



Morris County Housing Assessment

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CONTENTS

Morris County	3
Council Grove	10
Dwight	22
White City	28
Directions Forward	34

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Morris County

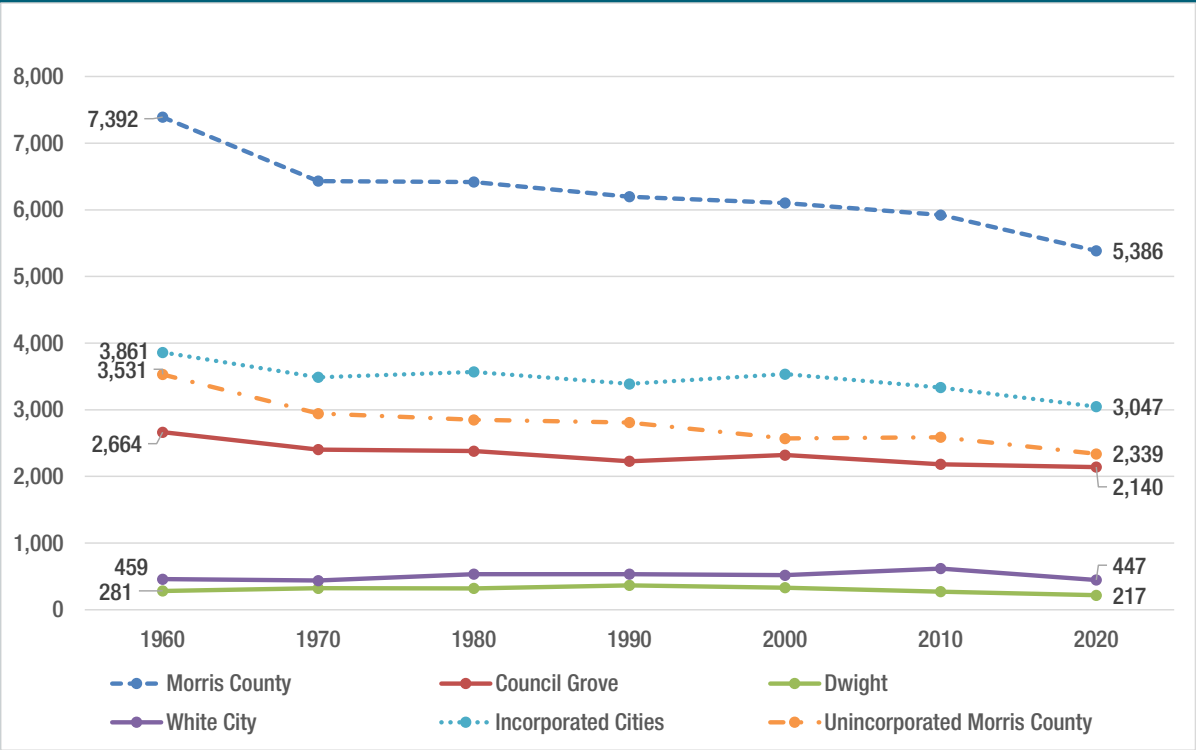
Population Change by Decade

Morris County

	1960	1970	1980	1990	2000	2010	2020	Difference 2000-2020
Morris County	7,392	6,432	6,419	6,198	6,104	5,923	5,386	-718
Council Grove	2,664	2,403	2,381	2,228	2,321	2,182	2,140	-181
Dwight	281	322	320	365	330	272	217	-113
White City	459	438	534	533	518	618	447	-71

Source: U.S. Census Bureau

- » Over the past 60 years, Morris County and the communities of Morris County have experienced a slow decline.
- » Slightly more of that loss has occurred in the unincorporated portions of the county.
- » To reverse this trend, the communities will need to attract a new generation of residents.



Source: U.S. Census Bureau

Predicted vs. Actual Population Change 2010-2020

Morris County

	2010	2020 Estimate	2020 Actual	Variance
Morris County	5,923	5,521	5,386	-135

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

- » **Predicted vs. Actual is the difference between what would have been predicted to happen to the population based on standard birth and death rates versus what the population actually was in 2020.**
- » **Morris County is an older population, therefore, population declined is projected to decline due to more deaths than births.**
- » **The population decline was even greater than predicted, indicating that an out-migration occurred.**

Comparative Regional Affordability

Morris County

	Median Household Income	Median House Value	Value / Income Ratio	Median Contract Rent	Median Rent as % of Median Monthly Income
Morris County	\$52,792	\$94,400	1.79	\$423	9.62%
Council Grove	\$49,519	\$100,800	2.04	\$433	10.49%
Dwight	\$45,536	\$60,000	1.32	\$563	14.84%
White City	\$39,583	\$71,800	1.81	\$431	13.07%
Herignton	\$46,786	\$66,700	1.43	\$480	12.31%
Cottonwood Falls	\$40,739	\$70,300	1.73	\$369	10.87%
Wilsey	\$39,412	\$60,000	1.52	\$408	12.42%
Osage City	\$39,865	\$97,400	2.44	\$458	13.79%

- » An affordable, self-sustaining housing market, with adequate value or revenues to support market rate new construction, typically has a V/I value between 2.5 and 3.
- » *Ratios below 2.0 are significantly undervalued relative to income and make it difficult to support new construction costs*
- » Ratios above 3.0 exhibit significant affordability issues
- » Affordable rental units have monthly rents less than 30% of the household's monthly gross income

Source: U.S. Census Bureau

Occupancy Changes

Morris County

	2010	2020	Change
Total Units	3,206	2,996	-210
Occupied Units	2,554	2,294	-260
Total Vacant	652	702	50
Vacancy rate	20.3%	23.4%	

Source: U.S. Census Bureau

- » Over the past ten years, the number of units in the county has declined by 6.5%
- » Closer analysis of vacancy for the entire county (including cities) should be completed
 - » Based on 2020 estimates, the largest portion of vacant units were classified as seasonally vacant. These are likely the units around City Lake.
 - » If the seasonally vacant units are removed the county's vacancy rate drops to 7%

