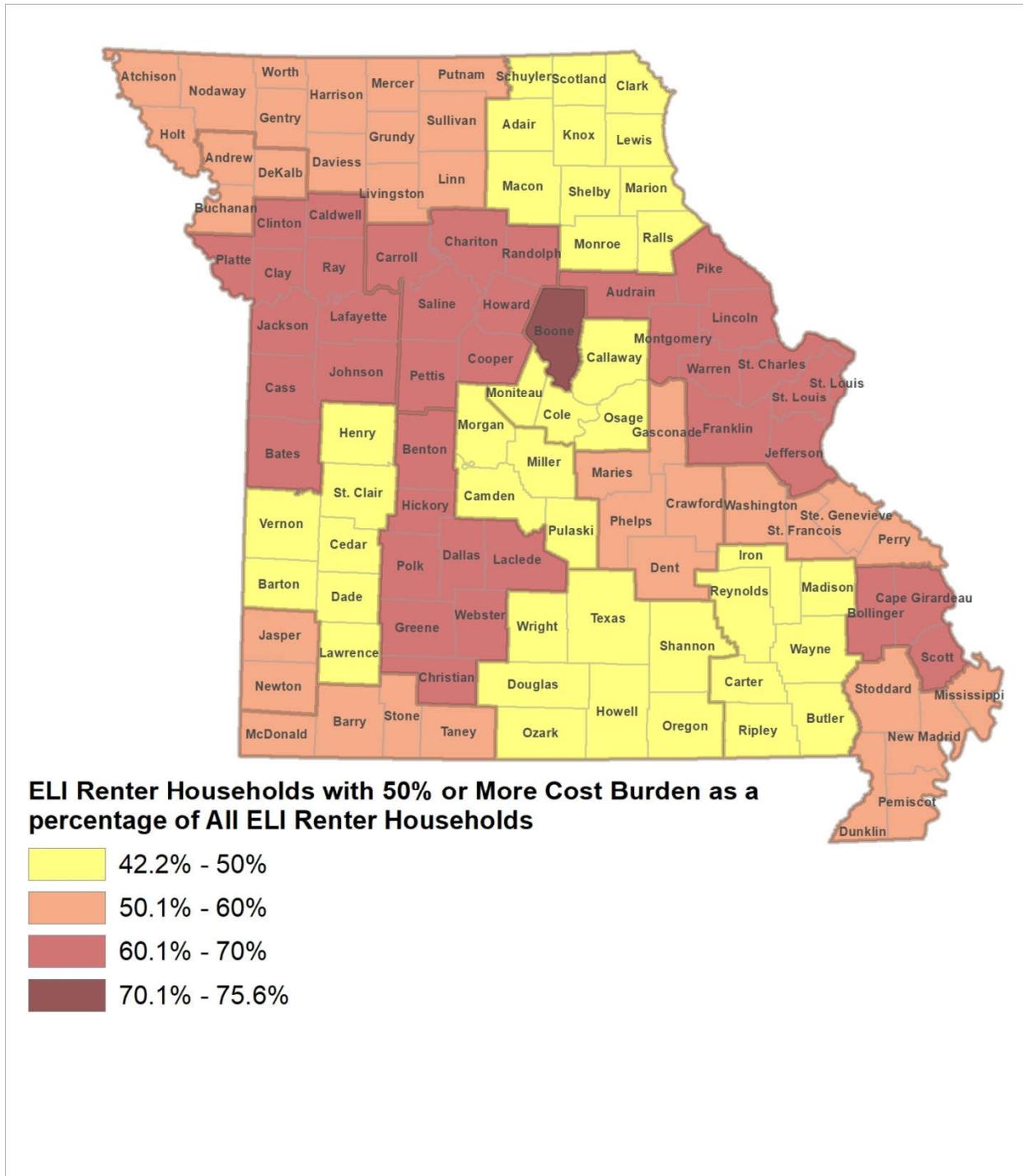
Map 2 follows Table 5 and illustrates the geographic distribution of severe cost burden among Missouri's ELI renter households.

