



# The Finney County CHAT Update



## A Community Housing Assessment Team Study

Martin H. Shukert, FAICP & Amy Haase, AICP

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**Update**



Garden City



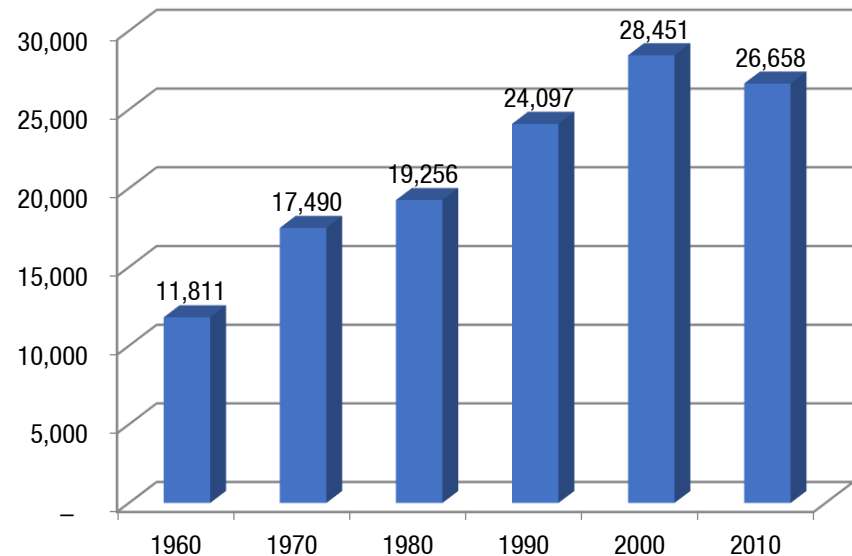
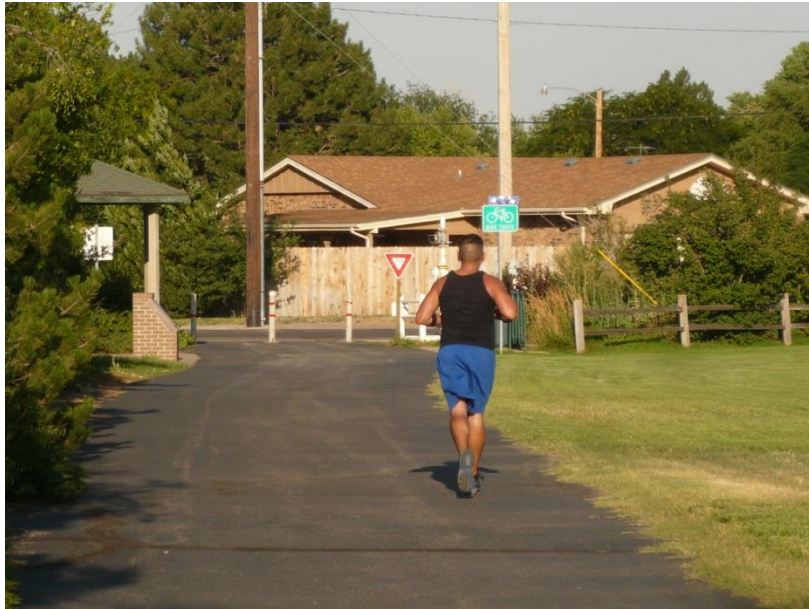