Year Built

Morris County

(2020 estimates)

- » Morris County has a relatively old housing stock with over 55% constructed prior to 1960
- » Only 8% of the housing stock has been built in the last 20 years resulting in very few units that can be used as comparables for new construction

Year Built	Total	%
2014 or later	48	1.49%
2010 to 2013	61	1.90%
2000 to 2009	170	5.29%
1990 to 1999	207	6.44%
1980 to 1989	319	9.93%
1970 to 1979	466	14.51%
1960 to 1969	154	4.79%
1950 to 1959	396	12.33%
1940 to 1949	236	7.35%
1939 or earlier	1,155	35.96%

Source: U.S. Census

Retiree Housing Opportunity

Morris County

Base	2030 Projection*	People Per Household	Household Demand	Capture Rate	Unit Demand
55-64	400	2.00	200	1.0%	2
65-74	620	1.75	354	1.0%	4
75 and Over	833	1.25	667	0.5%	3
Total 55 and Over	1,854		1,221		9

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

* Based on 2020 ACS estimates and natural population change

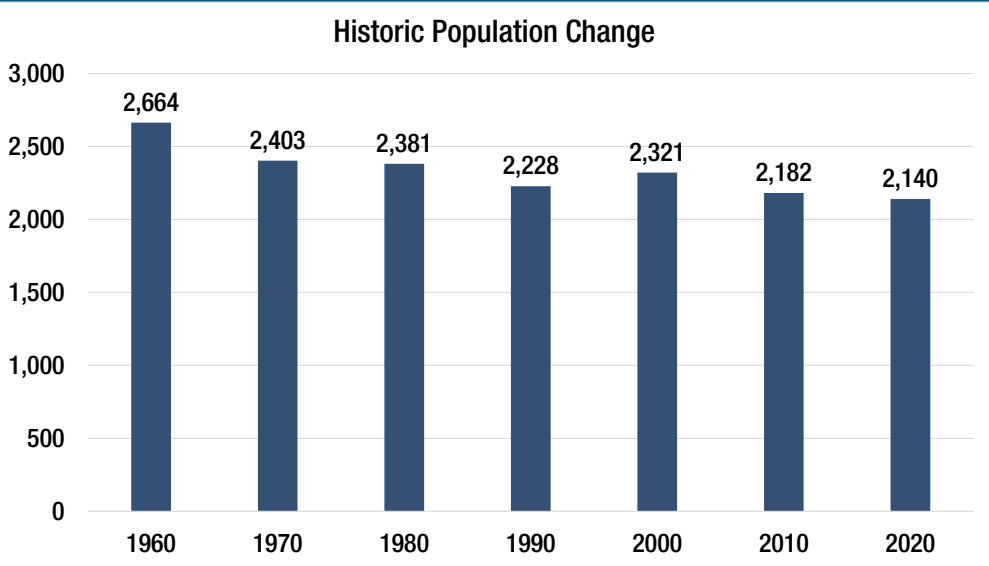
- » Based on conservative estimates of only capturing 0.5% to 1.0% of the over 55 population, Morris County could support an additional 9 units.
 - » Changing the capture rate to 5%/2.5% increases the unit demand to 44
- » Note that in addition to the projected need, pent-up demand exists.
 - » Today there are approximately 10 households on a waiting list for existing duplexes



Council Grove

Population Change by Decade

Council Grove



	Population	Period Population Change	% Change During Decade	Annual Growth Rate
1960	2,664			
1970	2,403	-261	-9.8%	-1.0%
1980	2,381	-22	-0.9%	-0.1%
1990	2,228	-153	-6.4%	-0.7%
2000	2,321	93	4.2%	0.4%
2010	2,182	-139	-6.0%	-0.6%
2020	2,140	-42	-1.9%	-0.19%
2000-2020		-181	-8.5%	-0.4%

- » During the 1990s, Council Grove experienced a small population increase but otherwise the community has experienced a steady decline
- » *The demand for employees by many different employers could reverse historic population loss*
- » Morris County and specifically, Council Grove are seeing additional interest from those working remotely and looking for the quality of life the region offers

Source: U.S. Census Bureau

Construction Activity

Council Grove

	2014	2015	2016	2017	2018	2019	2020	2021
Single Family	2	2	1	4	3	3	4	1

Source: City of Council Grove

- » Over the past eight years Council Grove has averaged three single-family permits a year
- » The vast majority of these units were built around the Lake and not within the city limits
- » Units around the Lake generally are not meeting the city or county's workforce housing needs

Predicted vs. Actual Population Change 2010-2020

Council Grove

	2010	2020 Estimate	2020 Actual	Variance
Council Grove	2,182	2,034	2,140	106

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

- » Predicted vs. Actual is the difference between what would have been predicted to happen to the population based on standard birth and death rates versus what the population actually was in 2020.
- » Council Grove is an older population, therefore, population was predicted to decline due to more deaths than births.
- » The population decline was less than predicted, indicating that an in-migration occurred.

