



EL DORADO CITY COMMISSION - WORK SESSION AGENDA
CITY HALL – 220 E. FIRST AVENUE
February 28, 2024 - 5:00 PM

Work Session Discussion Items:

- a.** Housing Work Plan
- b.** Consideration of an Ordinance Designating a Common Consumption Area
- c.** Consideration of the Designation of the Official City Newspaper

Regular Agenda Preview:

- a.** Items to be Placed on the Consent Agenda
 - i. Meeting Minutes
 - ii. Butler Community College's Temporary CMB License
- b.** Items to be Placed on the Regular Agenda
 - i. Excess Sales Tax Recommendation
 - ii. N. Main CCLIP Bids Walnut Complex Parking
 - iii. Set Hearing for Condemnation Proceedings

Reports:

- a.** City Commission Reports
- b.** City Manager Report

TO: City Commission
FROM:
SUBJ: Housing Work Plan
DATE: February 28, 2024

Background:

The City Commission recently identified "housing" as a strategic priority for the municipal government to focus on over the next few years. The purpose of the work plan is to define actionable tasks under the City's control to facilitate progress in the priority area. Each actionable item will include a timeline, expected outcomes, and an evaluation methodology. It will also define the individual responsible for completing the task. These elements are intended to provide a framework for accountability and transparency. Ultimately, the city manager is responsible to the City Commission for the completion of the actionable items included in each work plan.

Attachments:

1. 2024 Housing Work Plan DRAFT
2. 2023 El Dorado Housing Assessment
3. 2021 Kansas Housing Assessment Goals Strategies

Policy Issue:

What actions should the City take to facilitate residential opportunities? There are many actions the City could take to facilitate housing development within the community. The spectrum of public involvement in housing can range from minimal government intervention to extensive involvement in various aspects of housing policy, regulation, and provision. Below is a breakdown of the spectrum of public involvement. The City will need to determine what level of involvement to take to effect housing development in the community.

- **Laissez-faire Approach:** In this approach, governments have minimal involvement in housing. The market largely determines housing availability, affordability, and quality without significant regulatory intervention. Private developers and individuals drive the construction and management of housing units.
- **Regulatory Intervention:** Governments may intervene to regulate certain aspects of the housing market, such as building codes, zoning laws, and health and safety standards. This ensures that housing meets basic requirements and protects public health and safety without directly providing housing units.
- **Subsidies and Financial Assistance:** Governments may provide subsidies or financial assistance to individuals or organizations to improve access to housing, particularly for low-income or vulnerable populations. This can include rent subsidies, housing vouchers, or tax incentives for affordable housing development.
- **Public Housing:** Direct provision of housing by the government is another level of involvement. Public housing projects are owned and operated by governmental agencies or public housing authorities. These units are typically rented to low-income individuals or families at below-market rates.
- **Mixed-Income Developments:** Governments may encourage or facilitate mixed-income developments, where housing units are available to residents across a range of income levels. This approach aims to promote economic integration and social cohesion within neighborhoods.
- **Community Land Trusts and Cooperatives:** These models involve community ownership or stewardship of land and housing, often with a focus on long-term affordability and resident participation in decision-making processes.

- **Housing First Initiatives:** Particularly for addressing homelessness, some governments adopt a "Housing First" approach, which prioritizes providing stable housing as a first step, often coupled with supportive services to address underlying issues.
- **Tenant Protections and Rights:** Governments may enact laws and policies to protect tenant rights, such as rent control, eviction protections, and anti-discrimination measures. The level of public involvement in housing can vary significantly depending on factors such as political ideology, economic conditions, social priorities, and historical context. It's often a balancing act between ensuring housing affordability, quality, and accessibility while also promoting market efficiency and individual autonomy.

Fiscal Impact:

The work plan does not specifically identify the fiscal impact of the items contained in the plan. The purpose of this exercise is to provide some ideas of actions the City could take to facilitate progress in this strategic priority area. The list of items included in the draft work plan should not be considered complete, as other ideas could be taken to facilitate progress in the priority area. Further financial analysis will be required depending on the actions included in the final version.