Table 5. ELI Renter Households with Severe Cost Burden, 2020

Area	ELI Renters Severe CB	All Renters Severe CB	% All Renters Severe CB	All ELI Renters	% ELI Renters with Severe CB	All Renters	ELI Renters with Severe CB as % of All Renters
Cape Girardeau, MO-IL (MSA) plus Scott (Sikeston, Micro)	2,574	3,232	79.64%	4,185	61.51%	15,590	16.51%
Columbia, MO (MSA)	6,506	8,440	77.09%	8,610	75.56%	32,114	20.26%
Fayetteville-Springdale-Rogers, AR-MO (MSA)	1,208	2,301	52.50%	2,137	56.53%	16,622	7.27%
Jefferson City, MO (MSA)	1,943	2,290	84.85%	4,356	44.61%	17,149	11.33%
Joplin, MO (MSA)	3,217	4,353	73.90%	5,658	56.86%	22,939	14.02%
Kansas City, MO-KS (MSA) plus Johnston (Warrensburg, Micro)	26,110	35,998	72.53%	41,698	62.62%	191,600	13.63%
St. Joseph, MO-KS (MSA)	1,634	2,547	64.15%	3,141	52.02%	15,123	10.80%
St. Louis, MO-IL (MSA) plus Audrain, Montgomery, & Pike	44,548	57,101	78.02%	67,692	65.81%	279,568	15.93%
Springfield, MO (MSA) plus Benton, Hickory, Laclede	11,273	16,802	67.09%	17,166	65.67%	80,209	14.05%
Northwest Missouri	1,219	1,664	73.26%	2,352	51.83%	12,462	9.78%
Northeast Missouri	1,545	1,923	80.34%	3,661	42.20%	13,790	11.20%
Pettis, Randolph, Saline, Cooper, Howard, Carroll & Chariton Counties	1,831	2,492	73.48%	2,940	62.28%	13,882	13.19%
Lawrence, Henry, Vernon, Cedar, Barton, St. Clair & Dade Counties	1,152	1,906	60.44%	2,555	45.09%	13,903	8.29%
Pulaski, Camden, Miller & Morgan Counties	1,266	1,705	74.25%	2,669	47.43%	14,728	8.60%
Phelps, Crawford, Dent, Gasconade & Maries Counties	2,088	2,556	81.69%	3,550	58.82%	13,832	15.10%
St. Francois, Washington, Perry & Ste. Genevieve Counties	1,471	2,334	63.02%	2,491	59.05%	13,527	10.87%
Dunklin, Stoddard, New Madrid, Pemiscot & Mississippi Counties	1,963	3,395	57.82%	3,502	56.05%	15,773	12.45%
Butler, Ripley, Wayne, Madison, Iron, Reynolds & Carter Counties	1,454	1,897	76.65%	3,025	48.07%	11,998	12.12%
Howell, Texas, Wright, Douglas, Oregon, Ozark & Shannon Counties	1,349	2,267	59.51%	2,711	49.76%	12,737	10.59%

Data source: Census ACS 2016-2020 5-Year Estimates

Map 2. Extremely Low Income Renter Households With Severe Cost Burden as a percentage of All Extremely Low Income Renter Households, 2020



Data source: American Community Survey, 2016-2020 5-Year Estimates

AFFORDABLE AND AVAILABLE ELI UNITS

Analysis of the number of affordable units and renter households only tells part of the story. Many affordable units may be unavailable because they are already occupied. Further, some units may have tenants with incomes above a specific income category. Thus, analysis based on both affordability and availability provides a more complete view for policy makers, decision makers, and housing stakeholders.¹⁵

Table 6 provides a statewide analysis of units affordable and available to ELI households.

Table 6. ELI Affordable and Available Unit Analysis

Rental Households With 30% AMI or Less	184,099
Total Units Affordable at 30% AMI or less	126,442
(Deficit) of Affordable Units at 30% AMI or Less	(57,657)
Units Affordable & Available at 30% AMI or Less	62,161
(Deficit) of Affordable & Available Units at 30% AMI or Less	(121,938)

Data source: American Community Survey, 2016-2020 5-Year Estimates

Analysis of affordable units and number of ELI households alone reveals that Missouri has a deficit of 57,657 units for this income group. Once availability is added to the analysis, however, the deficit is 121,938.

Another way of understanding the status of affordable and available units is to analyze them by units per 100 households. In Missouri, there are approximately 33 units that are both affordable and available for every 100 ELI households. Examined from another view, there are no affordable and available units for close to 67 out of every 100 ELI renter household in Missouri.