2030 Population Scenarios

Council Grove

Growth Rate	2020	2025	2030
0.25% AGR	2,140	2,167	2,194
0.50% AGR	2,140	2,194	2,249
1.0% AGR	2,140	2,249	2,364

AGR: Annual Growth Rate
Source: RDG Planning & Design

- » Council Grove has experienced a declining population since 2000
- » In January 2022, Morris County had an unemployment rate of 1.9%, indicating a very low supply of workers available to employers. At the same time most employers have a number of vacant positions and/or would like to expand
- » With an aging population, new residents will have to move to the area to fill jobs
- » If proactive measures are taken, this demand can be met and the city’s history of population decline can be reversed
 - » *Achieving a modest 0.50% annual growth rate (just above that experienced in the 1990s) would result in a 2030 population of 2,249*

Occupancy Changes

Council Grove

	2010	2020	Change
Total Units	1,107	1,050	-57
Occupied Units	991	912	-79
Total Vacant	116	138	22
Vacancy rate	10.5%	13.1%	

Source: U.S. Census Bureau

- » **The Census count would indicate that the city lost more units in the last 10 years than were added**
- » **The number of vacant units continued to increase**
 - » **Based on community input, it would appear that the vacant units are not in good condition or not available for occupancy**

Year Built

Council Grove

(2020 estimates)

- » Nearly 40% of the city's housing stock was built before 1940.
- » The vast majority of the city's housing stock is more than 50 years old, making maintenance of those units important

Year Built	Total	%
2014 or later	9	0.84%
2010 to 2013	0	0.00%
2000 to 2009	51	4.78%
1990 to 1999	89	8.33%
1980 to 1989	131	12.27%
1970 to 1979	191	17.88%
1960 to 1969	38	3.56%
1950 to 1959	135	12.64%
1940 to 1949	93	8.71%
1939 or earlier	331	30.99%

Source: U.S. Census

The Demand Projection Process



- » **The population forecast, recent construction activity and assumptions about people per household generate a ten-year overall housing demand**
- » **Distribution of household income in a community is important**
- » **Income ranges were matched with affordability price points, based on housing costs equal to 30% of adjusted gross income**
- » **Defined price breakouts for new housing demand, based on the assumption that new construction should ideally be affordable to the existing household income distribution**

Development Projection

Council Grove

	2020	2025	2030	Total
Population at End of Period	2,140	2,194	2,249	
HH Population at End of Period	2,075	2,128	2,181	
Average PPH	2.41	2.41	2.41	
HH Demand at End of Period	861	883	905	
Projected Vacancy Rate	13.1%	11.9%	10.4%	
Unit Needs at End of Period	991	1,003	1,011	
Replacement Need (total lost units)		4	5	9
Cumulative Need During Period		10	13	23

HH: Households; PPH: People Per Household
 Source: RDG Planning & Design

- » A more appropriate vacancy rate for Council Grove would be between 5% and 6%
- » Lowering the city’s vacancy rate more would assume those homes are filled and new production is not needed
- » The city must better quantify what its actual vacancy rate is and develop a strategy for addressing those units
- » If the city can grow to 2,249, it will need to produce 23 units in the next ten years
- » *This would not include vacant units that are returned to occupancy, a process that may require significant investment*

Income Distributions and Housing Affordability Ranges

(2020 estimates)

Council Grove

Income Range	# HHs in Each Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range for Renter Units	# of Renter Units	Total Affordable Units	Balance
\$0-25,000	214	>\$60,000	155	\$0-499	202	357	143
\$25,000-49,999	252	\$60,000-124,999	219	\$500-999	128	347	95
\$50,000-74,999	213	\$125,000-199,999	132	\$1,000-1,499	0	132	-81
\$75-99,999	93	\$200,000-249,999	52	\$1,500-1,999	0	52	-41
\$100-150,000	106	\$250,000-399,999	18	\$2,000-2,999	0	18	-88
\$150,000+	49	\$400,000+	15	\$3000+	7	22	-27

HH = Households
 Source: U.S. Census, 2020; RDG Planning & Design

- » This analysis evaluates the availability of affordable housing and compares the quantity of housing affordable to each income group
- » For a family of four the low income limit for households is \$56,300 correlating to home values of approximately \$150,000 or rents around \$1,000
- » Many jobs in Morris County start at \$15 per hour which correlates to rents below \$650, a price point well below new market rate units (owner or renter)

Comparative Regional Affordability

	Median Household Income	Median House Value	Value / Income Ratio	Median Contract Rent	Median Rent as % of Median Monthly Income
Council Grove	\$49,519	\$100,800	2.04	\$433	10.5%
Cottonwood Falls	\$40,739	\$70,300	1.73	\$369	10.9%
Herington	\$46,786	\$66,700	1.43	\$480	12.3%
Osage City	\$39,865	\$97,400	2.44	\$458	13.8%

Source: U.S. Census Bureau

- » An affordable, self-sustaining housing market, with adequate value or revenues to support market rate new construction, typically has a V/I value between 2.5 and 3.0
- » Affordable rental units have monthly rents less than 30% of the households' monthly gross income
- » Council Grove's median home value is at least \$100,000 below the cost of a new construction and rent rates well below the cost of new construction making it challenging to build new units
- » New construction at the Lake has created examples of higher priced units in the region

Housing Development Program

Council Grove

	2020-2025	2026-2030	2020-2030
Total Need	10	13	23
Total Owner Occupied	5	7	12
Affordable Low: <125,000	2	2	4
Affordable Moderate: 125-200,000	2	2	3
Moderate Market: 200-250,000	1	1	2
Market: \$250-350,000	1	1	2
High Market: Over \$350,000	0	0	1
Total Renter Occupied	5	7	12
Low: Less than 500	1	2	3
Affordable: 500-1,000	2	2	4
Market: 1,000-1,500	1	2	3
High Market: \$1,500+	1	1	1

- » This analysis assumes a 50/50 split between owner & renter construction for the next five years. This is to address needs for variety in the market and allow for more traditional rental options, freeing some demand for conversion of traditionally single-family homes to rentals.
- » Most new construction will cost more than \$200,000, causing demand for lower-cost units to be met either by existing housing units or heavily subsidized construction. Creating more variety in housing types can motivate households to place their \$200,000 or less home on the market.