Trade-offs:

Staff Recommendation:

Commission Action:

Presently, the City Commission does not have any formal actions to take concerning this priority area at this time. The city manager is presenting a draft work plan to provide the City Commission with an opportunity to review it and provide comments. The city manager will ask the City Commission to formally adopt the work plan once the actions have been finalized.

2024-26 City Commission Strategic Priorities Work Plan

Priority Area 1: Housing					
Key Action Step	Timeline	Expected Outcome	Evaluation Methodology	Responsible Person	Comments
<i>Define each action step on its own row. Define as many action steps as necessary by adding rows to the table.</i>	<i>An expected completion date (month and year) must be defined for each action step.</i>	<i>An expected outcome must be defined for each action step.</i>	<i>An evaluative measure must be defined for each action step.</i>	<i>A responsible person must be identified for each action step.</i>	<i>Comments are optional.</i>
Establish a policy for Revitalization Housing Investment Districts (RHID).	April 2024	Commission approves policy; application and fee established.	Approved policy by City Commission.	David Dillner	Sarah Hoefgen prepared a draft policy for review.
Distribute an RFP to solicit interest in an MIH/KHITC application from housing developers.	May 2024	Selection of a proposal to submit to the KHRC for consideration for MIH/KHITC funds.	Selection of a proposal and submittal of an application to KHRC.	David Dillner	Several developers have expressed an interest in submitting a proposal.
Create at least one RHID.	June 2024	Development of at least 20 new residential units.	Number of RHIDs created; number of units developed.	David Dillner	Several projects likely await the creation of policy.
Renew the Neighborhood Revitalization Program (NRP).	November 2024	Commission/County/USD renews NRP for another five years.	Approved policy by City Commission.	Scott Rickard	Existing NRP expires at the end of 2025.
Review development policies and incentives and make appropriate changes.	February 2025	Commission approves amendments to policies.	Approved policy by City Commission.	David Dillner	
Review local residential zoning regulations Future Land Use Map and make appropriate changes.	May 2025	Updated regulations and future planning to account for changes in the housing market and anticipated land use.	Adoption of streamlined regulations and a future land use map that more closely aligns with current and future land use trends.	Scott Rickard	
Prepare a capital plan to serve residential growth areas.	November 2025	Development of a multi-year capital plan that identifies infrastructure needed to serve growth areas.	Creation of a list of actionable projects needed to serve future development.	David Dillner	



EL DORADO
THE FINE ART OF LIVING WELL

Housing Needs Assessment

City of El Dorado | August 2023

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PUBLIC POLICY & MANAGEMENT CENTER

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Acknowledgements

The Public Policy and Management Center (PPMC) would like to thank David Dillner (El Dorado City Manager), Sarah Hoefgen (Executive Director of El Dorado, Inc.), and the many focus group participants who assisted with input into this report.

Disclaimer

This study was conducted by the PPMC at Wichita State University. The PPMC is an independent research body unaffiliated with the City of El Dorado. This report was prepared by the research team and data collected from external sources. PPMC's findings are based on assumption of data accuracy received from internal and external sources. The findings represent the findings, views, opinions, and conclusions of the research team alone. The report does not express the official or unofficial policy of Wichita State University.

Introduction

Affordable housing is a major contributing factor to a balanced and well-functioning city and in turn, its communities, and neighborhoods. The City of El Dorado undertook this Affordable Housing Needs Assessment to establish a data-based foundation for the creation and preservation of affordable housing. The need for affordable housing cannot be easily reduced to one number or one need. Maintaining affordable housing is a complex and dynamic pursuit. Important highlights from the assessment include:

Data

- 60% of El Dorado residents are homeowners; 40% are renters
- Median home values, rents, and incomes have increased since 2016
- Approximately 12% of El Dorado houses are currently vacant
- 53% of El Dorado houses were built before 1960; 75% before 1980
- Housing deficits exist for home owners earning more than \$50,000 per year and renters earning between \$5,000 and \$20,000 per year

