LEE'S SUMMIT
MISSOURI

STAFF REPORT

Date: August 11, 2026

To: Mayor & City Council
Chair & Planning Commission

From: Ryan Elam, Assistant City Manager, Development & Infrastructure
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Re: Housing in Lee's Summit – A Framework for Future Decision-Making

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RECOMMENDATION

This report is provided for informational purposes only and is intended to establish a common understanding of Lee's Summit's current housing conditions, trends, and policy considerations. Any direction or feedback provided by the City Council and Planning Commission will be forwarded, together with the contents of this report, to the Mayor's Housing Task Force (Task Force), which is slated to begin meeting this fall.

1. EXECUTIVE SUMMARY

Housing is among the most significant and complex public policy issues facing communities today. It influences economic development, workforce competitiveness, neighborhood stability, transportation, infrastructure planning, quality of life, and the long-term fiscal health of local governments. Yet discussions surrounding housing often become fragmented because the term *housing* is used to describe a wide range of related, but distinct, issues, including housing supply, affordability, attainability, homeownership, housing diversity, workforce housing, and neighborhood character.

For that reason, this report does not begin with the assumption that Lee's Summit has a singular housing problem to solve, nor does it conclude that no action is needed. Instead, we begin by asking a more fundamental question:

What, if any, housing challenges exist in Lee's Summit today, and which of those challenges are appropriately addressed through local government policy?

Housing policy is often viewed through two complementary lenses. The first is problem-oriented, seeking to define specific housing challenges, evaluate potential solutions, and measure whether those actions improve identified conditions. The second is systemsoriented, recognizing that housing markets continually evolve in response to demographic change, economic conditions, consumer preferences, financing, construction costs, regulations, and countless other forces. From this perspective, housing is not viewed as a problem with a permanent solution, but as an enduring public policy responsibility requiring continual observation and adaptation. Effective housing policy requires both perspectives.

Accordingly, this report serves two purposes. First, it establishes a common factual and analytical foundation for future housing discussions. Rather than advocating for predetermined policy outcomes, it provides a shared understanding of current conditions, the factors influencing those conditions, and the areas where local government can influence housing outcomes. Second, this report serves as the foundational resource for the Task Force. Once established, the Task Force is charged with using the information and framework presented in this report to evaluate housing conditions, engage stakeholders, assess policy options, and develop recommendations for consideration by the Mayor and City Council.

The staff report begins by establishing a common understanding of key housing terminology before examining demographic trends, household characteristics, housing production, affordability, market conditions, and the regulatory environment shaping Lee's Summit's housing market. It then evaluates the respective roles that local government, private markets, and external economic forces play in influencing housing outcomes.

One theme that emerged during preparation of this report is that housing policy is ultimately as much about community priorities as it is about technical analysis. Discussions with elected and appointed officials revealed broad support for expanding housing opportunities while also expressing a strong desire to preserve local discretion over land use decisions. Those objectives are not inherently incompatible, but they often exist in tension. Understanding those tradeoffs will be essential as future housing policies are considered.

Ultimately, this report is not intended to answer every housing question facing Lee’s Summit. Rather, it provides a common framework for evaluating evidence, understanding the City’s role within the larger housing system, and supporting informed policy decisions by current and future policymakers and the Task Force. Housing is not a problem to be solved once, but an enduring public policy responsibility that will evolve as Lee’s Summit evolves.

2. SETTING THE TABLE

Housing policy is complex, and many of the terms commonly used in housing discussions are interpreted differently by different stakeholders. To help establish a common foundation for the discussions that follow, the definitions below explain key housing concepts and terminology referenced throughout this report. Developing a shared understanding of these terms will help ensure future conversations remain focused on policy choices rather than differing interpretations of the language used to describe them. For consistency, this report uses working definitions for key housing terms. Some terms may be defined differently, or not at all, in the City's adopted planning documents.

Accessory Dwelling Unit (ADU): A smaller, independent dwelling unit located on the same lot as a primary residence. ADUs may be attached to the primary residence, located above a garage, or constructed as a separate detached structure.

Affordable Housing: Generally, refers to housing that is subsidized or income restricted. Sometimes referred to as “Big A” affordable.

Area Median Income (AMI): The median family income for a metropolitan statistical area or other geographic area, as determined annually by the United States Department of Housing & Urban Development. AMI is used to define income eligibility for many housing programs at the federal, state, and regional level. Generally:

- Extremely Low-Income (ELI): ≤ 30% of AMI
- Very Low Income (VLI): 31-50% of AMI
- Low-Income (LI): 51-80% of AMI
- Moderate Income: 80-120% AMI
- Above Moderate Income (AMI): ≥ 120% AMI

Attainable Housing: Generally, refers to housing that is naturally affordable to middle-income households without public subsidy or income-restriction. Sometimes referred to as “little a” affordable. Examples include a newly constructed townhouse priced for a household earning 100% of AMI, a modest starter home, or a market-rate apartment affordable to a two-income household.

By-Right vs. Discretionary Development:

- By-Right Development: Development that complies with all applicable zoning and development regulations and may be approved administratively without discretionary review.
- Discretionary Development: Development that requires approval by a decision-making body or official who must evaluate the proposal against adopted standards and exercise judgment in determining whether it should be approved. Depending on the type of application, discretionary approvals may be legislative, quasi-judicial, or administrative. Planned development plans, zoning changes, special use permits, etc. are all discretionary.

Characteristics of Housing: Three important characteristics of housing that are often conflated are housing typology, housing tenure, and housing ownership model.

- Housing Typology: The physical form or design of a residential building, such as a single-family home, townhouse, duplex, or apartment.
- Housing Tenure: The way a dwelling unit is occupied, most commonly as either owner-occupied or rented.
- Ownership Model: The legal structure through which residential property is owned, such as fee simple ownership, condominium ownership, cooperative ownership, or a single-owner rental property.

HOUSING TYPOLOGY	POSSIBLE TENURE	POSSIBLE OWNERSHIP MODEL	WHAT IT MEANS
SINGLE-FAMILY DETACHED	Owner or Renter	Fee Simple Ownership, Investor-Owned Rental	A detached home can be owned and lived in, or rented from an owner.
TOWNHOUSE	Owner or Renter	Fee Simple Ownership Condominium Ownership Investor-Owned Rental	Townhomes can be individually owned or rented, and may be structured as fee simple lots or condominiums.
DUPLEX	Owner or Renter	Fee Simple Ownership Condominium Ownership Investor-Owned Rental	A two-unit building can be owned or rented, and may be structured in different ownership models.
APARTMENT (MULTIFAMILY)	Renter	Single-Owner Rental (Investor or Company)	Apartment buildings are typically rental housing owned by one entity.
CONDOMINIUM	Owner *(or Renter if leased)*	Condominium Ownership	Residents own their individual unit and share ownership of common areas through a condo association.
COTTAGE COURT	Owner or Renter	Fee Simple Ownership, Condominium Ownership	Smaller homes arranged around shared open space can be owned or rented and structured in multiple ways.

KEY TAKEAWAY: These three characteristics are independent.
The same physical housing type can support different ways of living in it and different ways of owning it.

Condominium: A form of property ownership where an individual owns a specific unit and also holds a shared ownership interest in the property's common areas.

Cost-Burdened Household: A household that spends more than 30 percent of its gross income on housing costs, including rent or mortgage payments and utilities. Households that are cost-burdened often have less income available for other necessities such as food, healthcare, transportation, childcare, and savings.

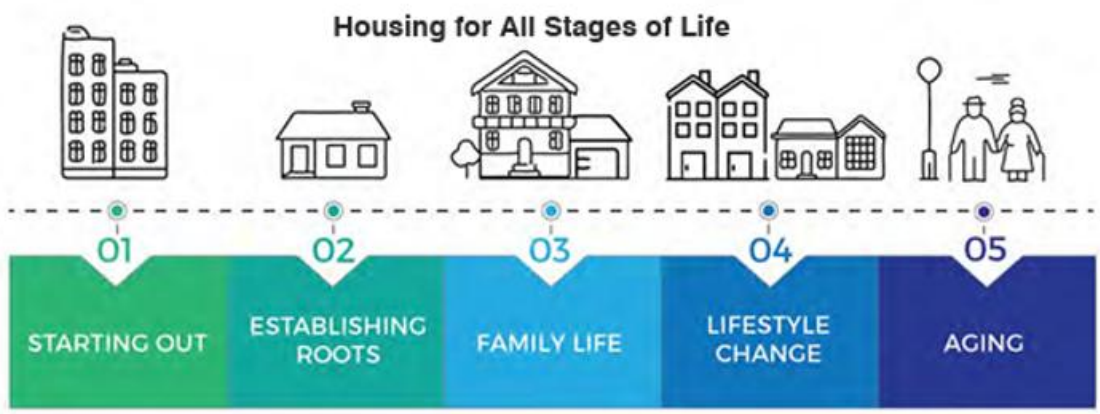
Cottage Court: A small cluster of SFR, detached homes arranged around a shared courtyard or common open space. Cottage courts typically feature small homes on compact lots and share a central neighborhood gathering space.

Duplex: A residential building containing two separate dwelling units, either side-by-side or stacked vertically.

Dwelling Unit: Any building or portion thereof which contains living facilities, including provisions for sleeping, eating, cooking, and sanitation, for not more than one (1) family.

Household: A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

Housing Continuum: The range of housing options available throughout a person's life, from rental housing and starter homes to move-up homes, accessible housing for older adults, and supportive housing for households with specialized needs.



Housing Cooperative: A type of housing where the residents collectively own the property through a corporation, rather than owning their individual units outright.

Single-Family Residential (SFR), Attached: A dwelling unit designed for one household that shares one or more common walls with adjacent homes but has its own individual entrance and is typically located on its own lot. Townhomes and rowhouses are common examples.

Single-Family Residential (SFR), Detached: A standalone dwelling unit designed for occupancy by one household that is not physically connected to another SFR. This is the most common form of residential development in many suburban communities.

Triplex/Fourplex: A residential building containing three/four separate dwelling units.

Multifamily Apartment: A residential building containing multiple dwelling units that are intended for rental occupancy. Apartment buildings range in size from small buildings with a few units to large complexes containing hundreds of apartments.

Mixed-use Development: A development that combines two or more complementary land uses within the same building or development. Mixed-use developments are often designed to create walkable neighborhoods where people can live, work, shop, and recreate in close proximity.