# Garden City Population Change by Decade

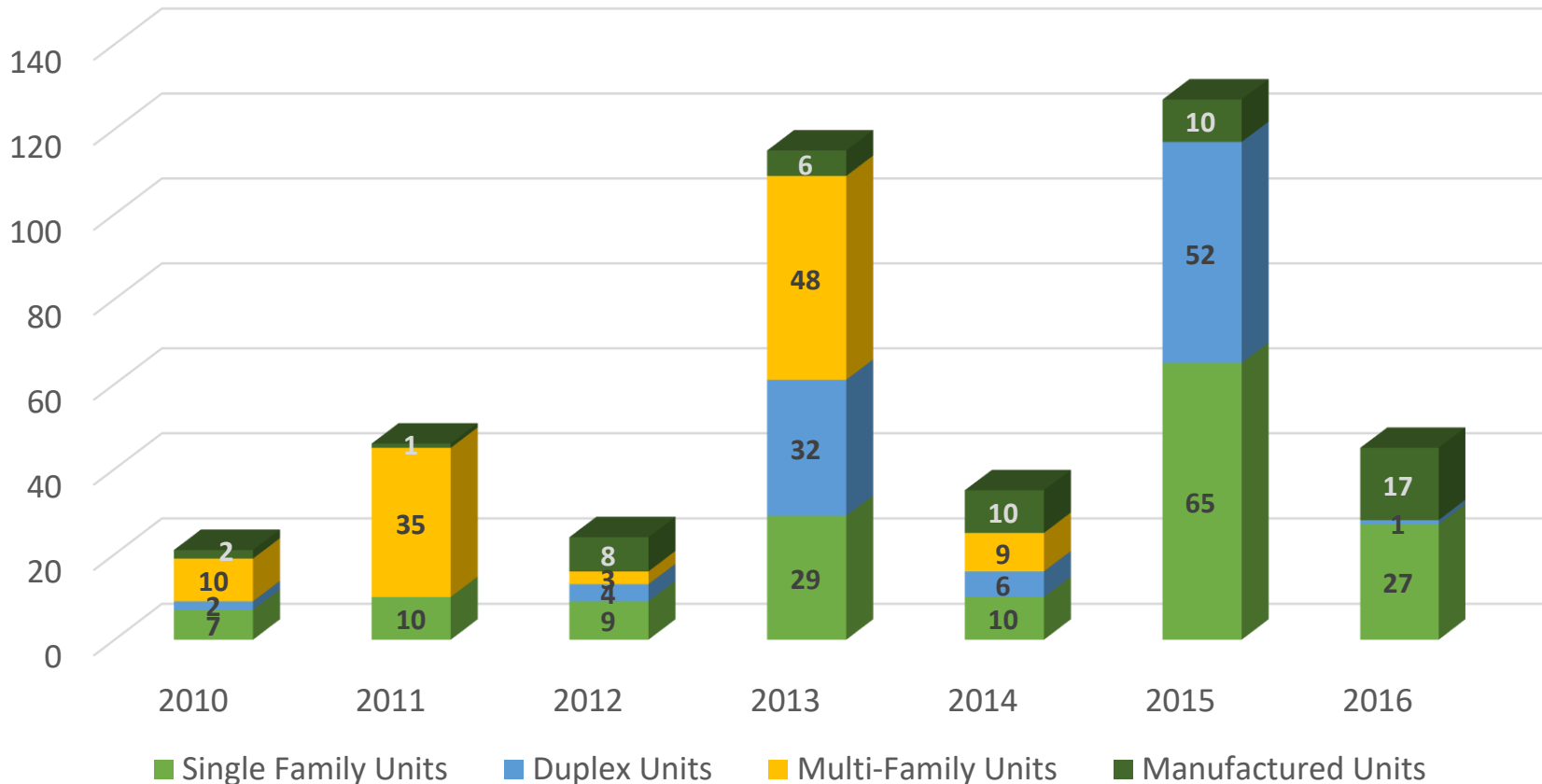
	Population at Decade's End	Change in Population	% Growth During Decade	Annual Growth Rate
<b>1960</b>	11,811			
<b>1960–1970</b>	14,790	5679	48.1%	4.0%
<b>1970–1980</b>	18,256	1766	10.1%	1.0%
<b>1980–1990</b>	24,097	4841	25.1%	2.3%
<b>1990–2000</b>	28,451	4354	18.1%	1.7%
<b>2000 – 2010</b>	26,658	–1,793	–6.3%	–0.65%
<b>1960–2010</b>		14,847	125.7%	1.8%

Based on utility bills, job numbers, and other indicators, it is fair to assume that a significant undercount exists in the 2010 Census. The city estimates that the actual population is approximately 30,000 to 32,000.

Based on construction activity the city's 2010 population would have been between 29,000 and 30,000; for planning purposes, we have assumed a 2014 population of 30,678.



# Construction Activity



- Construction activity in Garden City dropped substantially in 2005, a precursor of the national depression in housing construction, hitting the low point in 2007 and 2008.
- It has recovered in recent years, with outputs in 2013 and 2015 above early 2000 rates. Multi-family and duplex development has represented a significant portion of the new units.

# Predicted vs. Actual Population Change

	2000 Base	2010 Predicted	2010 "ACTUAL"	Difference
0-15	7,868	6,603	7,026	423
15-19	2,492	2,644	2,257	-387
20-24	2,221	2,302	2,129	-173
25-34	4,606	4,670	3,641	-1,029
35-44	4,227	4,554	3,254	-1,300
45-54	2,985	4,129	3,481	-648
55-64	1,735	2,802	2,463	-339
65-74	1,164	1,475	1,257	-218
75-84	840	803	797	-6
85+	313	444	353	-91
<b>Total</b>	<b>28,541</b>	<b>30,427</b>	<b>26,658</b>	<b>-3,769</b>

# 2030 Population Scenarios

	2015	2020 Forecast	2025 Forecast	2030 Forecast
<b>Natural Growth</b>	30,560	31,221	31,982	32,729
<b>0.5% AGR</b>	30,560	31,332	32,123	32,934
<b>0.75% AGR</b>	30,560	31,723	32,931	34,184

*Source: RDG Planning & Design*

- Because of Garden City's relatively young population, natural change will produce a continued population gain because births will exceed deaths.
- The 2012 CHAT used a 0.5% growth rate. After evaluating construction activity since 2010 it appears the city experienced a growth rate closer to 0.7%.
- Assuming that the city's 2015 population was 30,560, an annual growth of 0.75% rate will produce a 2030 population of 34,184.

# Occupancy Changes, Garden City

	2000 (Census)		2010 (Census)		2015 (ACS)		Net Change
	Number	% of Occupied Units	Number	% of Occupied Units	Number	% of Occupied Units	2000–2013
Owner–Occupied	5,751	61.6%	5,495	60.6%	5,707	61%	–44
Renter–Occupied	3,587	38.4%	3,576	39.4%	3,654	39%	67
Total Vacant	569		585		350		–219
Vacancy rate	5.7%		6.06%		3.5%		
Total	9,907		9,656		9,711		–196

- The 2010 undercount is again reflected in the housing census. A net loss of 250 units, or a gross loss of about 700 units during the last decade would be very obvious to the city and is highly improbable.
- Some correction does seem to have occurred, at least in the demand for housing and a very low vacancy rate. While the total number of vacant units may be undercounted as a percentage of total units it is likely fairly accurate percentage.