Stakeholder Feedback

- The cost of development, specifically the cost of construction, was identified as a major barrier to housing in El Dorado
- There are significant land and geographic barriers limiting housing expansion
- Stakeholder consensus was a greater diversity of housing types and a focus on ownership are essential
- An unfavorable perception towards non-single-family homes and zoning are obstacles to diversifying housing
- Stakeholders believe the lack of housing in El Dorado has a systemic impact, limiting community growth and economic development
- Stakeholders would like to see El Dorado take advantage of current State funding opportunities available

Background

A housing needs assessment is a comprehensive endeavor aimed at gathering extensive information and conducting a thorough analysis of housing needs and challenges within a specific geographic area, which:

- Provides a clear understanding of the dynamics of the housing market
- Identifies gaps between housing supply and demand
- Informs the development of effective housing policies and interventions

The assessment is a critical step in addressing the housing needs of a community and ensuring that housing options align with the diverse requirements of its population.

The primary objectives of conducting a housing needs assessment are:

- *Identify Housing Needs:* One of the primary goals of the assessment is to identify the specific housing needs of various demographic groups residing in the area. This includes low-income households, seniors, students, individuals with disabilities, and others. By gathering insights into the types of housing required, such as affordable housing, supportive housing, rental units, or homeownership opportunities, the assessment enables targeted strategies to address the identified needs.
- *Understand Housing Affordability:* Assessing housing needs involves a comprehensive analysis of housing affordability within the target area. It aims to determine whether the available housing options are financially viable for the population and sheds light on the affordability challenges faced by households. This information is crucial for designing appropriate policies and programs to tackle housing affordability issues effectively.
- *Inform Policy Development:* A housing needs assessment serves as the foundation for policy development. By analyzing the gathered data and identifying housing gaps and challenges, policymakers can make well-informed decisions and formulate targeted strategies to address the housing needs of the

community. The assessment aids in the allocation of resources, prioritization of interventions, and the development of policies that align with the specific requirements of the local housing market.

- *Plan for Future Housing Development:* The assessment provides valuable insights into future housing demand, enabling proactive planning and development. By understanding population projections, demographic trends, and economic factors, policymakers and developers can anticipate future housing needs. This information helps determine appropriate housing targets and plan for the construction and renovation of housing units accordingly.
- *Support Funding Applications:* Housing needs assessments play a crucial role in securing funding for housing-related initiatives. The findings and recommendations derived from the assessment can be used to support grant applications, funding requests, or partnership proposals. A robust needs assessment strengthens the case for funding by providing evidence-based justifications for the allocation of resources.
- *Engage Stakeholders:* Engaging various stakeholders is an integral part of the housing needs assessment process. This includes government agencies, housing developers, community organizations, and residents. Involving these stakeholders throughout the assessment fosters collaboration and ensures that diverse perspectives and insights are considered. Such engagement creates a sense of ownership and collective responsibility in addressing the housing challenges identified.
- *Monitor and Evaluate Progress:* A housing needs assessment establishes a baseline against which progress can be measured. By periodically repeating the assessment, policymakers can monitor changes in housing needs, assess the effectiveness of implemented policies, and make necessary adjustments to housing strategies over time. This monitoring and evaluation process ensures the identified housing needs continue to be addressed in a dynamic and responsive manner.

In summary, a housing needs assessment serves as a crucial tool for policymakers, administrators, and stakeholders to gain a comprehensive understanding of housing market dynamics, identify specific housing needs, and guide the development of targeted policies and interventions. The assessment is vital in addressing housing affordability issues, planning for future housing development, and ensuring that housing options effectively meet the diverse needs of the population.

Demographics

Knowing the demographic makeup of an area is key to understanding and addressing the housing needs of a community. Data on age, racial composition, disability, and socioeconomic status can reveal who lives in the area and inform decisions about how to allocate scarce resources to best meet the needs of the people. Examining demographic data can also provide insight into mobility trends among different populations into and out of the geographic area.