Manufactured Home: A home constructed entirely in a factory and built to the federal Manufactured Home Construction and Safety Standards. Manufactured homes are transported to the site and may be installed on either permanent or temporary foundations.

Modular Home: A home constructed in factory-built sections that are transported to the site and assembled on a permanent foundation. Unlike manufactured homes, modular homes must comply with the same state and local building codes as site-built homes.

Naturally Occurring Affordable Housing (NOAH): Existing market-rate housing that remains affordable because of its age, size, condition, location, or other market factors rather than government subsidy. Because NOAH can be lost through redevelopment or rising values, preservation is an important component of housing affordability.

Three-D Printed Home: A residential building constructed using large-scale automated machinery that extrudes cement, concrete, or alternative mixes layer by layer.

Workforce Housing: Generally, refers to housing that is affordable for households earning roughly 60-120% of AMI.

3. DEMOGRAPHIC PROFILE

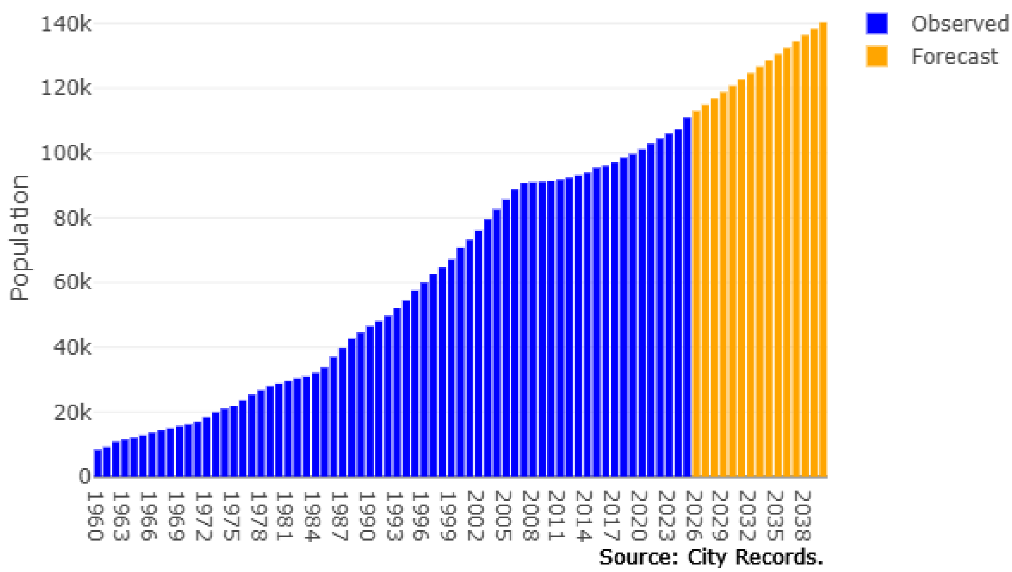
Demographic trends provide the factual foundation for housing policy. Demographic trends help identify who needs housing, how much housing is needed, what types of housing are needed, and where future demand is likely to occur. Without understanding these trends, housing policy (and subsequent land use decisions) is based on assumptions rather than evidence. By understanding who lives in the community today, and how that population is changing over time, the City can better anticipate future housing needs, identify gaps in the existing housing stock, and evaluate whether current regulations and policies align with those needs.

Perhaps most importantly, demographics are predictive, not merely descriptive. They help forecast how housing needs are likely to evolve over time. For example:

- An aging population suggests increased demand for accessible homes, smaller lots, maintenance-free living, and continuum of care facilities.
- A growing number of young professionals may increase demand for apartments and townhomes.
- Larger family sizes may indicate continued demand for single-family homes.
- Rising household incomes may support higher-end housing, while stagnant wages may point to a growing affordability challenge.
- More jobs than housing can signal future workforce housing shortages and increased commuting.

Ultimately, demographic analysis transforms the housing conversation from one driven by opinion to one guided by data, helping ensure housing policy responds to the community's evolving need, not individual preferences.

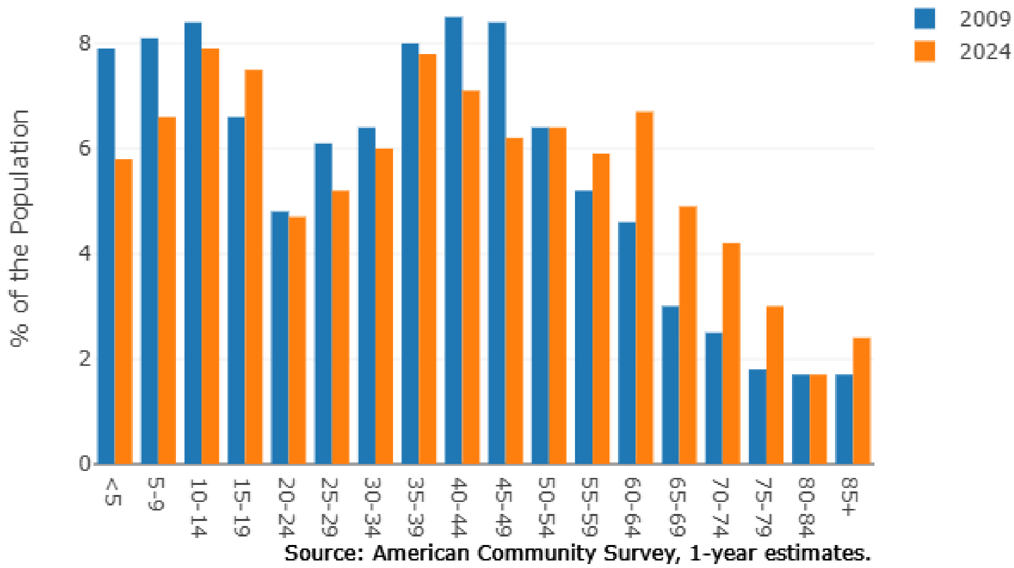
POPULATION GROWTH



Lee's Summit's population was 101,108 in 2020, is estimated at 112,883 in 2026, and is projected to reach approximately 120,709 by 2030. This sustained growth indicates that the community will require additional housing in the years ahead. Communities can influence how much housing is built, where it is built, and at what pace. They have far less ability to influence why people choose to live there. Employment opportunities, school quality, proximity to family and support networks, access to amenities, regional population growth, and market preferences continue to generate housing demand regardless of local housing production. As a result, policies or land use decisions that substantially constrain new housing are more likely to affect affordability than they are to reduce demand itself.

While population growth helps estimate the overall quantity of housing that will be needed, the demographic trends highlighted below help identify the types of housing needed to serve households at different ages, incomes, and stages of life.

AGE DISTRIBUTION

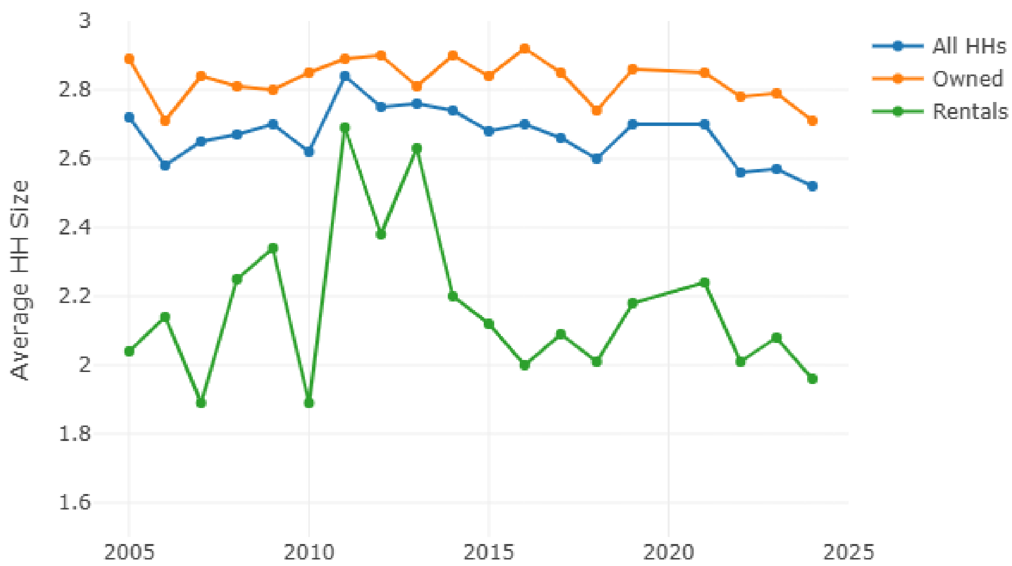


Overall, Lee's Summit follows the same demographic pattern as many successful suburban communities: it is both growing and aging at the same time. The community is no longer dominated by young families, as it was during much of its rapid growth in the 1980s, 1990s, and early 2000s. Instead, the population is becoming more evenly distributed across age groups, with a noticeably larger share of older adults. A few key trends stand out:

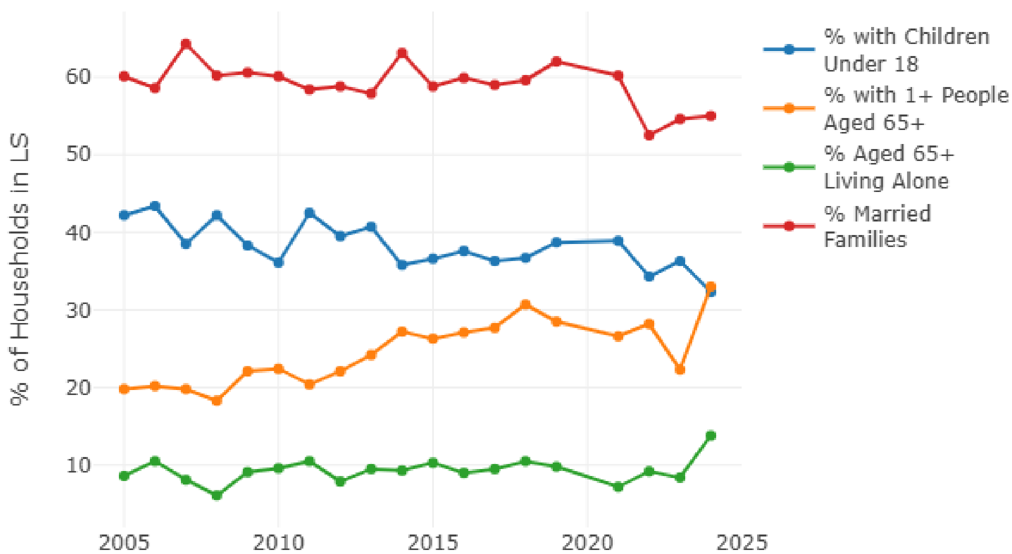
- The senior population is growing. Residents age 65 and older now account for roughly 15–16% of the population, a larger share than in 2010 as many long-time residents have aged in place.
- The median age has increased. Lee's Summit's median age is now around 39–40 years, reflecting a more mature community than it was two decades ago.
- Families with children remain an important part of the community. Approximately one-quarter of residents are under age 18, indicating that Lee's Summit continues to attract families even as the population ages.
- The community is becoming more balanced across life stages. Rather than being overwhelmingly a "young family" suburb, Lee's Summit now includes growing numbers of empty nesters, retirees, young professionals, and smaller households.