# The Demand Projection Process



- Use population forecast, recent construction activity and assumptions about people per household to generate a ten-year overall housing demand.
- Consider the distribution of household income in a community.
- Match income ranges with affordability price points, based on housing costs equal to 30% of adjusted gross income.
- Define 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, Garden City

	2015	2017–2020	2025	2030	Total
<b>Population at End of Period</b>	30,560	31,723	32,931	34,184	
<b>HH Population at End of Period</b>	29,925	31,057	32,239	33,466	
<b>Average PPH</b>	2.88	2.88	2.88	2.88	
<b>HH Demand at End of Period</b>	10,391	10,784	11,194	11,620	
<b>Projected Vacancy Rate</b>	3.50%	4.50%	5.50%	6.50%	
<b>Unit Needs at End of Period</b>	10,768	11,292	11,846	12,428	
<b>Replacement Need</b>		30	30	30	60
<b>Cumulative Need During Period</b>		446	584	612	1,643
<b>Average Annual Construction</b>		112	117	122	117

Despite strong construction activity in 2014 the new ACS vacancy rates reflect a continued strong demand for new housing.

Over the past four years the city has experienced sporadic construction rates. Future construction will need to meet growth demands and existing demand.

# Income Distributions and Housing Affordability Ranges: Garden City 2015 estimates

Income Range	HH's* income range	Affordable Range for Owner Units	# of Owner Units	Affordable Range of Renter Units	# of Renter Units	Total Affordable Units	2013 Balance	2010 Balance
\$0–25,000	1,734	\$0–50,000	672	\$0–400	825	1,497	–237	–680
\$25,000–49,999	3,300	\$50,000–99,999	1,560	\$400–800	2,574	4,134	834	1,235
\$50,000–74,999	1,796	\$100,000–149,999	1,704	\$800–1250	237	1,941	145	430
\$75–99,999	1,126	\$150,000–200,000	1,086	\$1250–1500	13	1,099	–27	–438
\$100–150,000	950	\$200–300,000	537	\$1500–2000	5	542	–408	–405
\$150,000+	455	\$300,000+	148	\$2000+	0	148	–307	–142

\* HH = Households

Source: U.S. Census, 2010; RDG Planning & Design

# Comparative Regional Affordability

City	Median HH Income (2015 estimate)	Median House Value (2015 Estimate)	Value/Income Ratio
Garden City	\$47,279	\$116,400	2.46
Holcomb	\$65,521	\$132,900	2.03
Dodge City	\$47,461	\$97,600	2.06
Great Bend	\$39,718	\$79,100	1.99
Greensburg	\$38,571	\$159,200	4.13
Cimarron	\$51,500	\$120,000	2.33
Meade	\$52,284	\$75,600	1.45

*Source: U.S. Census Bureau American Community Survey, 2015 5-year estimate*

- 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
- Ratios above 3.0 exhibit significant affordability issues



# Housing Development Program, Garden City

	2017–2020	2021–2025	Total
<b>Total Need</b>	446	584	1,030
<b>Total Owner Occupied</b>	223	292	515
Affordable Low: 60–100,000	45	59	103
Affordable Moderate: 100–130,000	52	68	120
Moderate Market: 130–200,000	53	69	121
High Market: Over \$200,000	74	97	171
<b>Total Renter Occupied</b>	223	292	515
Low: Less than 450	50	65	115
Affordable: 450–700	69	90	159
Market: Over \$700	105	137	241

*Source: RDG Planning & Design*

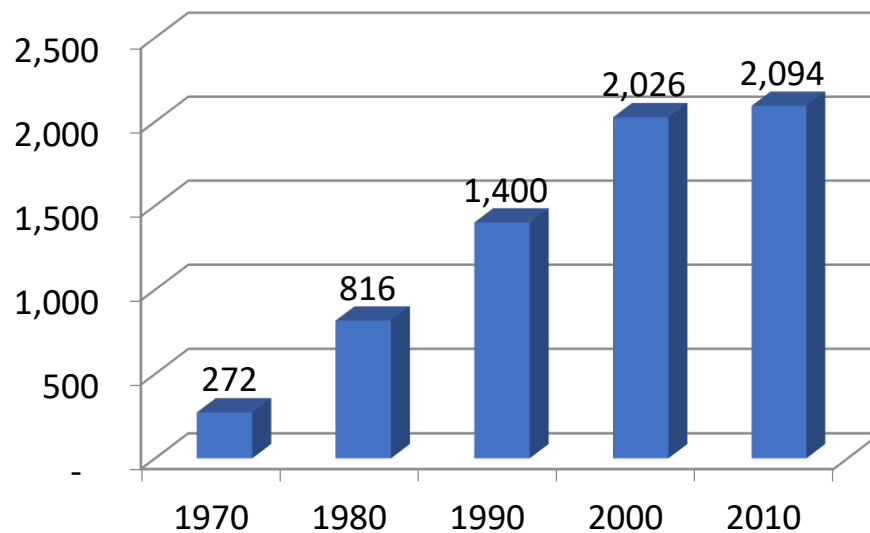
- This analysis assumes a split of 50% owner–occupied and 50% rental units for the next five years.
- Most new construction will probably cost more than \$130,000, causing demand for lower–cost units to be met by existing housing.