¹⁵ Carpenter, Ann, Douglas White, and Mary Hirt, "Rental Housing Affordability in the Southeast: Data from the Sixth District," Atlanta, GA: Federal Reserve Bank of Atlanta, Community and Economic Development Discussion Paper No. 02-18, July 2018. <https://www.frbatlanta.org/-/media/documents/community-development/publications/discussion-papers/2018/02-rental-housing-affordability-in-the-southeast-2018-07-19.pdf>.

Although these figures give reason for continued concern, they do represent an improvement as compared with data presented in the Strategic Plan. The affordable and available units analysis in the Plan indicated that there were 31 units for every 100 ELI household, leaving 69 out of every 100 ELI renter household in Missouri facing a lack of affordable and available housing. The increased availability shown by analysis performed for this Update is a 6.45% increase and is tangible evidence of progress.

Table 7 presents information on ELI available and affordable units arranged by Metropolitan Statistical Area (MSA) and Missouri region. Missouri regions are used for county groupings outside of MSAs. Detailed definitions for each MSA and regional grouping are provided in the Appendix.

Table 7. ELI Affordable and Available Analysis by MSA and Region

Area	Rental Households With 30% AMI or Less	Total Units Affordable at 30% AMI or less	Surplus (Deficit) of Units at 30% AMI or Less	Units Affordable & Available at 30% AMI or Less	Surplus (Deficit) of Affordable & Available Units at 30% AMI or Less
Cape Girardeau, MO-IL (MSA) plus Scott (Sikeston, Micro)	4,185	2,750	(1,435)	1,527	(2,658)
Columbia, MO (MSA)	8,610	3,250	(5,360)	1,461	(7,149)
Fayetteville-Springdale-Rogers, AR-MO (MSA)	2,137	2,715	578	702	(1,435)
Jefferson City, MO (MSA)	4,356	4,944	588	2,733	(1,623)
Joplin, MO (MSA)	5,658	4,138	(1,520)	1,933	(3,725)
Kansas City, MO-KS (MSA) plus Johnston (Warrensburg, Micro)	41,698	24,395	(17,303)	14,135	(27,563)
St. Joseph, MO-KS (MSA)	3,141	2,931	(210)	1,452	(1,689)
St. Louis, MO-IL (MSA) plus Audrain, Montgomery, & Pike	67,692	39,240	(28,452)	20,949	(46,743)
Springfield, MO (MSA) plus Benton, Hickory, Laclede	17,166	9,320	(7,846)	4,100	(13,066)
Northwest Missouri	2,352	3,765	1,413	1,481	(871)

Area	Rental Households With 30% AMI or Less	Total Units Affordable at 30% AMI or less	Surplus (Deficit) of Affordable Units at 30% AMI or Less	Units Affordable & Available at 30% AMI or Less	Surplus (Deficit) of Affordable & Available Units at 30% AMI or Less
Northeast Missouri	3,661	4,468	807	2,151	(1,510)
Pettis, Randolph, Saline, Cooper, Howard, Carroll & Chariton Counties	2,940	2,882	(58)	1,036	(1,904)
Lawrence, Henry, Vernon, Cedar, Barton, St. Clair & Dade Counties	2,555	3,333	778	1,239	(1,316)
Pulaski, Camden, Miller & Morgan Counties	2,669	3,933	1,264	1,531	(1,138)
Phelps, Crawford, Dent, Gasconade & Maries Counties	3,550	3,378	(172)	1,329	(2,221)
St. Francois, Washington, Perry & Ste. Genevieve Counties	2,491	2,279	(212)	920	(1,571)
Dunklin, Stoddard, New Madrid, Pemiscot & Mississippi Counties	3,502	3,410	(92)	1,412	(2,090)
Butler, Ripley, Wayne, Madison, Iron, Reynolds & Carter Counties	3,025	2,297	(728)	1,139	(1,886)
Howell, Texas, Wright, Douglas, Oregon, Ozark & Shannon Counties	2,711	3,014	303	931	(1,780)

Data source: Census ACS 2016-2020 5-Year Estimates

The three areas with the largest deficits in ELI affordable and available units are the St. Louis, Kansas City, and Springfield MSAs. The Columbia and Joplin MSAs round out the top five geographic areas within Missouri with the greatest deficits in ELI affordable and available units. There are no MSAs or regions within Missouri where there are sufficient numbers of ELI affordable and available units.