This suggests that future housing policy should support a broader range of housing options, from traditional single-family homes to townhomes, condominiums, and accessible, low-maintenance housing that allows residents to remain in the community through different stages of life.

HOUSEHOLD SIZE & COMPOSITION



Source: American Community Survey, 1-year estimates.

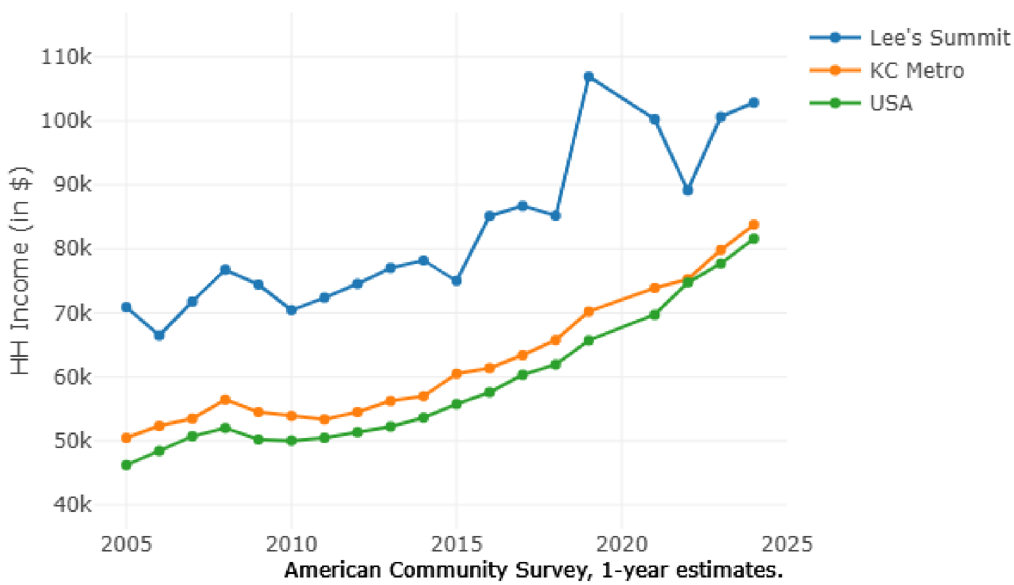


Source: American Community Survey, 1-year estimates.

Like much of the nation, Lee's Summit has experienced a gradual decline in average household size as more residents live alone, couples have fewer children, and long-time homeowners become empty nesters. At the same time, the community has evolved from one dominated by households with school-aged children to one with a broader mix of household types, including single-person households, couples without children, empty nesters, and older adults aging in place. These demographic shifts are expected to continue as the population matures and household formation evolves.

These trends have important implications for housing policy. Different household types have different housing needs, preferences, and budgets. While traditional single-family homes will continue to play a central role in Lee's Summit's housing market, a housing stock dominated by larger homes may not fully serve young professionals, first-time homebuyers, smaller households, or residents seeking lower-maintenance living. Providing a broader range of housing options can better align the city's housing supply with the changing needs of its residents while allowing households to remain in Lee's Summit through different stages of life.

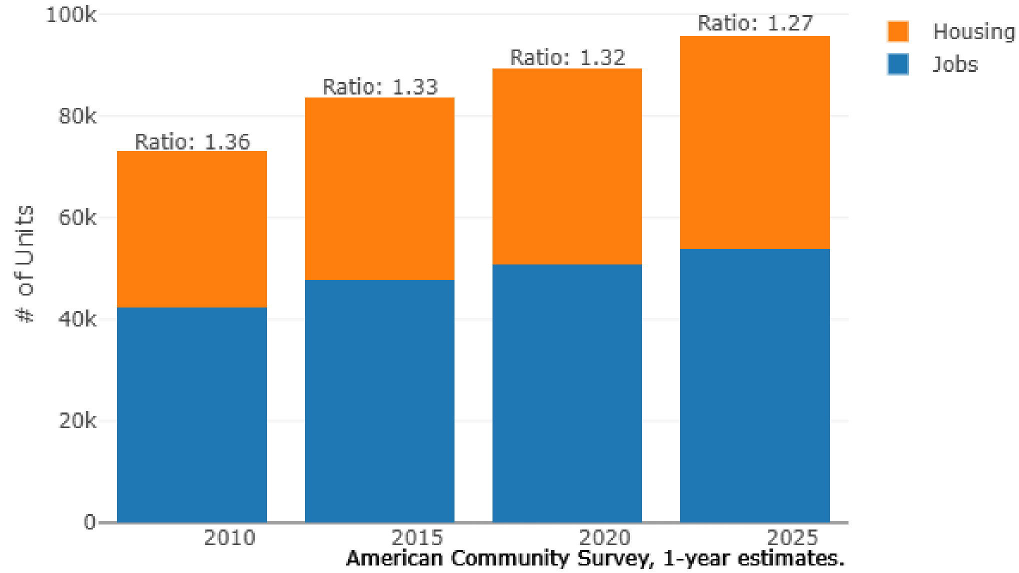
INCOME LEVELS & AREA MEDIAN INCOME (AMI)



Lee's Summit's median household income has increased significantly over the past two decades, reflecting the community's strong economy, highly educated workforce, and continued desirability as a place to live. Today, the city's median household income exceeds both the Missouri and Kansas City metropolitan averages. However, median income represents the household at the midpoint of the income distribution, not the income of a typical homebuyer or resident - half of all households earn less than the median.

While rising incomes generally increase purchasing power, they do not necessarily improve housing affordability. In recent years, housing costs have risen faster than many household incomes, making it more difficult for many households to enter or remain in the housing market. Understanding both the trends of household incomes and the cost of housing is therefore essential to evaluating whether Lee's Summit's housing supply remains attainable for residents across a range of income levels.

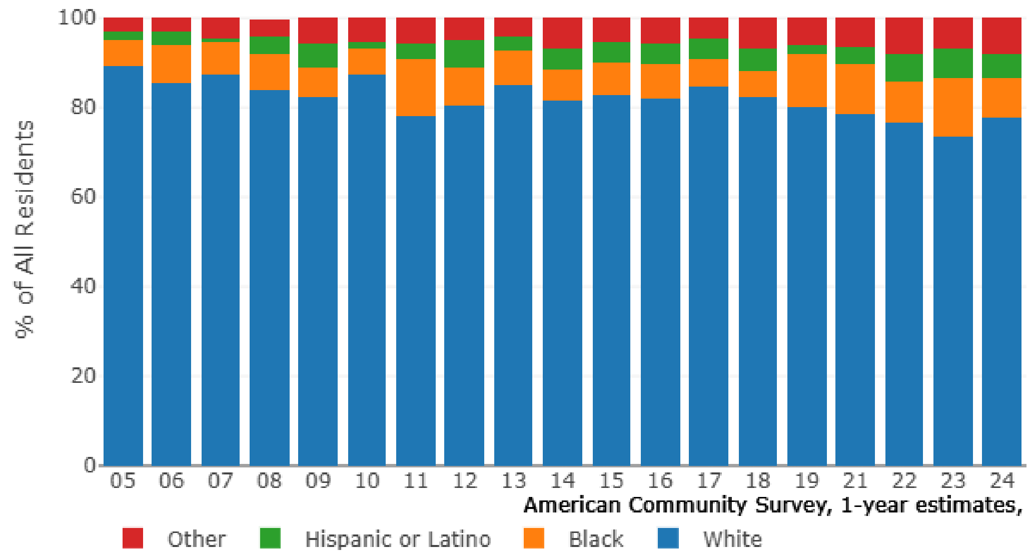
JOBS HOUSING BALANCE



Historically, Lee's Summit developed as a predominantly residential community, with many residents commuting elsewhere in the Kansas City metropolitan area for employment. Over time, the city has expanded its employment base by attracting healthcare, office, retail, industrial, and educational uses, improving the balance between jobs and housing. Despite this progress, Lee's Summit continues to function as both a place where many residents commute elsewhere for work and a destination for workers who commute into the community.

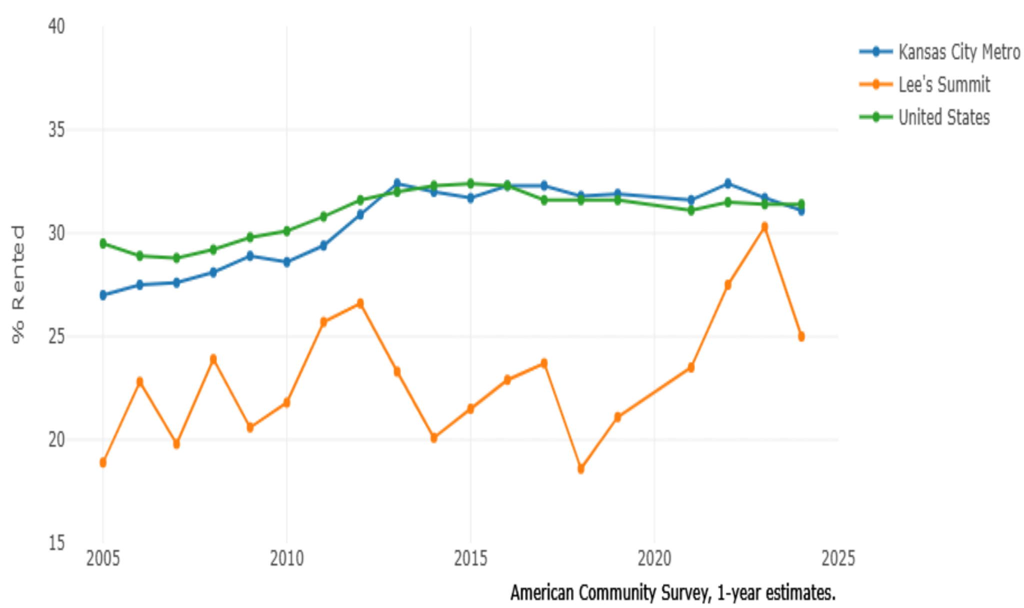
The jobs-to-housing ratio is a useful measure of how well employment opportunities and housing supply are balanced within a community. While there is no universally accepted "ideal" ratio, maintaining a healthy balance helps support economic development, reduces commuting distances, expands workforce housing opportunities, and provides residents with greater flexibility to both live and work in Lee's Summit. Evaluating changes in this ratio over time can help determine whether housing production is keeping pace with employment growth and whether future land use decisions are supporting a more balanced and resilient community.