# Holcomb



# Population Change by Decade

	Population at Decade's End	Change in Population	% Growth During Decade	Annual Growth Rate
<b>1970</b>	272			
<b>1970–1980</b>	816	544	200.0%	11.6%
<b>1980–1990</b>	1400	584	71.6%	5.5%
<b>1990–2000</b>	2026	626	44.7%	3.8%
<b>2000 – 2010</b>	2,094	68	3.4%	0.33%
<b>1960–2010</b>		1,822	669.4%	5.2%





# Predicted vs. Actual Population Change

		2000 Base	2010 Predicted	2010 Actual	Difference
	0–15	697	464	640	176
	15–19	224	239	225	–14
	20–24	97	262	100	–162
	25–34	279	318	279	–39
	35–44	384	276	325	49
	45–54	219	375	291	–84
	55–64	80	206	148	–58
	65–74	27	68	62	–6
	75–84	16	18	16	–2
	85+	3	8	8	0
	Total	2,026	2,235	2,101	–134

# 2030 Population Scenarios

	2014	2020 Forecast	2025 Forecast	2030 Forecast
Natural Growth	2,434	2,543	2,654	2,773
0.33% Annual Growth Rate (2000–2010)	2,434	2,475	2,516	2,557
<b>3% Annual Growth Rate (2010–2015)</b>	<b>2,434</b>	<b>2,822</b>	<b>3,271</b>	<b>3,792</b>
5% Annual Growth Rate (1970–2010)	2,434	3,107	3,965	5,060

*Source: RDG Planning & Design*

- Although Holcomb gained population during the 2000s, the city still experienced an out-migration of approximately 2%.
- Based on 2015 Census estimates the city has continued to grow at a rate of around 3% annually, still below the 40-year average of just over 5%.
- If the city continues to grow at a 3% annual rate it will reach a population of 3,792 by 2030

# Occupancy Changes, Holcomb

	2000 (Census)		2010 (Census)		2015 (ACS)		Net Change
	Number	% of Occupied Units	Number	% of Occupied Units	Number	% of Occupied Units	2000–2015
Owner–Occupied	469	79%	520	80%	554	79%	85
Renter–Occupied	123	21%	134	20%	146	21%	23
Total Vacant	16		26		48		32
Vacancy rate	2.6%		3.82%		6.42%		
Total	608		680		748		140

- New construction was primarily focused on single–family development, increasing the number of owner–occupied houses.
- The margin of error in estimating vacant units is higher and driving up the city’s vacancy rate. Likely the city’s rate remains closer to that experienced in 2000 and 2010.
- Holcomb experienced a reasonable net increase in housing in recent years.



# The Demand Projection Process



- Use population forecast, recent construction activity and assumptions about people per household to generate a ten-year overall housing demand.
- Consider the distribution of household income in a community.
- Match income ranges with affordability price points, based on housing costs equal to 30% of adjusted gross income.
- Define 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, Holcomb

	2010	2017–2020	2025	2030	Total
Population at End of Period	2,434	2,822	3,271	3,792	
HH Population at End of Period	2,381	2,754	3,193	3,701	
Average PPH	3	3	3	3	
HH Demand at End of Period	684	791	917	1,064	
Projected Vacancy Rate	3.82%	4.32%	4.82%	5.32%	
Unit Needs at End of Period	711	827	964	1,123	
Replacement Need		4	5	5	14
Cumulative Need During Period		98	142	164	404
Average Annual Construction		24	28	33	29

# Income Distributions and Housing Affordability Ranges: Holcomb 2015 estimates

Income Range	HH's* income range	Affordable Range for Owner Units	# of Owner Units	Affordable Range of Renter Units	# of Renter Units	Total Affordable Units	2015 Balance	2012 Balance
\$0–25,000	108	\$0–50,000	72	\$0–400	50	122	14	–4
\$25,000–49,999	116	\$50,000–99,999	87	\$400–800	87	174	58	–7
\$50,000–74,999	163	\$100,000–149,999	157	\$800–1250	9	166	3	12
\$75–99,999	145	\$150,000–200,000	142	\$1250–1500	0	142	–3	68
\$100–150,000	122	\$200–300,000	88	\$1500–2000	0	88	–34	–59
\$150,000+	46	\$300,000+	8	\$2000+	0	8	–38	–10

\* HH = Households

Source: U.S. Census, 2015; RDG Planning & Design

# Comparative Regional Affordability

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*Source: U.S. Census Bureau American Community Survey, 2015 5-year estimate*

- 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
- Ratios above 3.0 exhibit significant affordability issues



# Housing Development Program, Holcomb

	2017–2020	2021–2025	Total
<b>Total Need</b>	98	142	240
<b>Total Owner Occupied</b>	49	71	120
Affordable Low:60–100,000	5	7	11
Affordable Moderate: 100–130,000	7	10	17
Moderate Market: 130–200,000	16	22	38
High Market: Over \$200,000	22	32	54
<b>Total Renter Occupied</b>	49	71	120
Low: Less than 450	19	28	47
Affordable: 450–700	13	19	33
Market: Over \$700	16	24	40

*Source: RDG Planning & Design*

- This analysis assumes a split of 50% owner–occupied and 50% rental units for the next five years.
- The lack of rental construction the past 10 years coupled with changing lending practices that drive people to live in rental housing longer will increase demand for new quality rental housing.