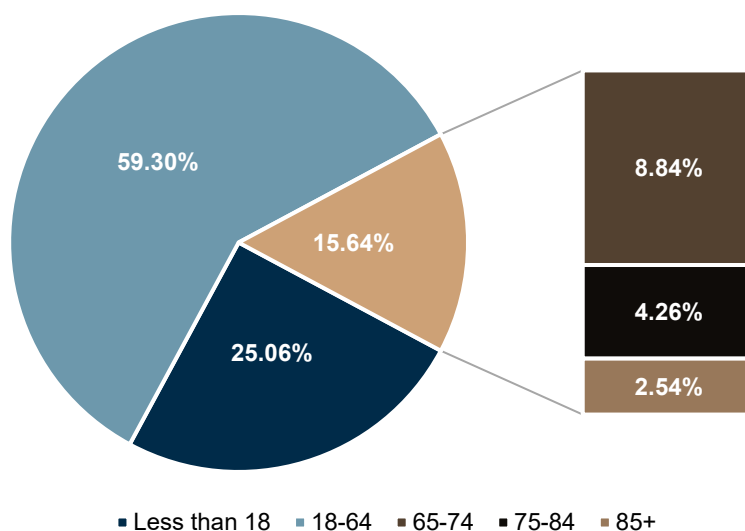
Population

Total Population

12,855

Source: U.S. Census Bureau, American Community Survey 5-year estimates

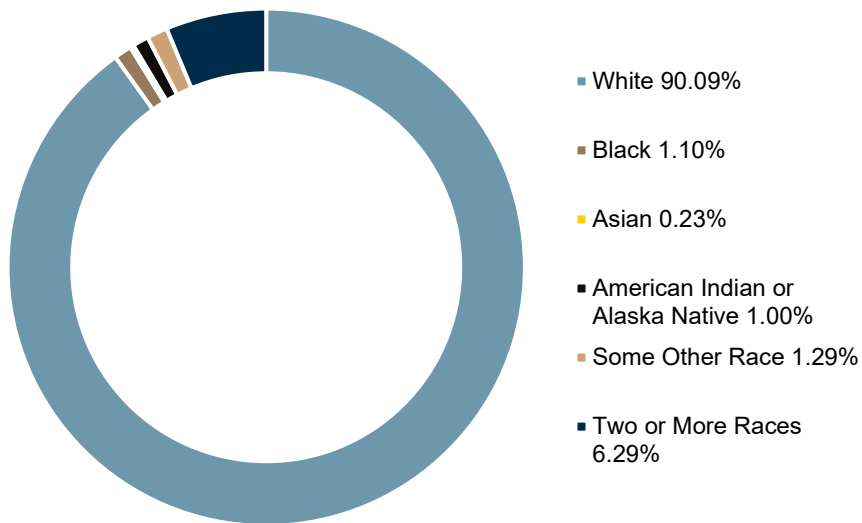
Figure 1: Population by Age



Source: U.S. Census Bureau, American Community Survey 5-year estimates

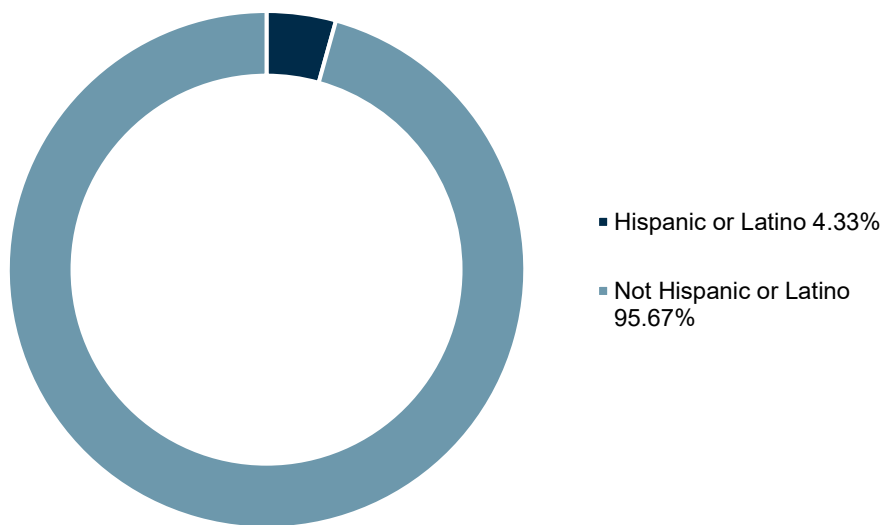
Race and Ethnicity

Figure 2: Racial Composition



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Figure 3: Ethnic Composition