RACE & ETHNICITY

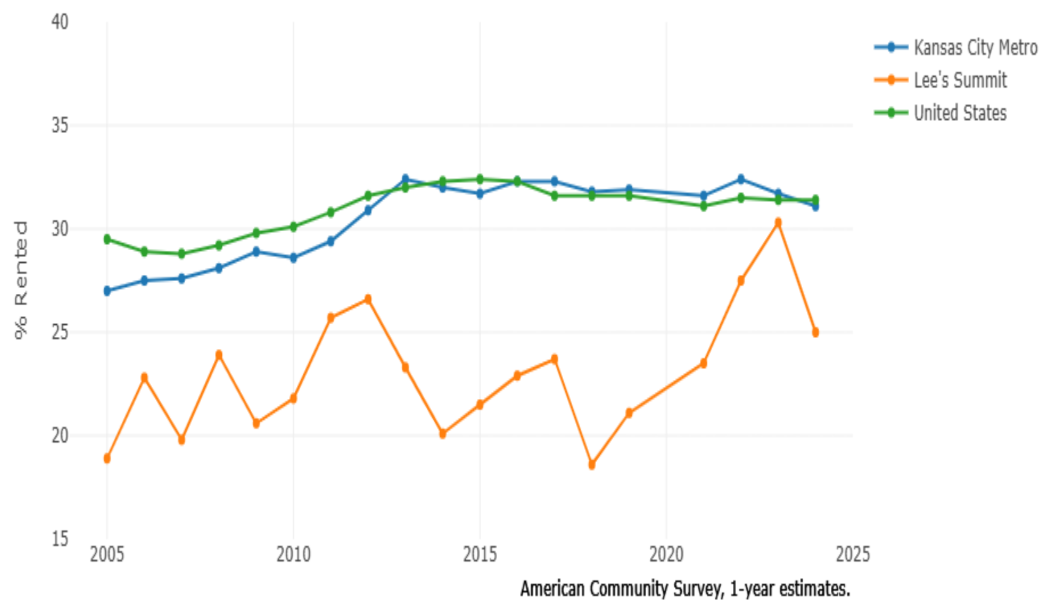


Lee's Summit has become increasingly racially and ethnically diverse over the past several decades, reflecting broader demographic trends across the Kansas City region and the nation, with growth among Black, Hispanic, Asian, and multiracial residents. As Lee's Summit becomes more racially and ethnically diverse, the community may experience increasing demand for housing that can accommodate multigenerational living. National research indicates that multigenerational households are more common among some racial and ethnic groups, as well as among immigrant families, although household composition is influenced by many cultural and economic factors. Although future demographic change cannot be predicted with certainty, these trends are expected to continue as the community grows.

OWNER VS. RENTER OCCUPANCY

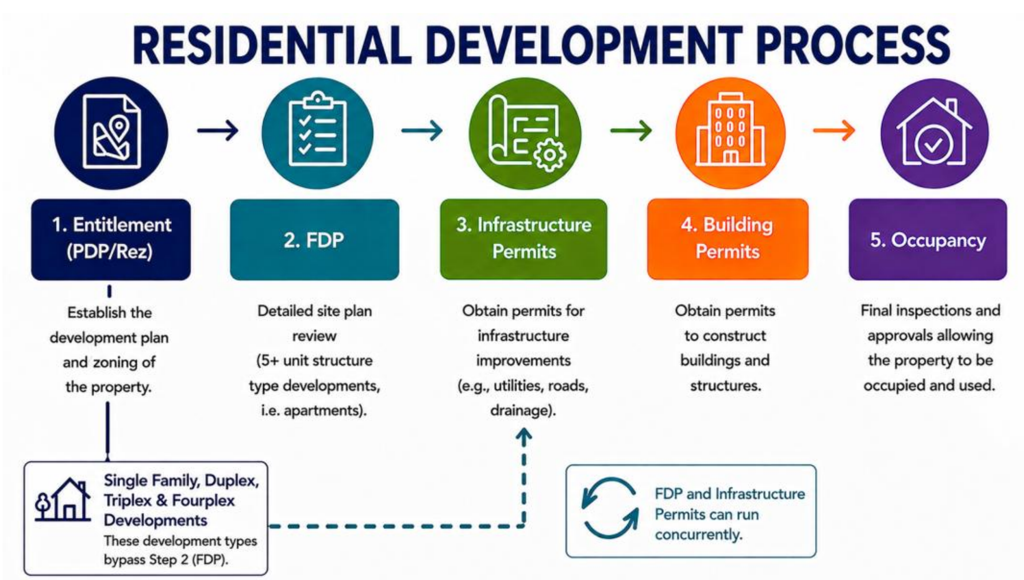


Lee's Summit continues to be a predominantly owner-occupied community, with approximately 75% of housing units owner-occupied and 25% renter occupied. This homeownership rate is higher than both the Missouri and national averages. Renters still make up a substantial segment of the population and are an important part of the local housing market. The objective of housing policy is not to substitute rental housing for homeownership. Rather, it is to ensure that residents have access to appropriate housing throughout different stages of life while preserving opportunities for those who aspire to own a home. A balanced housing portfolio supports that objective by providing entry points into the housing market, facilitating household mobility, and allowing residents to remain in the community as their needs evolve.



4. HOUSING CONDITIONS

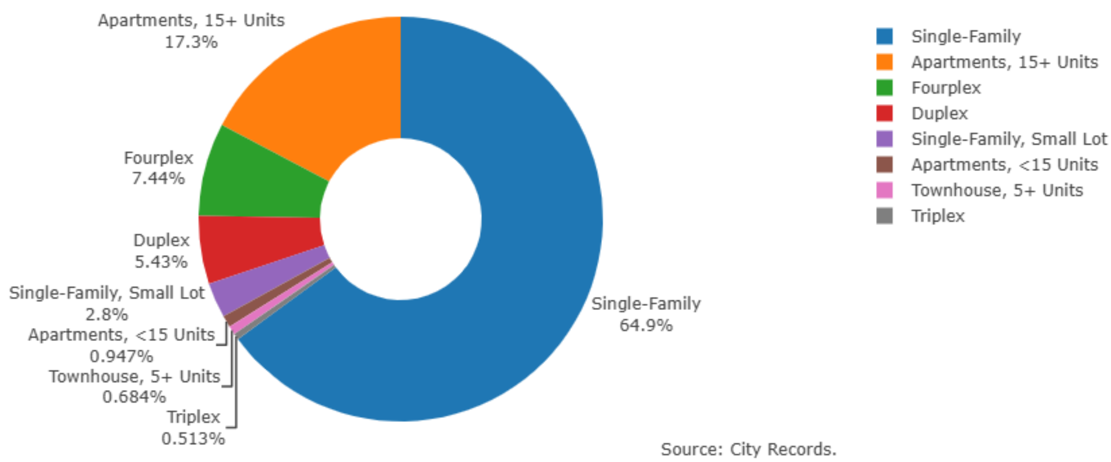
<u>HOUSING SUPPLY & PRODUCTION</u>



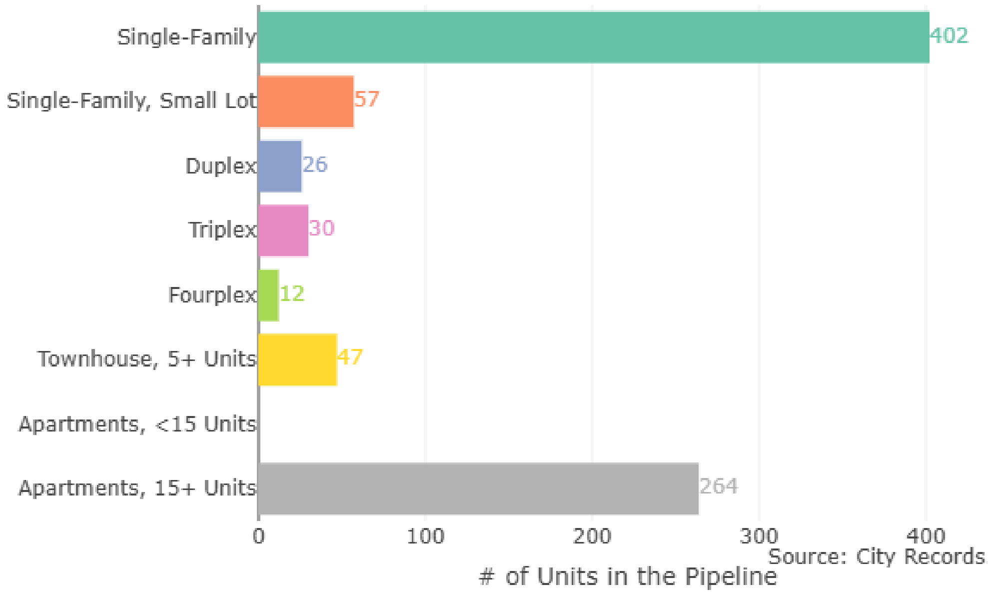
The graphic above illustrates the progression of residential development through the City's development review and construction process. It tracks housing from initial entitlement and zoning approvals, through infrastructure permitting, vertical building permits, construction, and ultimately to issuance of a Certificate of Occupancy. Viewing projects at each stage provides a more complete picture of the housing pipeline than building permits or completed homes alone, as it reflects both current activity and future housing expected to enter the market.