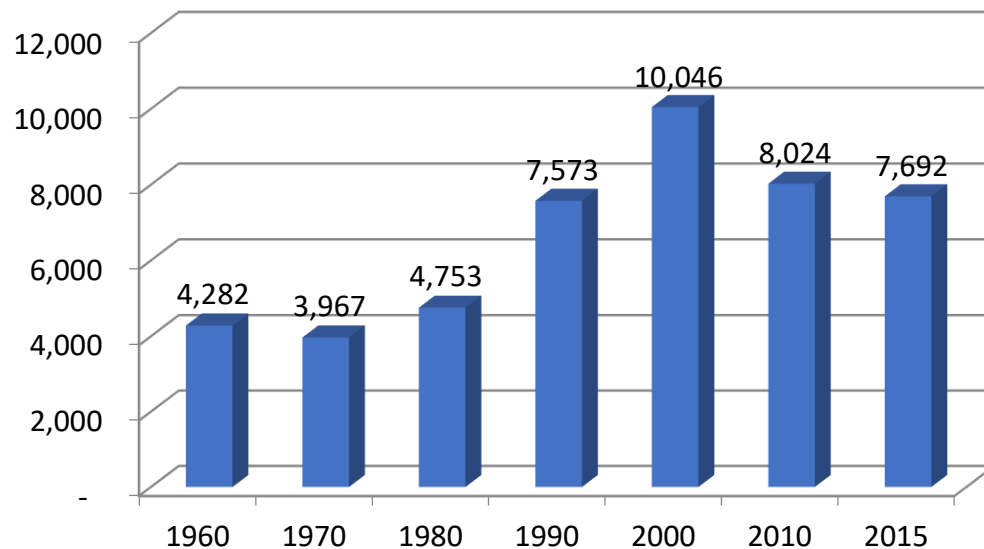
# Finney County



# Population Change by Decade

	Population at Decade's End	Decennial Population Change	% Growth During Decade	Annual Growth Rate
1960	4,282			
1960–1970	3,967	–315	–7.4%	–0.8%
1970–1980	4,753	786	19.8%	1.8%
1980–1990	7,573	2,820	59.3%	4.8%
1990–2000	10,046	2,473	32.7%	2.9%
2000 – 2010	8,024	–2,022	–20.1%	–2.22%
1960–2010		3,742	87.4%	1.3%

**Rural Finney County**



# Predicted vs. Actual Population Change

	2000 Base	2015 Predicted	2015 ACTUAL	Difference
0–15	3,238	1,920	2,070	150
15–19	807	758	701	–57
20–24	699	698	502	–196
25–34	1,561	910	969	60
35–44	1,551	981	995	14
45–54	1,122	1,104	989	–115
55–64	602	1,057	852	–205
65–74	313	534	399	–136
75–84	127	184	181	–3
85+	26	80	33	–47
Total	10,046	8,226	7,692	–534



# 2030 Population Scenarios

	2015	2020 Forecast	2025 Forecast	2030 Forecast
–4% Migration	7,692	7,719	7,772	7,846
Natural	7,692	7,877	8,093	8,336
2% Migration	7,692	7,955	8,255	8,589

*Source: RDG Planning & Design*

- The census has estimated population losses over the last 15 years.
- Unlike many other counties in the region, Finney County has a fairly young population that statistically should result in more births than deaths.

# Occupancy Changes, Balance of Finney County

	2000 (Census)		2010 (Census)		2015 (ACS)		Net Change
	Number	% of Occupied Units	Number	% of Occupied Units	Number	% of Occupied Units	2000–2015
Owner–Occupied	2,171	71.9%	1,879	71.3%	1,569	61.8%	–602
Renter–Occupied	847	28.1%	755	28.7%	970	38.2%	123
Total Vacant	230		306		292		62
Vacancy rate	7.1%		10.41%		10.31%		
Total	3,248		2,940		2,831		–417

Source: U.S. Census

- The county's housing stock remains predominately owner occupied.
- If an undercount occurred it would appear that units were identified as vacant that are likely occupied.

# Development Projection, Finney County

	2010	2017–2020	2025	2030	Total
Population at End of Period	7,766	7,877	8,093	8,336	
HH Population at End of Period	7,766	7,877	8,093	8,336	
Average PPH	3.03	3.03	3.03	3.03	
HH Demand at End of Period	2,563	2,600	2,671	2,752	
Projected Vacancy Rate	5.19%	5.19%	5.19%	5.19%	
Unit Needs at End of Period	2,704	2,742	2,818	2,902	
Replacement Need		4	5	5	14
Cumulative Need During Period		55	80	90	225
Average Annual Construction		14	16	18	16

- Development in Finney County could potentially meet some of the regions housing demand, especially for second homes.
- New development should either be connected to city services or outside of the cities' future growth areas. New development in the County should not limit the future development of the communities.

# Housing Development Program, Finney County

	2017–2020	2021–2025	Total
<b>Total Need</b>	55	80	136
<b>Total Owner Occupied</b>	39	56	95
Affordable Low:60–100,000	3	4	7
Affordable Moderate: 100–130,000	4	6	9
Moderate Market: 130–200,000	4	6	10
High Market: Over \$200,000	28	40	68
<b>Total Renter Occupied</b>	17	24	41
Low: Less than 450	4	6	10
Affordable: 450–700	6	8	13
Market: Over \$700	7	10	17

*Source: RDG Planning & Design*

- This analysis assumes a split of 70% owner–occupied and 30% rental units for the next eight years.
- Traditionally rental construction has occurred inside communities where adequate services, including water, sewer, parks and transportation can be provided to a higher density development.