EFFECTIVE IMPLEMENTATION SUPPORT

One of the priorities identified in the *Five-Year Strategic Plan for Affordable Housing for the State of Missouri* is the use of implementation practices that support the attainment of other Strategic Plan priorities. MHDC provided effective implementation support for Strategic Plan priorities with its careful application of these priorities in the QAP 2021. Further evidence of effective implementation support is provided by the results of the 2021 competitive round of funding for multifamily development. It is also important to know that this effective work is a continuation of the effective implementation support represented by the QAP 2020 and competitive funding results in 2020.

This Update also provides evidence that MHDC is engaging in effective implementation practices in support of the Strategic Plan. This Update will provide MHDC and a wide array of stakeholders with important information on how priorities included in the design of the QAP 2021 resulted in multifamily allocations reflective of these priorities. These analyses, coupled with new stakeholder input and updated data presentations, will provide a strong foundation for Strategic Plan implementation in 2022.

CONCLUSION

This *Update to the Five-Year Strategic Plan for Affordable Housing for the State of Missouri* demonstrates that Strategic Plan priorities published in mid-2020 have had a strong influence on the QAP 2021 and the results of the 2021 round of competition for multifamily development funding. New stakeholder input gathered in early 2022 and updated data analysis provide a meaningful foundation for design of the 2022 QAP and the structure of the 2022 round of competition for multifamily funding in Missouri. Finally, the preparation of this Update is an important way in which MHDC is engaging in effective implementation practices in support of Missouri’s affordable housing strategic priorities.

APPENDIX: CENSUS GEOGRAPHIC AREAS IN MISSOURI

Table 8. Census and Constructed MSAs Missouri

[See table on following page.]

Census Name for the Metropolitan & Micropolitan Statistical Area	Actual Counties in MSA	Counties in PUMA Constructed MSA	ACS MSA Name
Cape Girardeau, MO-IL (Metropolitan Statistical Area) Sikeston, MO (Micropolitan Statistical Area)	Bollinger, MO Cape Girardeau, MO Scott MO	Bollinger MO Cape Girardeau MO Scott MO	Cape Girardeau, MO-IL (Metropolitan Statistical Area) plus Scott (Sikeston, Micro)
Columbia, MO (Metropolitan Statistical Area)	Boone, MO	Boone MO	Columbia, MO (Metropolitan Statistical Area)
Fayetteville-Springdale-Rogers, AR-MO (Metropolitan Statistical Area)	McDonald, MO	McDonald MO Barry MO Stone MO Taney MO Callaway MO	Fayetteville-Springdale-Rogers, AR-MO (Metropolitan Statistical Area)
Jefferson City, MO (Metropolitan Statistical Area)	Callaway, MO Cole, MO Moniteau, MO Osage, MO	Cole MO Moniteau MO Osage MO	Jefferson City, MO (Metropolitan Statistical Area)
Joplin, MO (Metropolitan Statistical Area)	Jasper, MO Newton, MO	Jasper MO Newton MO	Joplin, MO (Metropolitan Statistical Area)
Kansas City, MO-KS (Metropolitan Statistical Area) Warrensburg, MO (Micropolitan Statistical Area)	Bates, MO Caldwell, MO Cass, MO Clay, MO Clinton, MO Jackson, MO Lafayette, MO Platte, MO Ray, MO Johnson, MO	Bates MO Caldwell MO Cass MO Clay MO Clay MO Clay MO Clinton MO Jackson MO Johnson MO Lafayette MO Platte MO Ray MO	Kansas City, MO-KS (Metropolitan Statistical Area) plus Johnston (Warrensburg, Micro)
St. Joseph, MO-KS (Metropolitan Statistical Area)	Andrew, MO Buchanan, MO DeKalb, MO	Andrew MO Buchanan MO DeKalb MO	St. Joseph, MO-KS (Metropolitan Statistical Area)