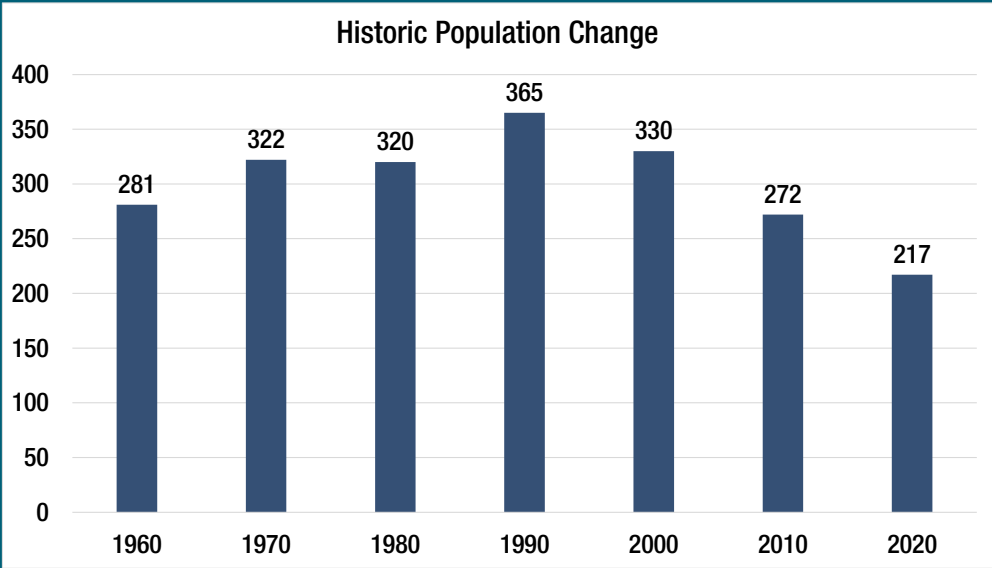
Source: RDG Planning & Design



Dwight

Population Change by Decade

Dwight



	Population	Period Population Change	% Change During Decade	Annual Growth Rate
1960	281			
1970	322	41	14.6%	1.4%
1980	320	-2	-0.6%	
1990	365	45	14.1%	1.3%
2000	330	-35	-9.6%	
2010	272	-58	-17.6%	
2020	217	-55	-20.2%	
2000-2020		-113	-52.1%	

- » Since 1990, Dwight has experienced a steady decline in population
- » During the 2010s, the city did not recover its population loss of the 2000s
- » Due to Dwight’s small population, a lot of data is not available in order to protect privacy

Source: U.S. Census Bureau

Predicted vs. Actual Population Change

Dwight

	2010	2020 Estimate	2020 Actual	Variance
Dwight	272	258	217	-41

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

- » Predicted vs. Actual is the difference between what would have been predicted to happen to the population based on standard birth and death rates versus what the population actually was in 2020.
- » Dwight is an older population, therefore, the population was predicted to decline due to more deaths than births.
- » The population decline was more than predicted, indicating that an out-migration occurred.

Occupancy Changes

Dwight

	2010	2020	Change
Total Units	136	121	-15
Occupied Units	117	91	-26
Total Vacant	19	30	11
Vacancy rate	25.5%	22.8%	

Source: U.S. Census Bureau

- » The city has a large number of vacant units and has also lost approximately 15 units in the last ten years
 - » An inventory of units should be completed to determine the actual number of vacant units
- » *If the city has 30 vacant units, this would be more than enough to support new growth*
- » Until deteriorated and vacant units are removed or occupied it will be difficult to produce new units

2030 Population Scenarios

Dwight

Annual Growth Rate	2020	2025	2030	Unit Needs
0.50%	217	222	228	5
1.00%	217	228	240	9
2.00%	217	240	265	20

Source: RDG Planning & Design

- » For Dwight to reverse historical trends it will need to capitalize on the regional job market
- » Even at a 2% annual growth rate the city will still remain below the 2000 population
- » To support a population of 240 there will be a need for 9 units
- » *Many of these units exist in the community today but would need significant updating or rehabilitation*

Comparative Regional Affordability

	Median Household Income	Median House Value	Value / Income Ratio	Median Contract Rent	Median Rent as % of Median Monthly Income
Dwight	\$45,536	\$60,000	1.32	\$563	14.8%
Cottonwood Falls	\$40,739	\$70,300	1.73	\$369	10.9%
Herington	\$46,786	\$66,700	1.43	\$480	12.3%
Osage City	\$39,865	\$97,400	2.44	\$458	13.8%
Wilsey	\$39,412	\$60,000	1.52	\$408	12.4%
Council Grove	\$49,519	\$100,800	2.04	\$433	10.5%
White City	\$39,583	\$71,800	1.81	\$431	13.1%

Source: U.S. Census Bureau

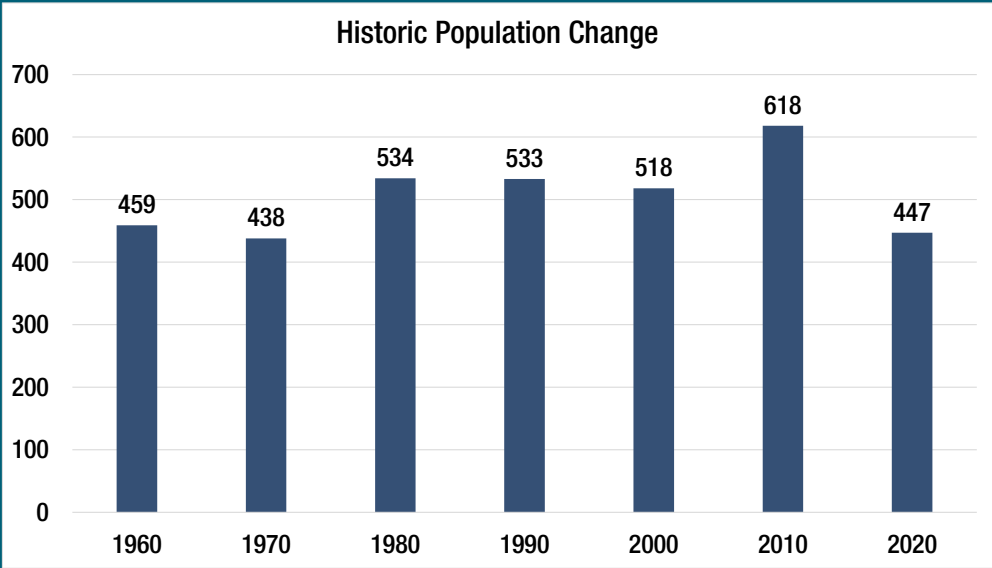
- » An affordable, self-sustaining housing market, with adequate value or revenues to support market rate new construction, typically has a V/I value between 2.5 and 3.
- » Ratios below 2.0 are significantly undervalued relative to income and make it difficult to support new construction costs
- » Current home values and rental rates are too low to support new construction
- » Removal of dilapidated properties and rehab of existing properties will need to be completed before significant new construction will occur