Total Dwelling Units and Unit Mix

There are 46,765 total dwelling units in the city. This includes existing units with a Certificate of Occupancy and units that have pulled a building permit and are under construction. Of 46,765 units citywide, 30,342 (64.9%) are single-family units, 1,308 (2.8%) are single-family small lot units, 2,539 (5.4%) are duplex units, 240 (0.5%) are triplex units, 3,479 (7.4%) are fourplex units, 320 (0.7%) are townhouses with five or more units, 443 (0.9%) are apartment units (in buildings with less than 15 units), and 8,094 (17.3%) are apartment units (in buildings with 15 or more units).



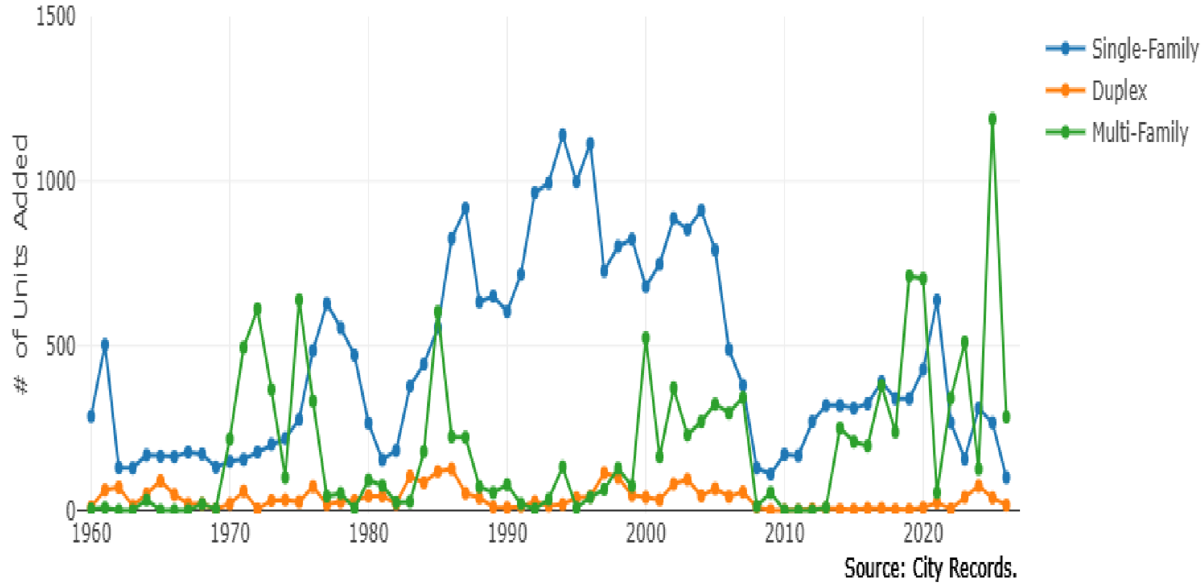
In addition to dwelling units currently under vertical construction, staff also tracks units that are considered "in the pipeline." These are projects for which a Final Development Plan (FDP) had been approved and infrastructure permits have been issued, allowing developers to construct streets, utilities, and other public improvements necessary to create build-ready lots. As of the date of this report, approximately 838 dwelling units are in this stage of the development process.



Beyond the active development pipeline are larger residential projects (five or more dwelling units, such as apartments) that have received City Council approval through the Preliminary Development Plan (PDP) process but have not yet advanced to FDP review or infrastructure permits. These developments become vested upon submission of an FDP application; approval of the FDP is not required to establish vested rights. As of the date of this report, approximately 911 dwelling units have received PDP approval but have not yet vested through FDP submittal. These projects represent an additional inventory of approved housing that could enter the development pipeline as developers move forward with implementation.

Housing Permit Issuance

Housing permits are more than a count of new housing units, they illustrate how Lee's Summit's housing market has evolved over time. Examining permit activity helps identify periods of rapid growth, the lasting effects of the Great Recession, shifts in the types of housing being constructed, and whether overall housing production has kept pace with the community's changing needs.

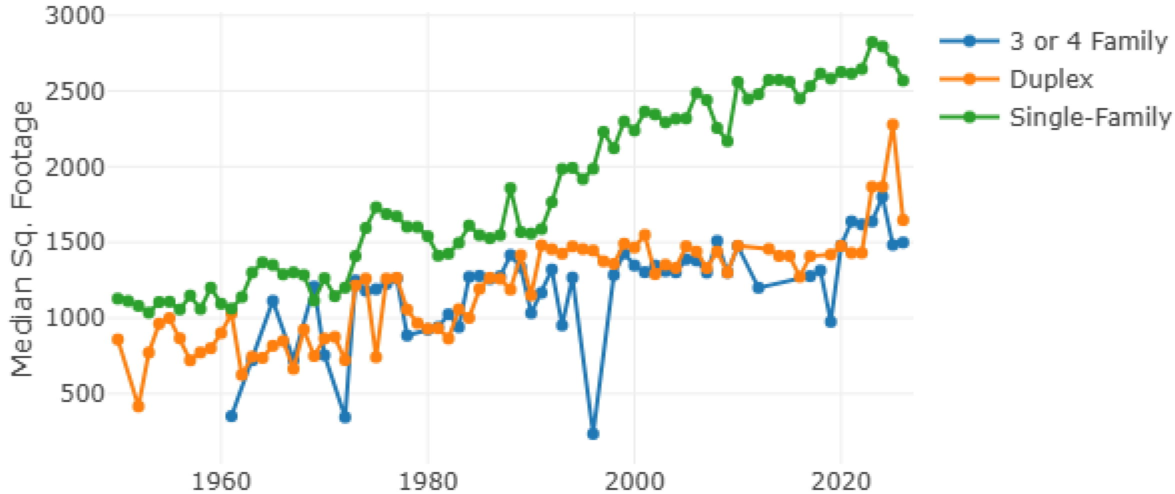


Residential building permit activity reflects the significant impact the Great Recession had on housing production nationwide, which is also evident locally. Throughout the 1990s and early 2000s, the city consistently produced large numbers of single-family homes each year, fueling rapid population growth and the expansion of many of today's neighborhoods. Following the housing market collapse in 2008, however, single-family housing production declined sharply and has never fully recovered to pre-recession levels.

While multifamily housing has experienced several periods of increased construction, particularly since 2020, and duplex construction has remained relatively limited throughout the period, these gains have not fully offset the long-term decline in single-family production. The result is a housing market in which overall production has remained below historic levels, even as population, employment, and housing demand have continued to grow. This trend helps explain why vacancies remain low, housing costs have increased, and discussions regarding housing supply have become more prominent.

Dwelling Size by Type Over Time

Housing production is not defined solely by the number of homes built. The size of those homes also influences who they are likely to serve. Larger homes generally require larger lots, higher construction costs, and higher purchase prices, while smaller homes can expand housing options for a broader range of households. Examining changes in dwelling size therefore provides additional insight into how the city's housing supply has evolved over time.

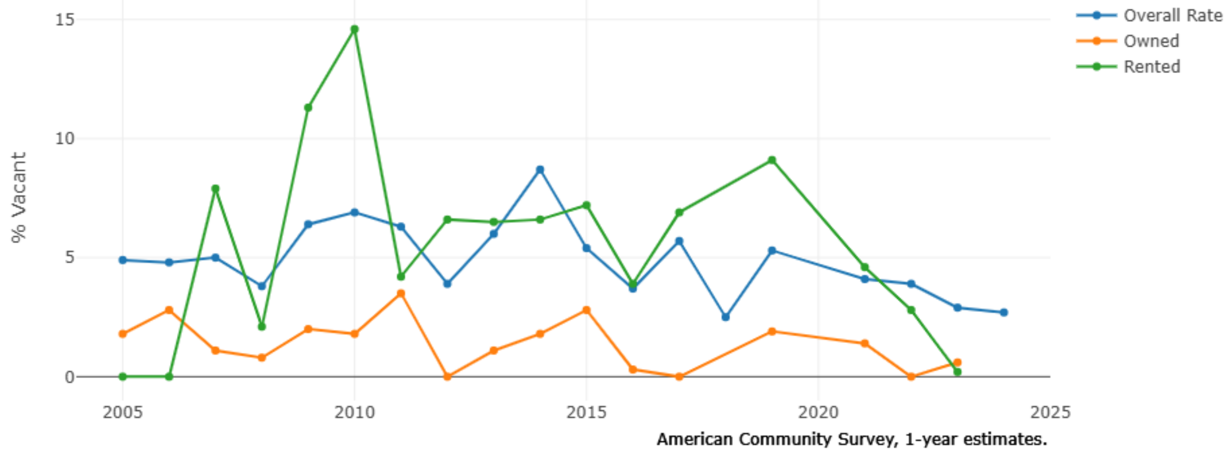


Source: City Records.

The data indicate that the average size of newly constructed dwellings has increased across nearly every type of housing. While detached single-family homes remain the largest housing product, duplexes and three- to four-family dwellings have also grown in average size over time. This trend has occurred even as average household size has declined, and one- and two-person households have become an increasingly significant share of the community. Although larger homes continue to meet the needs of many households, these trends suggest that expanding the supply of modestly sized housing may better align future housing production with Lee's Summit's evolving demographic profile.

Vacancy Rates

Vacancy rates are an important indicator of housing market conditions because they measure the availability of homes for sale or rent. A healthy housing market typically maintains some level of vacancy to allow households to move, accommodate changes in employment or family circumstances, and provide consumers with meaningful housing choices. Appropriate vacancy levels differ between owners and rental markets. However, low vacancy rates in either suggest limited availability, fewer consumer choices, and stronger competition for available units.