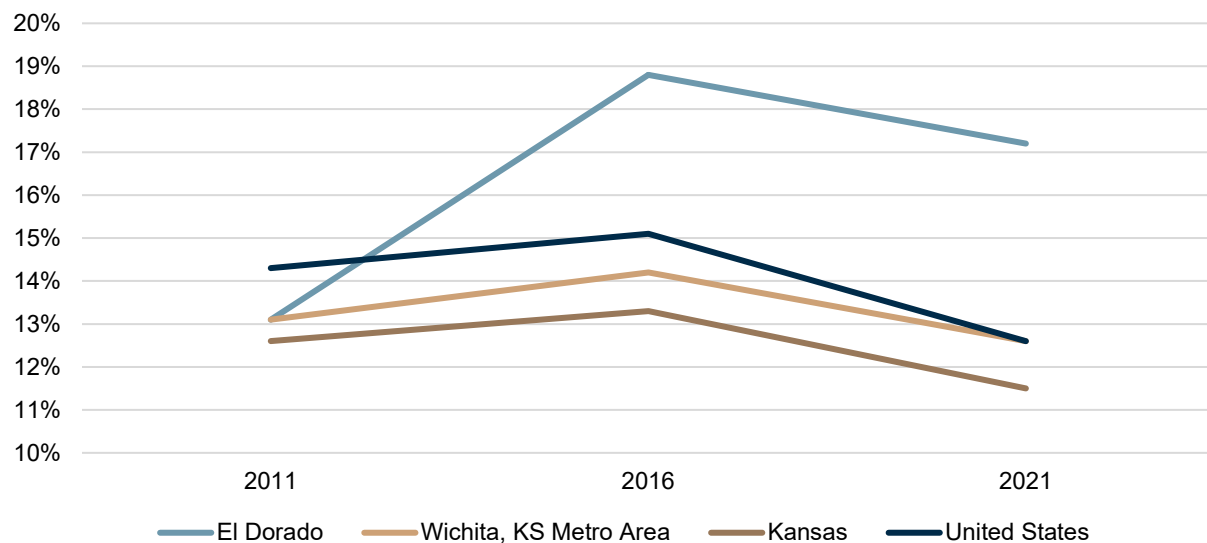


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Poverty Level and Trend

Monitoring the poverty rate is important to understanding community needs. Tracking the poverty rate over time allows policy makers to discern significant trends that may signal noteworthy shifts, such as the increase or decrease in economic distress or changes in the demographic makeup of an area driven by a lack of affordable housing. By closely examining changes in the poverty rate, policymakers and stakeholders can gain valuable insights into the socioeconomic dynamics at play and make informed decisions regarding resource allocation and targeted interventions to address the evolving needs of the community.