White City

Population Change by Decade

White City



	Population	Period Population Change	% Change During Decade	Annual Growth Rate
1960	459			
1970	438	-21	-4.6%	
1980	534	96	21.9%	2.0%
1990	533	-1	-0.2%	
2000	518	-15	-2.8%	
2010	618	100	19.3%	1.8%
2020	447	-171	-27.7%	
2000-2020		-71	-15.9%	

Source: U.S. Census Bureau

- » Over the past 50 years White City has had a fluctuating population
- » The past ten years was one of the largest drops in population in recent decades
- » With the school and businesses downtown, the community does have opportunities for stabilization of population

Predicted vs. Actual

White City

	2010	2020 Estimate	2020 Actual	Variance
White City	618	615	447	-168

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

- » Predicted vs. Actual is the difference between what would have been predicted to happen to the population based on standard birth and death rates versus what the population actually was in 2020.
- » White City had a younger population in 2010 and, therefore, the 2020 predicted population would not have changed.
- » The significant difference between the predicted population and the actual population indicates an out-migration.

2030 Population Scenarios

White City

Annual Growth Rate	2020	2025	2030	Unit Needs
0.50%	447	458	470	10
1.00%	447	470	494	20
2.00%	447	494	545	42

Source: RDG Planning & Design

- » If White City were to grow just under the rate it did in the 2000s it would reach a population of 545 by 2030
- » The growth would generate a need for 42 units
- » *Units could be generated by either new production or rehabbing vacant units*

Occupancy Changes

White City

	2010	2020	Change
Total Units	279	250	-29
Occupied Units	238	199	-39
Total Vacant	41	51	10
Vacancy rate	14.7%	20.4%	

Source: U.S. Census Bureau

» In 2020 the Census counted over 50 vacant units

» The 2020 American Community survey indicated almost of these units were identified as seasonally vacant or other vacant

» These vacant units would be more than enough to support new growth, but a number of these units are not habitable and will need to be demolished

» *Until these units are removed, it will be difficult to produce new units because they suppress the market*

Comparative Regional Affordability

	Median Household Income	Median House Value	Value / Income Ratio	Median Contract Rent	Median Rent as % of Median Monthly Income
White City	\$39,583	\$71,800	1.81	\$431	13.1%
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Source: U.S. Census Bureau

- » An affordable, self-sustaining housing market, with adequate value or revenues to support market rate new construction, typically has a V/I value between 2.5 and 3.
- » Ratios below 2.0 are significantly undervalued relative to income and make it difficult to support new construction costs
- » Currently, home values and rent rates are too low to support new construction
- » Removal of dilapidated properties and rehab of existing properties will need to be completed before significant new construction will occur