# Year Built, Rural Finney County

Year Built	2000 Percentages	2010 Percentages	2015 Percentages
2010 or later			2.2%
2000 to 2009		10%	5.4%
1990 to 1999	27%*	26%	20.2%
1980 to 1989	24%	19%	22.5%
1970 to 1979	27%	16%	23.8%
1960 to 1969	9%	9%	7.2%
1950 to 1959	—	8%	5.5%
1940 to 1949	9%**	2%	3.5%
1939 or earlier	11%	9%	9.6%

Source: U.S. Census; \* 1990–March 2000; \*\*1940–1959

- Finney County has a relatively new housing stock.

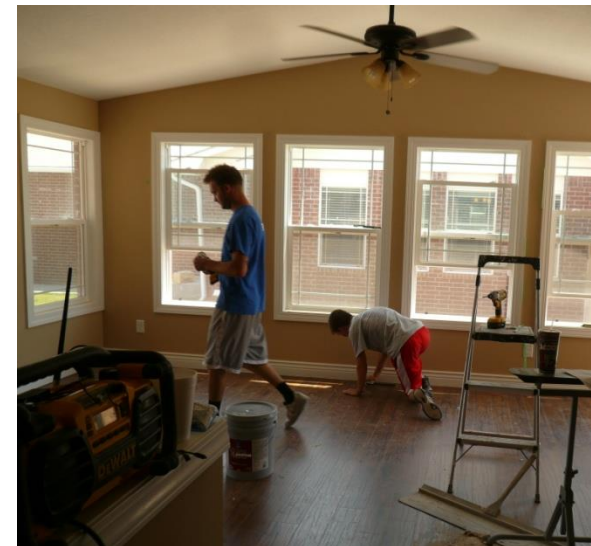
Since 2008...





# Since 2008. . . Progress and Challenge

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- Development Costs and Risks
- Downtown Progress and Demand
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation



# Continued Market Shortages

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The 2008 CHAT cited several major housing needs, of which rental development appeared the most immediately critical. Factors generating this demand included:

- Tighter credit and underwriting standards placing more people in the rental market.
- Transitional housing needs for people recruited to Finney County jobs.
- Arrival of special needs populations (new immigrants, social service clients, students, construction workers, low-income households)

These rental needs persist and based on input during stakeholder groups, appears to be intensifying. This is creating a number of significant problems, including an inability to attract or retain managers and professionals, attracting investors who can rent units with high cash flow and little incentive to upgrade, and very little choice for consumers.



# Continued Market Shortages

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In addition to rental housing, middle range owner-occupied homes also appear to be in relatively short supply. Different observers identify different ranges, as wide as \$80–250,000 but tending to focus between \$125,000–225,000. The affordability analysis based on 2010 data tends to reinforce this perception, although in general affordability imbalances have abated somewhat between 2000 and 2010. These are the price ranges most sensitive to land and infrastructure costs, and for new development require lot costs between \$25,000 and \$45,000. In addition, current home listings in Garden City have fallen to about 100, abnormally if not historically low.

# Limited New Production

- Continued Market Shortages
- **Limited New Production**
- Census Anomalies
- Development Costs and Risks
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The 2008 CHAT projected a demand for about 60 housing units annually in Garden City. During the four year period from 2008 through 2011, the city built 94 new units, or an average of about 24 units per year. In Holcomb, the previous study projected a potential demand for 14 units annually, while the town accounted for 21 units (or about five per year) during the same period. Because the original projections were relatively conservative, we believe that this represents a significant underproduction, which has continued to reduce choice in the housing supply and availability of affordable alternatives.

# Census Anomalies

- Continued Market Shortages
- Limited New Production
- Census Anomalies**
- Development Costs and Risks
- Downtown Progress and Demand
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation

The results of the 2010 Census were surprising , and indicated a significant population loss in Garden City of about 7%. The city appealed with little success. Closer examination suggests a serious undercount, evidenced by:

- An unexplainable loss of about 700 housing units existing in 2000.
- Difficult to explain loss of population in the cohort between ages 25 and 34 in 2000.
- Unusually large reported drop in houses valued between \$50,000 and \$100,000.

Our conservative assumptions suggest a 2010 population of at least 29,500. City utility records may indicate a larger actual population.



# Census Anomalies

- Continued Market Shortages
- Limited New Production
- Census Anomalies**
- Energy Resource Development
- Development Costs and Risks
- Downtown Progress and Demand
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation

The problem is that an undercount creates its own reality. Developers (and particularly out-of-town builders of badly needed rental projects) base decisions on a market analysis, and the census is a primary data source. Explanations by economic development corporations, governments, or local chambers of commerce may seem self-serving and be discounted by groups requiring assurances of demand before making major decisions. Our analysis in this update is also made more difficult by published census counts that may be questionable. The low numbers which indicate decline rather than growth complicate the process of building new housing.



# Development Costs and Risks

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- Development Costs and Risks**
- Downtown Progress and Demand
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation

Garden City and Holcomb, the primary growth centers in Finney County, both have a reasonable amount of available land for development with access to urban services. However, many participants attribute a shortage of affordable housing to high land prices and infrastructure construction costs. The City waives some construction fees, but most development costs are still borne privately.





# Development Costs and Risks

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- **Development Costs and Risks**
- Downtown Progress and Demand
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation

Despite these issues, progress has been made. New construction on the east side of Holcomb have addressed different facets of the housing market: affordable rentals, attached housing attractive to older adults, and entry level equity units.