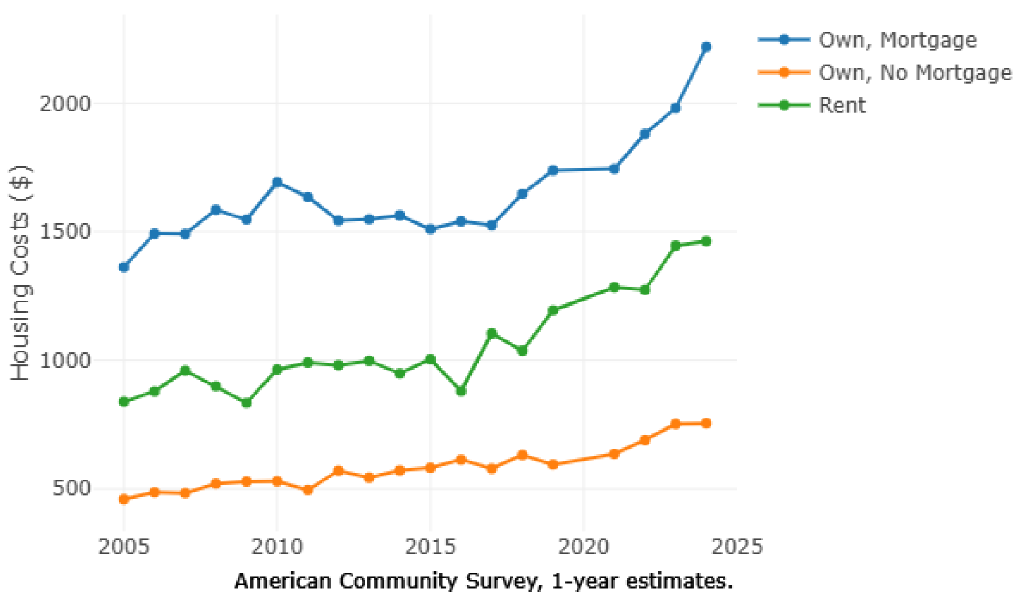


Both the owner and rental housing markets in Lee's Summit exhibit relatively low vacancy rates, indicating a constrained housing supply. Low vacancies generally reflect strong demand and limited housing availability, resulting in fewer choices for prospective buyers and renters and contributing to upward pressure on home prices and rents. While some level of vacancy is necessary to support a healthy and mobile housing market, persistently low vacancy rates suggest that housing production has not fully kept pace with demand.

HOUSING AFFORDABILITY

Housing Costs Over Time

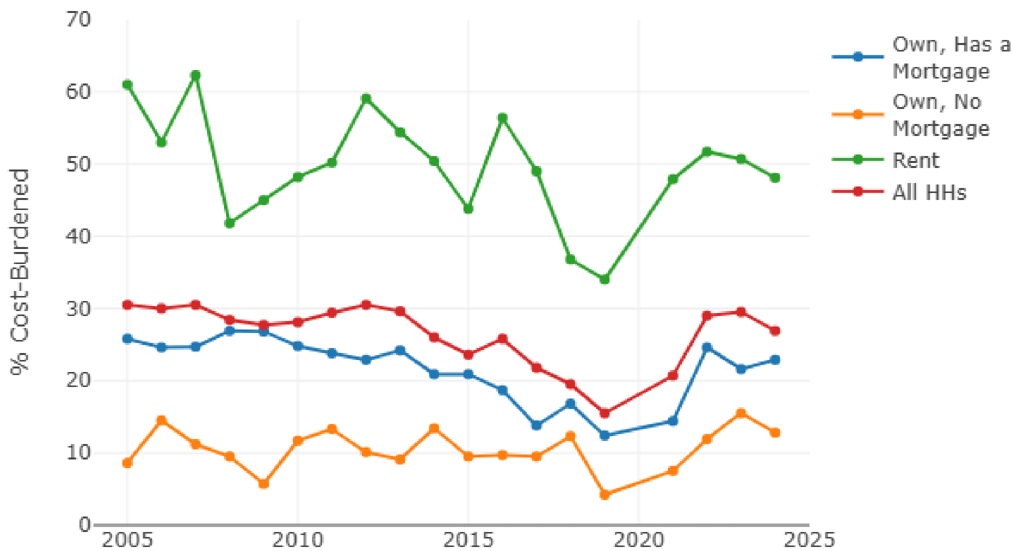
Housing affordability is influenced not only by household income, but also by the cost of obtaining and maintaining housing. Regardless of tenure or housing type, rising housing costs reduce purchasing power and can limit housing choices for prospective buyers and renters. Examining changes in housing costs over time provides important context for understanding affordability conditions within the community.



Housing costs (which include homeowner or condo fees, real estate taxes, homeowners or renters' insurance, utility costs, etc.) have increased across nearly every segment of the market. Whether purchasing a home or renting an apartment, households today generally face higher housing costs than they did just a few years ago. This trend reflects a combination of factors, including rising construction costs, higher mortgage interest rates, increased insurance premiums, elevated property values, inflation, and strong market demand. While these cost increases affect households differently depending on income and tenure, they collectively reduce housing affordability and limit the range of attainable housing options available to many residents.

<u>Percent of Households Cost Burdened Over Time</u>

Housing cost burden is the most used measure of housing affordability and is defined as spending more than 30 percent of gross household income on housing costs. While this benchmark provides a useful and widely accepted basis for comparing housing affordability across communities, it has limitations. It does not account for differences in household size, wealth, or non-housing expenses, and some households may voluntarily choose to spend more than 30 percent of their income on housing. Accordingly, housing cost burden should be viewed as one indicator of housing affordability and considered alongside other measures, including household income, housing costs, and market conditions.



American Community Survey, 1-year estimates.

Although most households in Lee's Summit are not cost burdened, nearly one-third of all households, and almost one-half of renter households, spend more than 30 percent of their income on housing. This suggests that affordability challenges are concentrated among certain segments of the population, particularly renters and lower-income households.

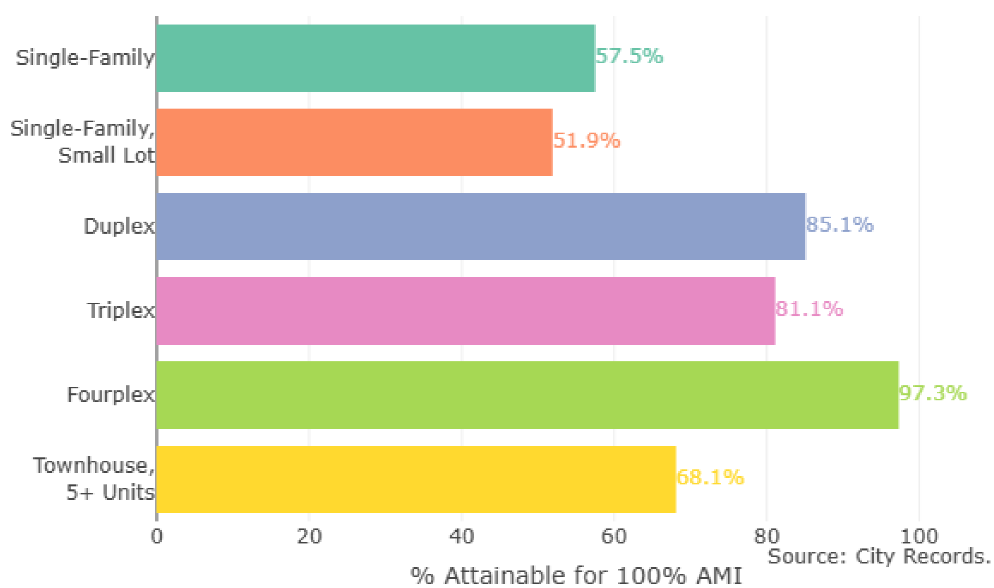
Cost burden should therefore be viewed as an indicator of potential housing stress rather than a definitive measure of affordability. It identifies households that may have limited financial flexibility but does not explain whether their housing costs reflect constrained choices, voluntary preferences, or other household circumstances.

Naturally Occurring Affordable Housing (NOAH)

Not all affordable housing is purpose-built or publicly subsidized. A significant portion of a community's affordable housing consists of naturally occurring affordable housing (NOAH) - homes and apartments that remain relatively affordable through normal market conditions rather than government subsidy. These properties often provide housing opportunities for households that may not qualify for subsidized housing but are unable to afford newer or higher-priced housing. While NOAH is often associated with older housing stock, affordability, not age, is the defining characteristic. As a result, both older and newer homes may qualify if they remain attainable without government-supported affordability mechanisms.

To identify NOAH in Lee's Summit, this report applies a nationally recognized methodology for identifying unsubsidized homes that are affordable to households earning up to 100 percent of AMI. Using local housing values, prevailing homeownership costs, and household income data, staff estimated which owner-occupied homes would be affordable to a typical Lee's Summit household without spending more than 30 percent of gross income on housing. Homes meeting this affordability threshold are classified as NOAH for purposes of this analysis.

Percent NOAH by Structure Type



The prevalence of NOAH underscores the importance of housing preservation. As older homes are renovated, redeveloped, or replaced with higher-priced housing, communities can gradually lose NOAH even as the housing supply grows. Preserving the quality and livability of existing neighborhoods, including investments in housing maintenance, rehabilitation, and neighborhood infrastructure, can be as important to long-term housing affordability as constructing new housing. Understanding the amount and distribution of

NOAH provides insight into the portion of Lee's Summit's housing stock that is naturally attainable today and highlights opportunities where preservation strategies may be as important as new housing production.

5. THE CITY'S ROLE IN HOUSING

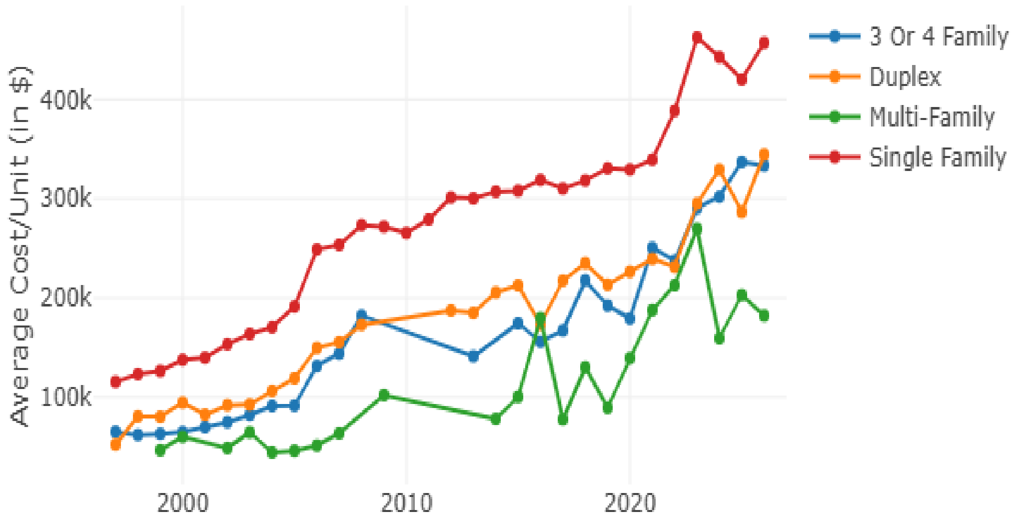
THE CITY CAN INFLUENCE
Comprehensive Plan policies
Zoning regulations
Permitted housing types
Development review process
Density and lot size regulations
Parking requirements
Infrastructure investments
Utility capacity
Development incentives
Building codes (within state authority)
Development fees
Public land disposition
Tax policy (limited)
Partnerships with nonprofits and developers
Streamlining permitting

THE CITY CANNOT DIRECTLY CONTROL
Mortgage interest rates
Inflation
National economy
Construction labor availability
Material costs
Federal monetary policy
Population migration trends
Household preferences
Private lending standards
Private investment decisions
Regional land values
Household income growth
National demographic trends
Consumer confidence
Availability of private capital

Housing is shaped by a combination of local policy decisions and broader economic forces. While cities play an important role in creating the conditions for housing development, they do not directly control the housing market. Understanding the distinction between influence and control is essential when evaluating housing policy and setting realistic expectations for what municipal government can accomplish.