Figure 4: Local, State, and National Poverty Levels

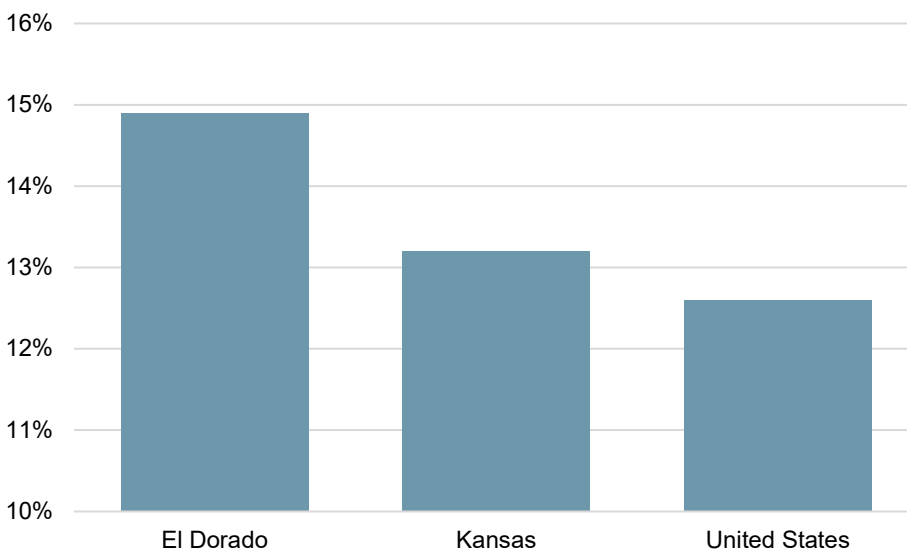


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Share of Population with A Disability

Disabilities include not only physical disabilities, but also developmental and other non-physical disabilities, each with distinct and varying requirements. Certain individuals with physical disabilities require housing accommodations such as wider doorways or easily accessible showers. Recognizing the unique needs stemming from different types of disabilities is paramount when addressing housing considerations.

Figure 5: Share of the Local, State, and National Populations with a Disability (includes both physical and non-physical disabilities)



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Housing Stock Characteristics

An understanding of the housing stock's characteristics allows policy makers to identify and proactively address potential issues that may require attention. This includes concerns related to substandard housing quality or vulnerability to flooding risks. Additionally, a thorough assessment of the housing stock enables the identification of discrepancies between the available types of housing units and the specific needs of the population. By closely examining these dynamics, policymakers and stakeholders can make informed decisions regarding interventions, ensuring that the housing stock is aligned with the needs of the community and mitigating any mismatches that may impede optimal housing outcomes.