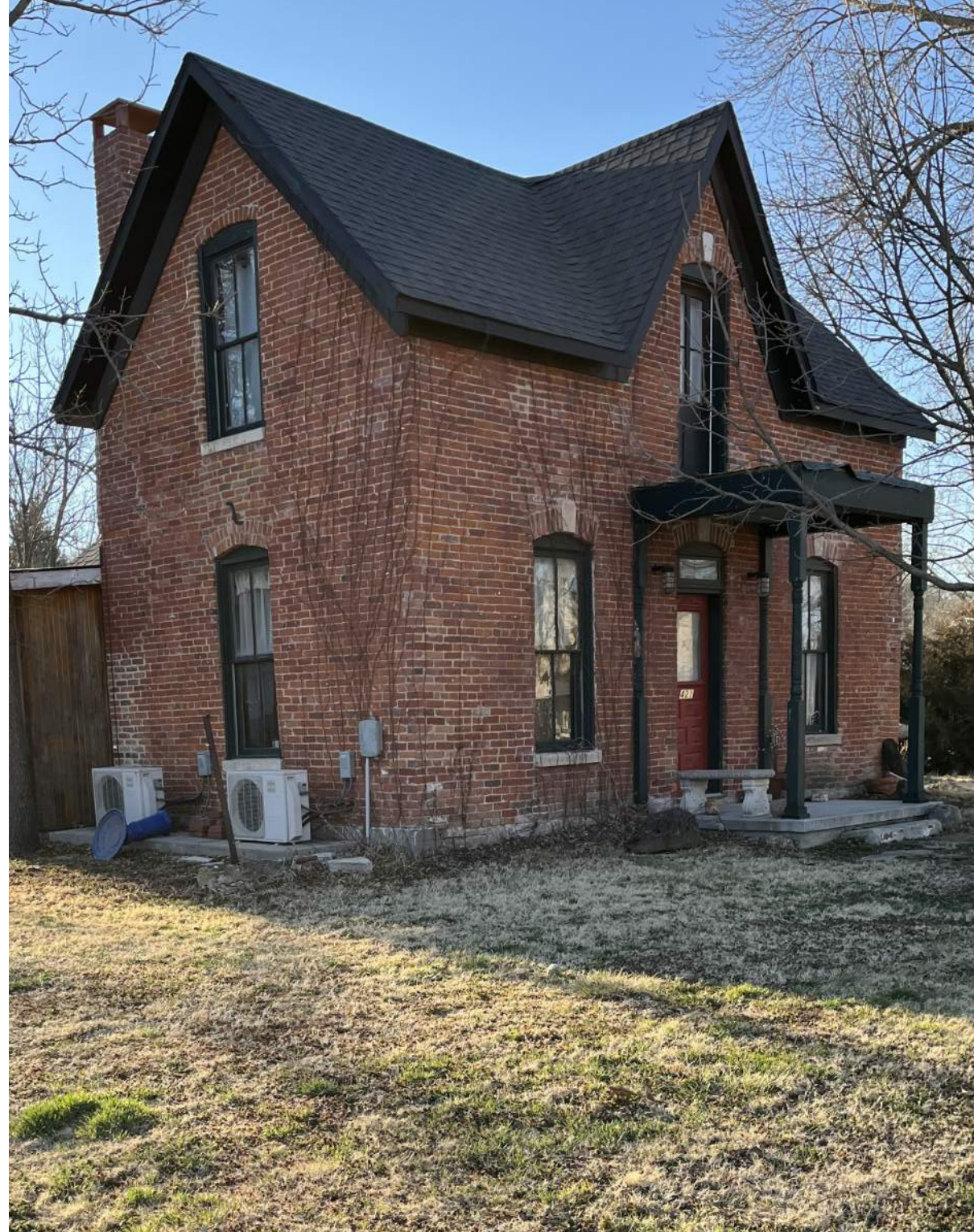


Directions Forward

The following section is based on an analysis of the current market trends and stakeholder group discussions that were completed in March 2022.

Challenges

- » **Lack of rental options**
- » **Aging housing stock**
- » **Workforce scarcity**
- » **Housing economics**



Challenges

Lack of Rental Options

- » **Over the past 20 plus years little to no rental options have been constructed in any of the communities. Products like the townhomes on Washington St. in Council Grove are newer and have a waiting list. The lack of new rentals means that young professionals have few options that meet their expectations and affordable single-family homes have to fill the rental gap.**



Challenges

Aging Housing Stock

- » **The majority of Morris County's housing stock is over 50 years old and very few units were built in the 1980s and 1990s. This means there is a lack of “move-up” housing for many households, but also that maintenance and preservation of housing will be important to maintaining housing affordability.**



Challenges

Workforce Scarcity

- » **Like many cities and regions Morris County is experiencing a shortage of building trades workers. Addressing this issue will have to be done from many angles, including keeping and retaining young workers and making it easier to open or take over existing businesses.**



Challenges

Housing Economics

- » **Stakeholders and the market analysis show a need for housing priced below \$250,000 or rents below \$1,000 a month. However, given construction costs, and current home values and rental rates, it is very difficult for the private market to deliver housing in these ranges. These units do exist in the market, but they are currently occupied or need significant work. Construction or rehabilitation of these units will likely need assistance to meet market demands.**



Opportunities

- » **Employment**
- » **Infill**
- » **Iconic and stable downtown**
- » **Natural resources**



Opportunities

Employment

- » **After decades of population loss, Morris County has more jobs than people to fill those jobs. To meet employers needs, employees will need to be recruited from outside the area. Those employees will need housing to meet their needs. This will include housing that meets all stages of life, from rentals to family homes. Some of these homes exist in the market today, but households living in those units will need options to move too.**



Opportunities

Infill

- » **The development of new lots in small communities can be very challenging due to costs and slow rates of development. All of the communities in Morris County have a number of infill development opportunities. These lots have existing water, sewer, and streets which can reduce costs but also do not add to the city's long-term maintenance costs. Services may need to be updated and sites cleared but, in the long-term, reusing these lots is the most cost efficient approach cities can take.**



Opportunities

Iconic and Stable Downtown

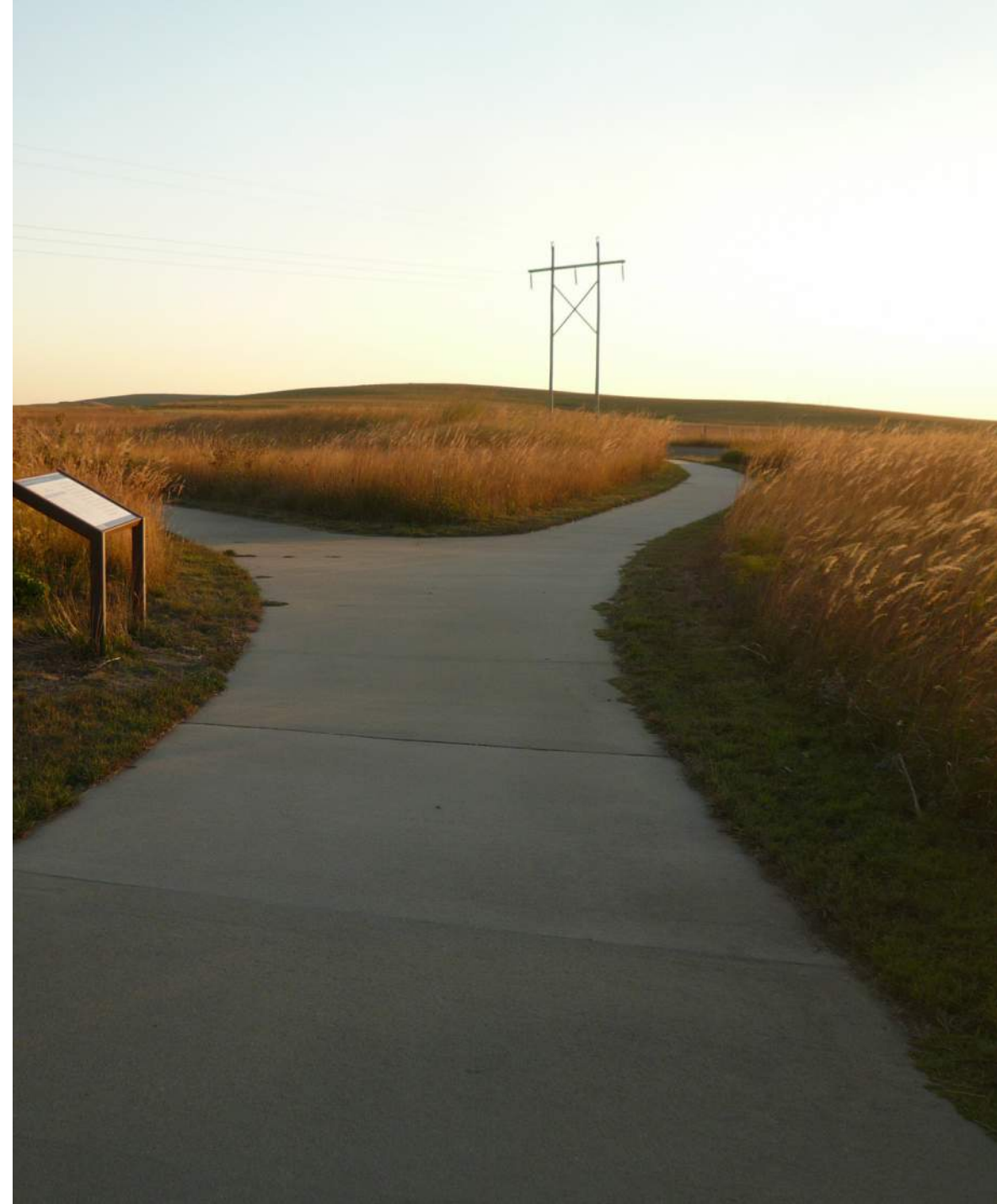
- » In recent years significant reinvestment and marketing of Council Grove downtown has made it one of the premier small downtown districts in the state. Today, small downtowns across the country are seeing a resurgence as retail patterns change to more experience oriented shopping and entertainment. Some housing has occurred in the district, and more opportunities exist that can provide the rental and low-maintenance options that both young and older households are looking for today.