Many of the factors that most directly influence housing production and affordability lie outside the City's control. Mortgage interest rates, inflation, construction material costs, labor availability, insurance costs, household incomes, demographic trends, consumer preferences, and the availability and cost of private financing are largely determined by regional, national, and global economic conditions. Consumer preferences related to size of home, layout, and features also impact housing costs. Together, these factors shape both the demand for housing and the financial feasibility of new residential development.

<u>Building Costs Over Time</u>



Source: City Records.

Likewise, the City cannot require developers, builders, lenders, or investors to pursue projects that are not financially viable. Residential development occurs only when market conditions support an acceptable return on investment. The availability of capital also influences the types of housing that are built. At various points in the economic cycle, lenders and investors may favor one housing product over another, such as apartments, townhomes, or single-family subdivisions, based on financing structures, construction costs, market demand, and expected returns. As a result, the projects most readily financed by the private market may not always align with the City's preferred housing mix or the housing types that residents most desire.

Similarly, the City cannot compel households to purchase or rent a particular type of housing. Housing choices are driven by household size, income, age, lifestyle preferences, commuting patterns, and affordability. Local governments can expand housing opportunities, but they cannot dictate consumer preferences or market behavior.

Recognizing these limitations does not diminish the City's role; it defines it. Through the Comprehensive Plan, zoning, development standards, infrastructure investments, permitting processes, and incentives, the City can influence where housing occurs, what types are permitted, and how predictable and efficient development is. These tools can shape feasibility, timing, and housing diversity, but they cannot dictate market outcomes or guarantee that a particular type or quantity of housing will be built.

IGNITE! COMPREHENSIVE PLAN

The Ignite! Comprehensive Plan establishes the City's overarching philosophy on housing: housing is more than the production of dwelling units; it is a means of creating complete, connected, and resilient neighborhoods. Ignite! Element 3.2 (Strong Neighborhoods & Housing Choice) is provided as Attachment A. Rather than focusing solely on increasing housing production, the Plan emphasizes expanding housing choice, supporting residents through every stage of life, encouraging context-sensitive development, and integrating housing with transportation, employment, parks, schools, and commercial services. The Plan recognizes that a diverse housing supply is essential to maintaining neighborhood vitality, supporting economic competitiveness, and ensuring Lee's Summit remains an attractive community for current and future residents.

Future Land Use Plan

The Ignite! Future Land Use Plan moved away from traditional land use categories like “single-family” and multi-family” and instead organized housing in its intensity (described as how different uses relate to each other) and neighborhood form. The goal was to focus less on individual housing products and more on creating complete neighborhoods with a broader mix of housing options. It is worth noting that no category differentiates between and/or prioritizes owner-occupancy versus renter-occupancy.

Residential Category 1 – Lower Intensity
This category reflects the type of neighborhood that has historically dominated Lee’s Summit and remains an important component of the City’s housing inventory. Housing types are limited to single-family homes with lot size ≥ 7,500 SF and Accessory Dwelling Units.

Residential Category 2 – Medium Intensity (“Missing Middle”)
Ignite! identifies this category as the community’s largest housing gap. The plan explains that missing middle housing provides housing types similar in scale to single-family homes while increasing the number of units in walkable neighborhoods and supporting nearby commercial services and transportation. Housing types include but are not limited to small-lot detached homes (lot size 4,000 – 7,499 SF), duplexes, triplexes, fourplexes, cottage courts or courtyard buildings, horizontal attached (five units, less than 15 total), and apartments (less than 15 total).

Residential Category Three – Higher Intensity
Rather than dispersing apartment development throughout the community, Ignite! envisions this housing being strategically located where infrastructure and surrounding land uses can best support it. Housing types include horizontal attached (five units, 15 or more total) and apartments (15 or more total).

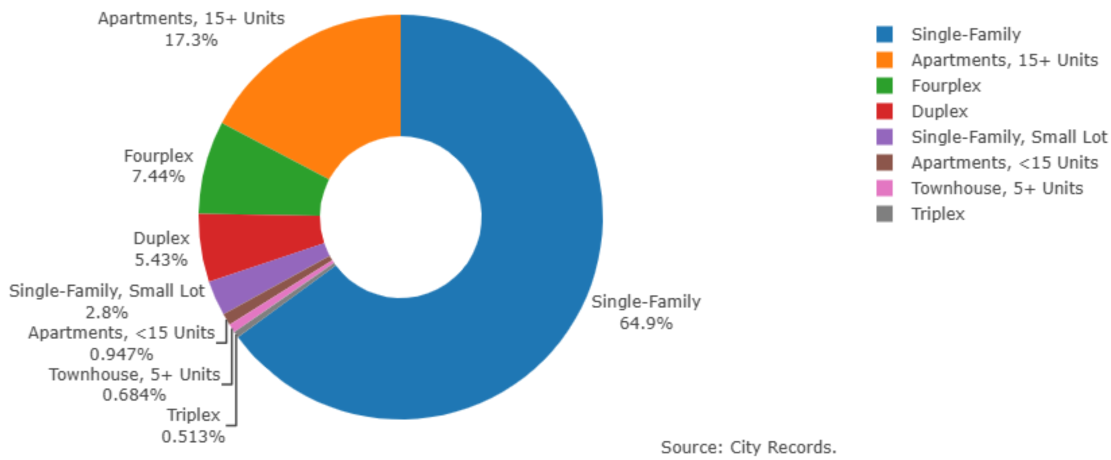
Housing Mix

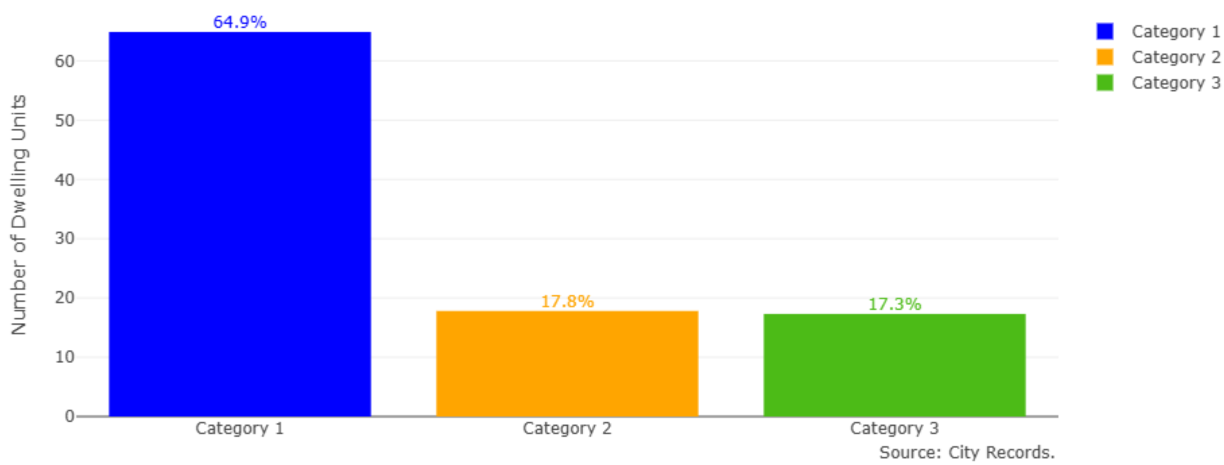
One of the most important recommendations in Ignite! is not simply to build more housing, but to rebalance the City’s overall housing mix from/to:

Residential Category 1 - 72% to **65%**
Residential Category 2 - 13% to **20%**
Residential Category 3 - 15% to **15%**

When viewed through the framework established by the Ignite! Comprehensive Plan, Lee's Summit's existing housing stock is generally consistent with the Plan's intended housing portfolio. Approximately two-thirds of all housing units (64.9%) fall within Residential Category One, closely matching the Plan's objective of maintaining single-family neighborhoods as the predominant housing type. The remaining one-third of the housing stock is distributed between Residential Categories Two (17.8%) and Three

(17.3%), reflecting a mix of attached, multifamily, and higher-density housing options that help serve households with different needs and life stages.





The Plan does not advocate for the replacement of single-family neighborhoods with apartments. Instead, it envisions a more balanced housing portfolio by maintaining single-family neighborhoods as the predominant type (approximately 65 percent), expanding missing middle housing to address unmet needs, and directing higher-density residential development to locations that are well-served by employment, commercial services, transportation infrastructure, and community amenities.

These targets represent a desired communitywide housing mix at the end of the 2040 planning horizon, not the required composition of every subdivision, neighborhood, or project. A large apartment development may temporarily increase the Category Three share, while subsequent Category One or Two development may rebalance the overall mix. Housing production is not linear, and comprehensive plans function as policy guides rather than annual quotas or development caps.

DEVELOPMENT INCENTIVES

In addition to its regulatory authority, Lee's Summit has historically used financial incentives to encourage residential development that advances broader community objectives. Tools such as Tax Increment Financing (TIF), Chapter 100 bonds, Chapter 353 redevelopment corporations, and the Land Clearance for Redevelopment Authority (LCRA) have been used to facilitate a variety of housing projects throughout the community. While multifamily housing has received a significant share of incentive assistance in recent years, incentives have also supported senior housing, townhome developments, mixed-use projects, and redevelopment initiatives. This reflects both the City's evolving housing needs and the financing realities of different types of residential development.