# Downtown Progress and Demand

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- Development Costs and Risks
- Downtown Progress**
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation



Downtown has been a bright spot for housing development in Garden City since 2008. The continuing high occupancy of the Warren Building and other more recent projects demonstrate the market for quality, market-rate rental housing in downtown and throughout the city. Even more important, these projects have stretched the range of feasible rents: downtown units can now achieve rents in the \$1–\$1.25/square foot range. With some incentives and gap financing at the margins, these rents are sufficient to produce a self-sustaining downtown market. Downtown property managers and interests are convinced that this market can absorb a substantial number of new units.

# Competitive Position/Retail Strength

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- Development Costs and Risks
- Downtown Progress
- Competitive Position/Retail Strength**
- Growing Rental Feasibility
- Housing Conservation



Finney County's retail base, led by Garden City, has been critical to the area's leadership in the region, and its continued competitive advantage. This continued retail dominance provides the city with many advantages, among which are:

- A strong competitive advantage over peer cities in attracting and retaining managers and professionals.
- Revenue potential through sales taxes, a portion of which can be reinvested in the community.
- A significant source of jobs, including jobs that supplement the income of a household's primary earner.

In addition, Finney County's competitive position is further enhanced by public transportation – improving commercial air service featuring regional jets to DFW, UPS and FedEx flights, and daily Amtrak service to Kansas City, Chicago, and Los Angeles. These help counter the area's relative geographic isolation.

# Growing Rental Feasibility

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- Development Costs and Risks
- Downtown Progress
- Competitive Position/Retail Strength
- Growing Rental Feasibility**
- Housing Conservation



Since 2008, the nationwide demand for rental housing has grown dramatically, as new households continue to seek housing but the mortgage instruments that helped to produce an economic crisis are (thankfully) no longer available. This has a particularly strong impact on rural areas and small and medium-sized cities, where people tend to think about owner-occupied prices in contemporary terms, but view rent levels from a 1975 perspective. By contrast, rents in Garden City have moved up significantly between 2000 and 2010, and typical rents are now placed in a range up to \$750/1,300. This creates a burden for lower income residents, but also makes it increasingly possible that developers can achieve adequate rents to make their projects work economically.



# Growing Rental Feasibility

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Ultimately, this also benefits low and moderate income renters. With a greater supply of new rental housing, older units are less competitive and are less able to command excessive rents. In order to remain competitive, they also experience increasing pressure for at least cosmetic upgrades. Outside of tax credit assisted, new construction projects, we must assume that lower cost housing will inevitably be provided by older, lower amenity units; however, these units should be safe, decent, and priced appropriately.





# Housing Conservation

- Continued Market Shortages
- Limited New Production
- Census Anomalies
- Development Costs and Risks
- Downtown Progress
- Competitive Position/Retail Strength
- Growing Rental Feasibility
- Housing Conservation**

Given construction costs, most housing units affordable to households of moderate are already built. Therefore, Finney County's communities must do their best to conserve existing units. Garden City and Finney County do not currently have homeowner rehab assistance programs, and these efforts can both help individual owners and prevent decline of housing units. Other programs, like tax abatements through the Neighborhood Revitalization Program, have generally not been effective at generating reinvestment in existing properties.

Additionally, many Kansas cities have certified Community Housing Development Organizations (CHDO) or nonprofit community development corporations that can fill important roles in both new development and rehabilitation. There are no CHDO's or CDC's currently operating in the county.





**Directions Forward**



# Strategic Objectives

Garden City and Finney County have made some progress in addressing the housing issues identified by the 2008 CHAT. These included significant new development projects, downtown adaptive reuse, and upticks in typical rental rates that have increased the feasibility of market–rate new construction and downtown rehabilitation. The City has also provided moderate incentives to promote new housing construction, including a \$3,000 rebate to builders of eligible homes, and waiver of some permit and utility connection fees.

In general, though, the issues discussed in the 2008 CHAT remain relevant and housing production was well below the needs and projections identified in that report. The result of this underproduction is a very tight housing market, with little rental availability, few current real estate listings, reported shortages across a broad price range, and relatively few improved lots. In addition, probable employment growth by local industries and the uncertain but potentially very large impact of energy–related businesses will add potential demands that could add further stress to the regional housing market.

# Strategic Objectives

As the area continues to address housing challenges, we recommend the following strategic objectives:

- Rethink assumptions of land cost, infrastructure, and density that seem to be affecting production.
- Meet the continued demand in two critical market segments: market–rate rentals and moderately–priced equity housing.
- Use strategic rehabilitation and housing conservation focuses that will both conserve housing stock and produce moderately priced owner–occupied and rental housing.
- Continue a focus on downtown residential growth as both a rental housing solution and a downtown revitalization tool.

# Land Costs and Density Assumptions

## 1



Perceptions of land costs and density assumptions seem to be discouraging the Garden City area from pursuing housing opportunities. Specifically, land costs and development costs are cited as factors that make single-family subdivisions unfeasible. We believe these opinions are based on several assumptions, including:

- A sense that \$10,000 to 20,000/acre within the city's urban service area is too much to pay for land.
- Development densities will be similar to existing single-family development.



# Land Costs and Density Assumptions

## 1



But we think that these opinions bear revisiting. While the \$10,000–20,000/acre land costs seem excessive in rural areas where land has traditionally been less expensive, it is within the range of costs for developable urban residential land. But more to the point, higher land costs generate higher density development – and higher density solutions in the form of small lot single–family and attached housing are increasingly favored in national markets and may the price of housing affordability in Garden City and surroundings.