Housing Values

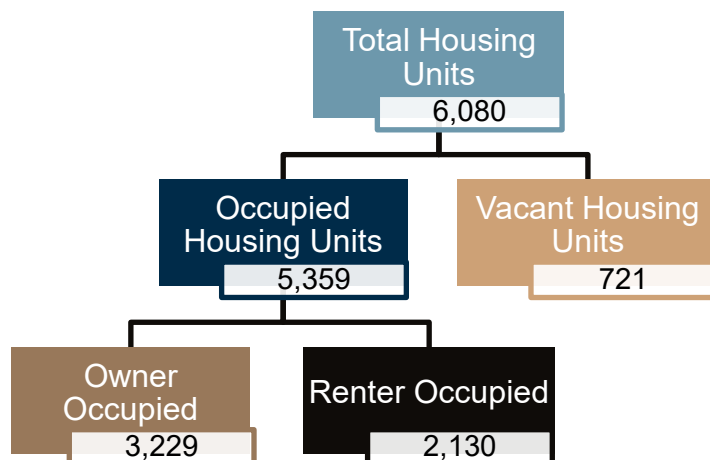
Median Home Value = \$97,800

Median Gross Rent = \$806/month

Source: U.S. Census Bureau, American Community Survey 5-year estimates

Housing Stock

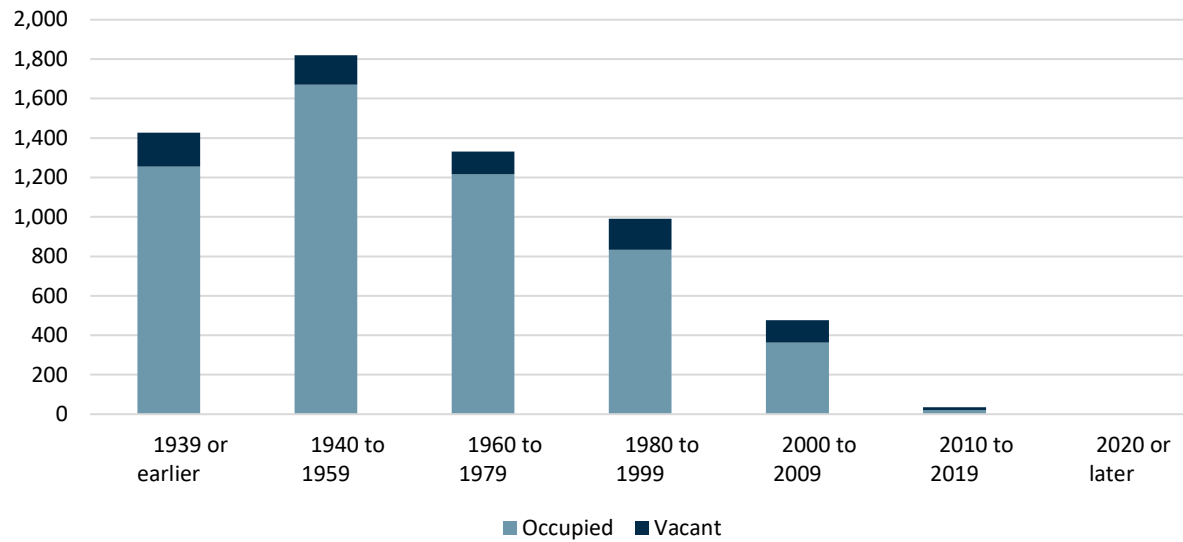
Figure 6: Total Housing Stock



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Older homes tend to require more maintenance and investment relative to newer homes, so it can be helpful to know the age distribution of the local housing stock.