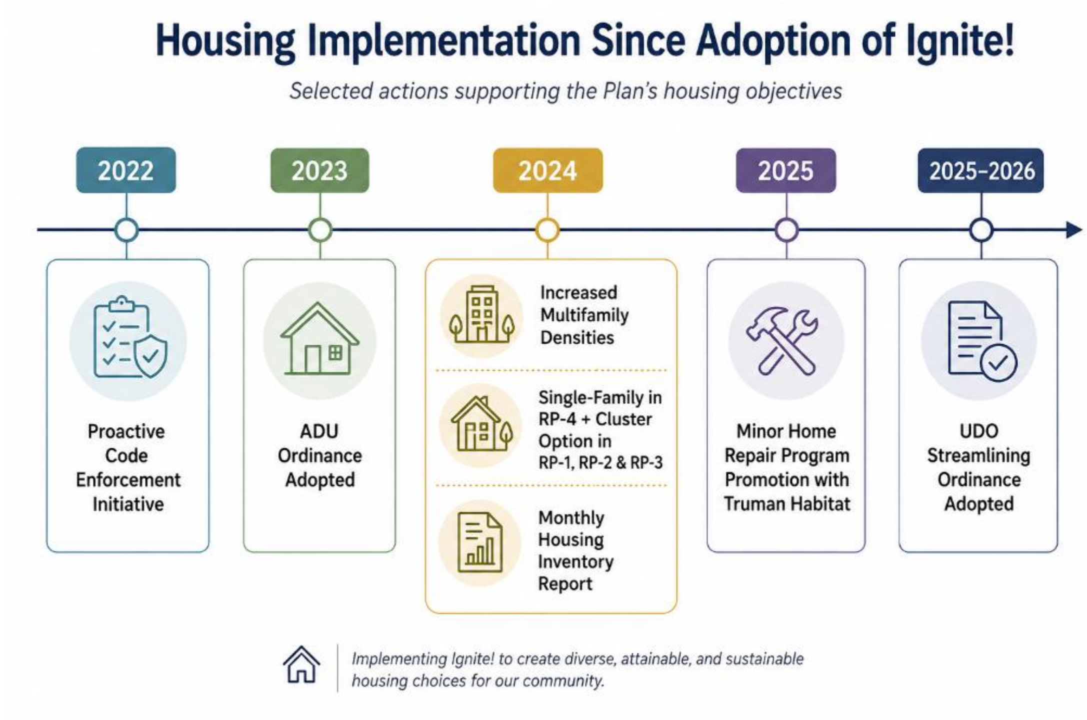
The City's 2022 Housing Needs Assessment identified multifamily housing as one of the most underserved segments of the local housing market, recognizing the need to better serve smaller households, young professionals, older adults, and residents seeking alternatives to detached single-family homes. At the same time, incentives have not been used simply to increase the number of housing units. In most cases, they have been used to overcome extraordinary infrastructure costs, redevelopment challenges, financing gaps, or other barriers to development while advancing broader community objectives such as economic development, infrastructure investment, downtown revitalization, redevelopment of underutilized properties, and implementation of the City's long-range planning goals.

While financial incentives can improve project feasibility and accelerate housing production, they do not create market demand or guarantee that a particular type of housing will be built. Residential development ultimately depends on private investment decisions, financing availability, and market conditions. However, when incentives are strategically structured and conditioned on the delivery of specific housing outcomes, they can influence the types of projects that become financially feasible and encourage development that more closely aligns with the City's housing objectives. The question, therefore, is not whether incentives have been used to support multifamily housing. They have. Rather, the more important policy question is whether the City's incentive programs are producing the housing outcomes the community desires and how those tools should be used in the future to support a balanced housing portfolio consistent with the Ignite! Comprehensive Plan.

The City Council identified a review and update of the City's Economic Development Program Policy as one of its 2026 "Big Rock" priorities during the annual City Council retreat. The Community and Economic Development Committee is scheduled to begin that discussion at its August 12, 2026, meeting. This review presents an opportunity to evaluate how the City's financial incentive programs can best support the community's long-term economic development and housing objectives, including whether existing policies remain aligned with the vision established by the Ignite! Comprehensive Plan and the recommendations that may emerge from the Task Force.

HOUSING ACCOMPLISHMENTS

Since the adoption of the Ignite! Comprehensive Plan*,* the City has undertaken several policy and regulatory changes intended to support the plan's housing objectives. While these actions represent meaningful progress, they should be viewed as part of an ongoing effort rather than a completed initiative.



While Lee's Summit has taken meaningful steps to support housing production through updates to its Comprehensive Plan, Unified Development Ordinance, development review processes, and strategic investments, opportunities remain to further reduce barriers to housing development. Staff have periodically recommended additional policy and regulatory changes intended to increase predictability, expand by-right development opportunities, and encourage a broader range of housing types, but these recommendations have not advanced because elected and appointed officials have continued to favor case-by-case discretion over broader regulatory entitlements. This approach reflects a policy preference for local oversight, but it also means that housing proposals often face greater uncertainty, longer review processes, and additional entitlement risk. As communities across the country have recognized, there is an inherent tradeoff between maintaining discretionary review and creating a more predictable regulatory environment that can facilitate housing production.

<u>Housing Preservation & Stability</u>

Housing in Lee's Summit extends beyond the construction of new homes. Since becoming a Community Development Block Grant (CDBG) entitlement community in 1995, the City has invested in preserving existing housing, supporting residents experiencing financial hardship, and preventing homelessness. For nearly three decades, the City directly administered a Minor Home Repair Program before transitioning to a partnership model that leverages nonprofit expertise to deliver housing preservation services. These longstanding priorities continue today and are reflected in the City's 2025–2029 Community Development Block Grant (CDBG) Consolidated Plan, which identifies housing preservation, housing stability, and homelessness prevention as key community priorities.

Through its partnership with Truman Heritage Habitat for Humanity, CDBG funding helps preserve the City's existing housing stock by providing critical home repairs for eligible low- and moderate-income homeowners. Repairs such as roof replacement, HVAC systems, plumbing, electrical work, accessibility improvements, and other health and safety upgrades allow residents to remain safely housed, protect the long-term condition of existing neighborhoods, and support older adults who wish to age in place. Since transitioning to Habitat's Home Preservation Program in 2021, approximately 15 households have been assisted each year.

The City also supports housing stability through partnerships with Lee’s Summit Social Services and Hillcrest Transitional Housing. CDBG funding assists households facing job loss, medical costs, utility hardship, or other financial disruptions by helping them remain housed or transition back to permanent housing. Together, these programs demonstrate that a comprehensive housing strategy includes preserving existing homes, supporting residents in crisis, and preventing homelessness, not simply producing new units.

DEFINING THE CHALLENGE

The challenges surrounding housing are significant and multifaceted. Population growth, changing demographics, rising construction costs, mortgage interest rates, labor shortages, consumer preferences, financing availability, and market conditions all influence the housing market, many of which lie beyond the direct control of local government. Given the complexity of these issues, it would be unrealistic to expect a single task force to "solve" housing affordability.

The National League of Cities and the American Planning Association reached a similar conclusion through their Housing Supply Accelerator initiative (Attachment B). Rather than advocating for a single housing solution, the Housing Supply Accelerator Playbook organizes local housing strategies into four broad areas of municipal influence: Collaboration & Partnerships, Construction & Development, Finance, and Land Use & Regulations. Similarly, the Task Force may wish to focus its efforts on identifying those areas where the City can have the greatest influence.

While the City cannot control the housing market, it can shape the conditions under which the market operates. Through land use policy, development regulations, infrastructure investments, financial incentives, preservation strategies, and public-private partnerships, the City can encourage a housing market that is more diverse, resilient, and responsive to the community's evolving needs. The following topics are offered as a starting point for the Task Force's discussion:

- **How can we preserve the attainable housing we already have?**
    - NOAH
    - Minor home repair
    - Code enforcement
    - Neighborhood reinvestment
    - Partnerships
- **How can we make it easier to build the housing the community needs?**
    - UDO
    - Streamlining

    - Infrastructure
    - By-right development
- **How can we better align incentives with community goals?**
    - Economic development policy
    - UDO Incentives
    - Redevelopment
- **Where should future housing be located?**
    - Comprehensive Plan
    - Growth areas
    - Transit
    - Employment centers
- **How do we measure success?**
    - Housing production
    - Housing diversity
    - Cost burden
    - Vacancy
    - Homeownership opportunities
    - Preservation of NOAH

The topics identified above are intended to provide a framework for discussion rather than a predetermined work program. The Task Force may identify additional issues or prioritize these topics differently as its work progresses. Regardless of the path ultimately selected, each policy option will involve trade-offs that should be openly discussed and carefully evaluated before recommendations are made to the Mayor and City Council.

NEXT STEPS

This report is provided for informational purposes only and is intended to establish a common understanding of Lee's Summit's current housing conditions, trends, and policy considerations. Any direction or feedback provided by the City Council and Planning Commission will be forwarded, together with the contents of this report, to the Task Force, which is scheduled to begin meeting this fall.

CONCLUSION

Housing is about more than numbers. Demographic trends, housing production data, affordability metrics, and market analysis provide an objective understanding of how a community is changing and what types of housing may be needed. These data answer important questions about supply, demand, and population characteristics. They cannot, however, answer questions about what a community should become.

Housing policy is inherently emotional because it touches issues that are deeply personal. Housing is more than a building or a unit count. Whether it is an apartment, condominium, duplex, townhome, or single-family home, and whether it is rented or owned, it is the place where life unfolds. It is where children take their first steps, families gather for holidays, friends become neighbors, milestones are celebrated, and hardships are endured. Most people will call many different places home over the course of their lives, but each one serves the same essential purpose: providing a place to build a life.

Good public policy is developed by combining objective evidence with community priorities, recognizing both the measurable realities of the housing market and the legitimate aspirations residents hold for the future of their community.

ATTACHMENTS

ATTACHMENT A – Ignite! Comprehensive Plan Element 3.2

ATTACHMENT B – National League of Cities Housing Supply Accelerator