Opportunities

Natural Resources

- » **The beauty of the Flint Hills, historic communities, and lakes all make Morris County a highly appealing place to live and to visit. City Lake has been especially popular during the Pandemic, and the desire to work remotely periodically will likely continue to make seasonal housing very appealing. However, this market does not meet workforce housing needs but does provide new construction comparables.**



Strategic Objectives

A housing program for Morris County should:

- A. ***Share Risk.*** Strategic partnerships should help share risk in the development of housing that the private market is not addressing.
- B. ***Preserve Existing Housing.*** Existing housing is the best source of affordable housing, and maintenance and rehabilitation of these units will be essential to meeting current and future demands.
- C. ***Expand the Variety of Housing Options.*** Providing a choice of housing environments should meet housing needs for households at different stages of life.
- D. ***Expand Workforce Development.*** Workforce development will have to include the building trades to meet current shortages and to ensure that the next generation of skilled workers exist in the region.

1. Sharing Risk Partnerships



Addressing Morris County's housing issues will not be done by one single organization. Partnerships will need to be formed that will allow for sharing risk necessary to meet important housing needs.

Partners will include:

- » *City & County*
- » *Private market*
- » *Non-Profit*



1. Sharing Risk

Housing Development Fund



Housing Development Fund

Funding sources to fill the gaps between current costs and new construction will be needed. Much like communities have put together economic development funds in the past, a housing development fund should be assembled.

- » **A lending pool:** A consortium of lenders can provide interim financing to private contractors, support lot development efforts, and fund housing for those making just over 80% of Area Median Income (the threshold for many government programs).
- » **Partners:** From the private side the banking community and major employers should all play a role in development of the fund. Housing is economic development and it should be treated in this way.

Case Study: Housing Partnership-Sioux Center Example



Moderately-priced housing through a community-based program. In Sioux Center, a growing community in northwest Iowa, a community land development corporation, capitalized through purchase of shares by citizens of the town, has developed a new moderately-priced development. This features a program to build five speculative homes at a time, maintaining an available inventory. The proceeds of sales are then used to build the next increment of houses. This town of about 5,000 has built a 70 home subdivision in this way.

1. Sharing Risk

Employer Assistance



Employers can play an important role in addressing housing needs through a variety of initiatives:

- » ***Funding of housing development programs*** that target income ranges of their employees.
- » Donation of excess ***property*** for housing development.
- » Sharing the risk of new developments, such as pledging to rent a unit or cover rents if units are not filled.
- » ***Direct development*** of rental housing or subdivisions.

Every employer may have a different comfort level but traditional programs like moving costs and down payment assistance have little impact when the unit is nearly impossible to find.

Employer Assisted Housing - Case Study



The Colfax County School District adopted a Workforce Housing Initiative Pilot Program (WHIPP) to reinforce their commitment to the philosophy that employees should reside within the community they work. This philosophy recognizes the mutual benefits to the organization (increased retention), the community (additional residents), and the employee (increased stability and decreased transportation costs). In addition, to developing new single family homes, the WHIPP offers the following incentives to employees to rent or buy the new housing units:

» Eligibility for a \$1,000 bonus to employees moving into the district and the following:

» Home renter subsidy of \$1,000 annually for a maximum of five years; or

» Home owner subsidy:

» \$2,000 annually for a maximum of five years; or

» Lump sum subsidy of \$10,000 for downpayment and closing costs on a WHIPP approved home

Funding is budgeted annually by the school district for the program.

<http://www.livene.org/nifa/resources/?item=10688>

1. Sharing Risk

Nonprofit



Nonprofit Developer

A key part of this may be the development of an organization or the expansion of an existing non-profit to work in the areas where the for-profit market cannot succeed or the risk seems too great.

Focuses may include:

- » **Housing Rehab:** Filling the gap where the private market cannot be profitable. This could be a matter of scaling up Flint Hills Rebuilders.
- » **New Products:** Morris County needs to develop a range of housing appealing to individuals at different stages of life. Some of these maintenance free options may not be as common in Morris County and may appear to be more risky to the private market.