Census Name for the Metropolitan & Micropolitan Statistical Area	Actual Counties in MSA	Counties in PUMA Constructed MSA	ACS MSA Name
St. Louis, MO-IL (Metropolitan Statistical Area) Mexico, MO (Micropolitan Statistical Area)	Franklin, MO Jefferson, MO Lincoln, MO St. Charles, MO St. Louis, MO Warren, MO St. Louis (Independent City), MO Audrain, MO	Audrain MO Franklin MO Jefferson MO Jefferson MO Lincoln MO Montgomery MO Pike MO St. Charles MO St. Louis MO Warren MO St. Louis city MO St. Louis city MO	St. Louis, MO-IL (Metropolitan Statistical Area) plus Audrain, Montgomery, & Pike
Springfield, MO (Metropolitan Statistical Area) Lebanon, MO (Micropolitan Statistical Area)	Christian, MO Dallas, MO Greene, MO Polk, MO Webster, MO Laclede, MO	Benton MO Christian MO Dallas MO Greene MO Hickory MO Laclede MO Polk MO Webster MO	Springfield, MO (Metropolitan Statistical Area) plus Benton, Hickory, Laclede
Maryville, MO (Micropolitan Statistical Area)	Nodaway, MO	Atchison MO Daviss MO Gentry MO Grundy MO Harrison MO Holt MO Linn MO Livingston MO Mercer MO Nodaway MO Putnam MO Sullivan MO Worth MO	Northwest Missouri

Census Name for the Metropolitan & Micropolitan Statistical Area	Actual Counties in MSA	Counties in PUMA Constructed MSA	ACS MSA Name
Fort Madison-Keokuk, IA-IL-MO (Micropolitan Statistical Area)	Clark, MO	Adair MO	Northeast Missouri
Hannibal, MO (Micropolitan Statistical Area)	Marion, MO	Clark MO	
Kirksville, MO (Micropolitan Statistical Area)	Ralls, MO	Knox MO	
Quincy, IL-MO (Micropolitan Statistical Area)	Adair, MO	Lewis MO	
	Schuyler, MO	Macon MO	
	Lewis, MO	Marion MO	
		Monroe MO	
		Ralls MO	
		Schuyler MO	
		Scotland MO	
		Shelby MO	
Marshall, MO (Micropolitan Statistical Area)	Saline, MO	Carroll MO	Pettis, Randolph, Saline, Cooper, Howard, Carroll & Chariton Counties
Moberly, MO (Micropolitan Statistical Area)	Randolph, MO	Chariton MO	
Sedalia, MO (Micropolitan Statistical Area)	Pettis, MO	Cooper MO	
		Howard MO	
		Pettis MO	
		Randolph MO	
		Saline MO	
		Barton MO	Lawrence, Henry, Vernon, Cedar, Barton, St. Clair & Dade Counties
		Cedar MO	
		Dade MO	
		Henry MO	
		Lawrence MO	
		St. Clair MO	
		Vernon MO	
		Camden MO	
		Miller MO	
		Morgan MO	
		Pulaski MO	
Fort Leonard Wood, MO (Micropolitan Statistical Area)	Pulaski, MO		Pulaski, Camden, Miller & Morgan Counties

Census Name for the Metropolitan & Micropolitan Statistical Area	Actual Counties in MSA	Counties in PUMA Constructed MSA	ACS MSA Name
		Crawford MO Dent MO Gasconade MO Maries MO Phelps MO	Phelps, Crawford, Dent, Gasconade & Maries Counties
Rolla, MO (Micropolitan Statistical Area)	Phelps, MO	Perry MO Ste. Genevieve MO St. Francois MO Washington MO	St. Francois, Washington, Perry & Ste. Genevieve Counties
Kennett, MO (Micropolitan Statistical Area)	Dunklin, MO	Dunklin MO Mississippi MO New Madrid MO Pemiscot MO Stoddard MO	Dunklin, Stoddard, New Madrid, Pemiscot & Mississippi Counties
Poplar Bluff, MO (Micropolitan Statistical Area)	Butler, MO	Butler MO Carter MO Iron MO Madison MO Reynolds MO Ripley MO Wayne MO	Butler, Ripley, Wayne, Madison, Iron, Reynolds & Carter Counties
West Plains, MO (Micropolitan Statistical Area)	Howell, MO	Douglas MO Howell MO Oregon MO Ozark MO Shannon MO Texas MO Wright MO	Howell, Texas, Wright, Douglas, Oregon, Ozark & Shannon Counties