# Land Costs and Density Assumptions

## 1

To illustrate:

—Typical gross density (including streets) for recent single-family additions ranges from 2.1 to 2.9 units/acre. If we assume an average of 2.5 units/acre, land cost per lot ranges from \$4,000 to \$8,000 (based on a \$10,000–20,000/acre land cost).

—Typical density for single-family development in the traditional city is about 4.5 units/acre. Assuming the same land cost, subdivisions built to this density range from \$2,200 to \$4,400 per lot. Higher density assumptions can make a difference in considering feasibility.



# Land Costs and Density Assumptions

1

Approximately doubling the gross density decreases the cost of infrastructure per unit by almost half. These changed assumptions can dramatically affect feasibility calculations.

Higher density development becomes more palatable if the project includes distinctive features such as thematic lighting, gateways, and small common spaces



# Housing Partnership

## 2

**The 2008 CHAT recommended a housing partnership that included a housing development organization such as a CHDO and a Lending Consortium that pools resources to provide interim financing for important regional housing projects. This recommendation remains valid program focusing on at least two critical programs:**

- Development of a critical mass of moderately–priced homes, probably within the context of a larger, more economically diverse subdivision. This type of effort spreads the risk of developing housing in these price ranges (\$100–150,000) to a community, rather than focusing it on homebuilders who are adverse to these risks.
- Purchase and rehabilitation of existing houses to provide completed houses at relatively low cost to new homebuyers.





# Housing Partnership

2



Moderately-priced housing through a community-based program. In **Sioux Center**, a growing community in northwest Iowa, a community land development corporation, capitalized by 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 out a 70 home subdivision in this way.



# Housing Conservation: A CHDO Focus

2



**An approach based on maintenance and enhancement of housing stock, will produce greater strategic productivity.** In an acquisition/rehabilitation/resale program, the City or CHDO buys feasible houses at reasonable market cost, rehabilitates them, and resells the upgraded unit on a turnkey basis to new homeowners. The Neighborhood Revitalization Program (NRP) can provide a tax abatement that can be passed on to the eventual buyer.

A service-oriented program to address specific problems of senior or low-income owners, such as Habitat's new Brush with Kindness program, could also be established to respond to specific emergency needs.

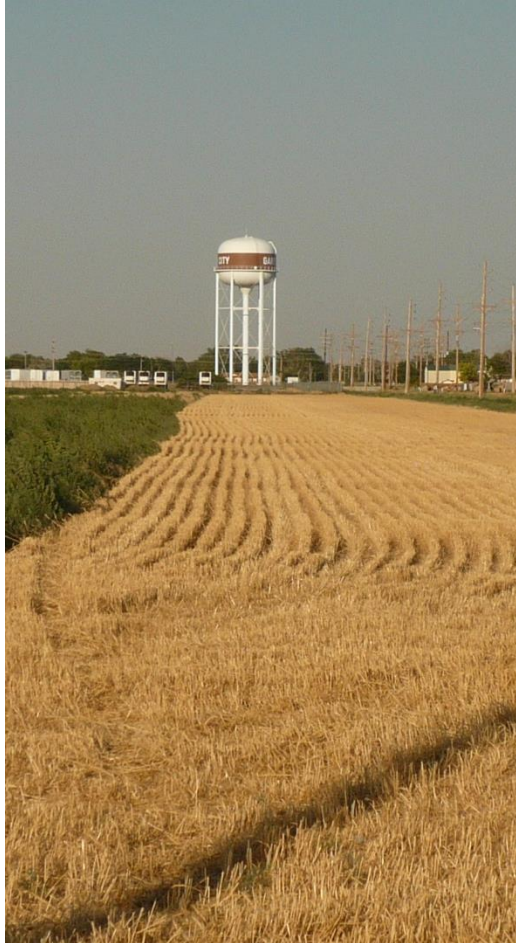


**Market rate rental development was spotlighted in the 2008 CHAT and remains a critical need in 2012.** To review, program directions identified in the 2008 included:

- Defining sites suitable for higher—density housing.
- Creating design criteria for rental
- Considering advance acquisition of sites
- Creating development partnerships including businesses and institutions with similar recruitment needs.
- Using joint city/chamber/economic development corporation efforts to recruit developers as needed and to help assemble financing packages that encourage these specific project types.
- Continuing to encourage downtown housing, including both adaptive reuse and new construction on underused sites around the primary Main Street corridor.

# Housing Investment Resources

## 4



**The 2008 CHAT recommended establishing a dedicated housing fund to provide capital for critical housing initiatives.** The regional retail dominance of Garden City can help provide resources for such a fund through an additional local option sales tax or directing a portion of incremental sales taxes to a Housing Investment Fund. The virtue of a locally generated program is its lack of outside regulation: the program can be used as the community sees fit, rather than fit the restrictions of federal or state programs.



# Downtown Residential in Garden City

5



**Residential development in Downtown Garden City presents great opportunities for satisfying rental housing needs and creating a lively and appealing city center.** Community initiatives, including NRP incentives, historic and housing tax credits, and gap financing should continue to reinforce this highly desirable product and strengthen existing trends. In addition, the city should consider assembling underutilized sites on the edge of downtown for new construction urban housing, including attached or townhouse development.



# The Finney County CHAT Update



## A Community Housing Assessment Team Study

Martin H. Shukert, FAICP & Amy Haase, AICP  
April 10, 2017 **Update**