1. Housing Partnerships

Community Involvement



Communities

The cities alone cannot solve the housing problems but they do need to play an important part. Many of the programs and initiatives outlined in this section will involve the city at some level. This includes:

- » **Infrastructure:** There are a number of ways to finance the extension of infrastructure, including the use of RHIDs, but all require the assistance of the city.
- » **Removing Barriers:** Codes and ordinance can sometimes be a barrier. Identifying those and removing them can make a substantial difference.
- » **Rehab programs.** Often rehab programs are funded by state and federal dollars but are administered at the local level. Cities can expand on these initiatives and build on code enforcement efforts.

2. Housing Conservation

The existing housing stock is the best source of affordable housing. Preservation of this housing is essential to addressing the need for moderate priced homes and rentals.

A lack of housing maintenance only lowers home values in some neighborhoods and communities, discouraging private market investment that may not see a project appraised at cost.

A targeted approach should continue to identify strategies that will elevate the overall values of neighborhoods and communities. Programs should include:

- » *Funding for Housing Rehabilitation*
- » *Demolition of Dilapidated Structures*
- » *Code and Fees*
- » *NRP Program*
- » *Downtown RHIDs*

2. Housing Conservation

Codes & Fees

- » **Review of Codes:** Each community should review existing codes for inconsistencies, gaps, and desired outcomes.
 - » This should include making it harder for arbitrary decisions or conflicts of interest to influence the process.
- » **Enforcement:** Codes are only as good as the enforcement of those codes. Enforcement has to be consistently applied and staffed.
- » **Shared Resources:** Many communities cannot afford to support an additional staff person, but sharing staff can off-set costs and create greater consistency across the county.
- » **Waiving Fees.** Some fees should be waived for rehabilitation, especially if the project is bring a historically vacant unit back on the market.



2. Housing Conservation Demolition Programs

Demolition Programs:

- » All three communities must budget for the removal of a specific number of houses per year. This will help stabilize and strengthen home values and increase residents' sense of pride in their community
- » Any demolition program should be paired with the land bank (discussed later)



2. Housing Conservation

Funding Rehabilitation

Housing Development Fund:

Most housing rehabilitation programs are funded through state or federal funding. These funds can be very time consuming to administer. If local funds can be used, there can be greater flexibility within the programs.

City will directly fund these programs, but the a portion of the Housing Development Fund could be targeted to housing rehab.

Any local program should include:

- » **Clear guidelines** on what can and cannot be done with the funds
- » **Housing inspection** to ensure that projects are not just “band-aid” without addressing serious structural issues



2. Housing Conservation

Funding Rehabilitation

Neighborhood Reinvestment Program (NRP):

- » The NRP program allows the city or county to designate a specific area for neighborhood conservation and reinvestment.
- » Under the program a tax rebate is provided for improvements made to an existing structure.
- » The biggest challenge to the program is that LMI homeowners in targeted areas, who in hard times and not so hard, have difficulty financing property improvements. For them a tax rebate is largely irrelevant.
- » It is most beneficial for new construction, especially new construction of rental housing.



2. RHID - Upper Story

Funding Rehabilitation

Rural Housing Incentive Districts: Upper Story Program

- » Similar to the general RHID of previous years, the Upper Story RHID program applies to cities with a demonstrated housing shortage that is impeding economic opportunity. The RHID Upper Story program can help reimburse a variety of costs from roofing and HVAC to removal of hazardous materials and plumbing by allowing the city, county or developer to capture the incremental increases from the property tax. The RHID can be used to purchase a building and can have commercial activity on the first floor, but RHID funds can only be used for the residential component of the building.



3. Housing Variety

Life-Cycle Housing

Housing Stages

🔗 = Each stage often requires the previous to be possible



Growing Up

- » Places to try out and experiment
- » Housing within one's means
- » Economic opportunity



Starting

- » Places to establish a household
- » Housing within one's changing means
- » Places to build equity
- » Room to grow



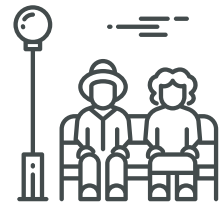
Prospering

- » Places to put down roots and grow a household
- » Settings that adapt to stages of life



Lifestyle Value

- » Places that meet lifestyle needs
- » Places that accommodate mobility needs
- » Places for active retirement



Aging

- » Options
- » Places for growing old with dignity

Infill Lots

- » **An understanding of the available lots in each community**
- » **Inventory of rural sites that could potentially meet the needs for acreage development.**
 - » **Note: Acreage developments do not traditionally support the services they require, therefore, they must be done with caution.**
- » **Communication/marketing strategy to the owners of those lots and then outreach to owners.**
- » **Development of a Land Bank**



3. Housing Variety

Infill Lots



- » ***Land Banks*** can be operated under a non-profit and work to acquire title of vacant properties to transfer for infill development. The land bank would hold vacant lots that have infrastructure to create a pool of assets that are shovel ready for infill while also stabilizing the value of adjacent properties

3. Housing Variety

Incentives

A Package of Incentives

A package of different incentives should be assembled that will both encourage the sales and then development of infill lots. These may include:

- » ***Waiving fees*** including utility hook-ups or landfill fees for removal of debris
- » Cities ***absorbing or waiving any city initiated liens*** on the property
- » ***Covering closing costs*** for the sale of vacant parcels
- » ***Free or reduced cost lots***



4. Building Trade Program

The workforce shortage within the building trades is a national issue, therefore finding ways to retain those trained in this field will be important.

Community colleges across the state have established trades programs. However, there is no guarantee that graduates remain in the area. Community leaders should consider:

- » ***Sponsorship*** of students with the requirement that they remain in Morris County after completing their program
- » ***Outreach to current trade businesses*** to assist with succession planning
- » Greater ***encouragement of students*** into these programs and potential extension of the programs to the high school