Figure 7: Age of Housing Stock

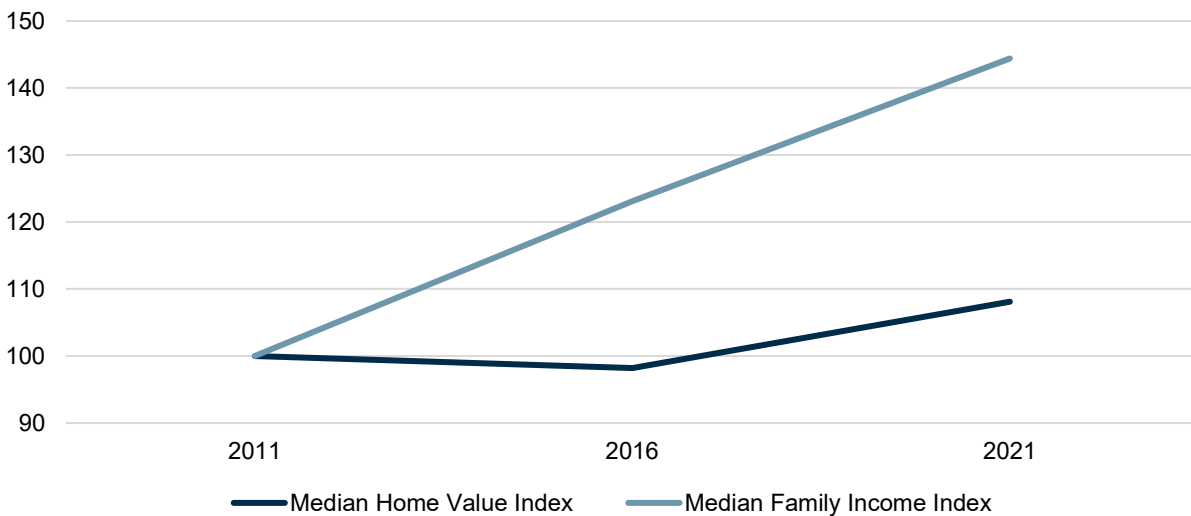


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Affordability

Ownership Affordability

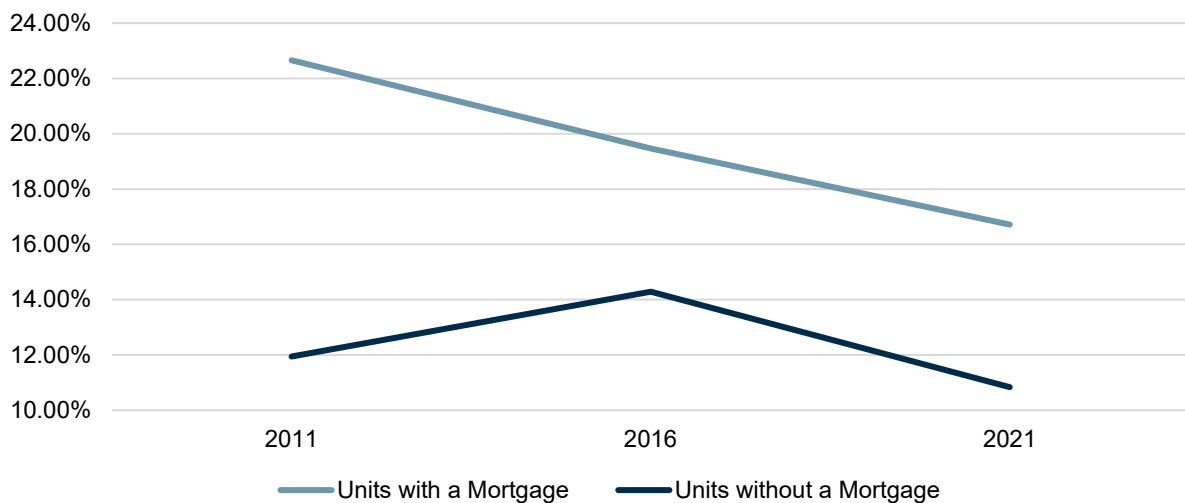
Figure 8: Trends in Home Values and Income



Source: U.S. Census Bureau, American Community Survey 5-year estimates

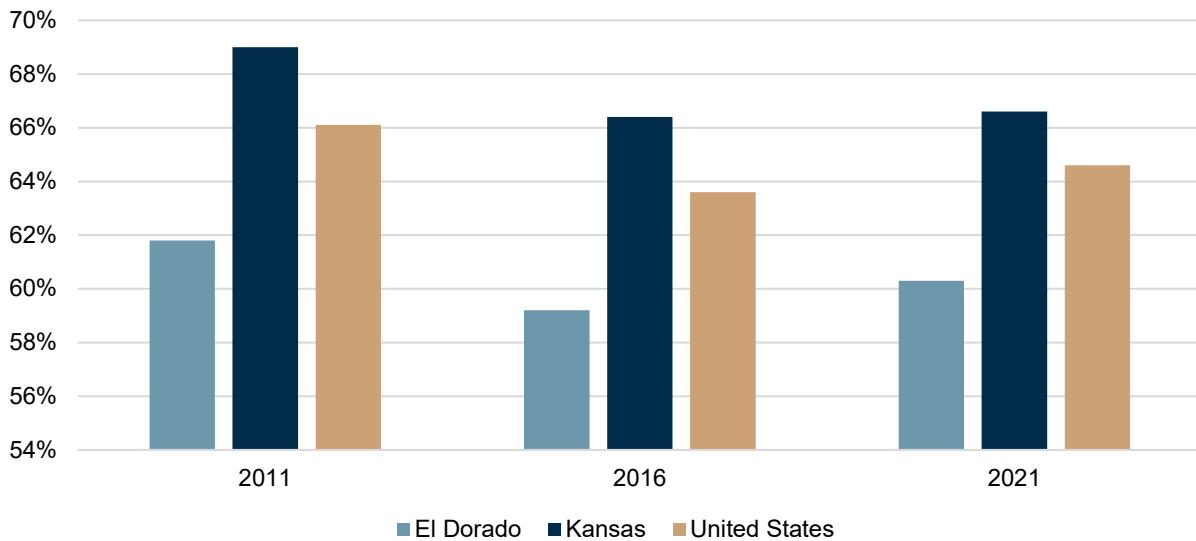
Note: Dollar values have been turned into index numbers with their year 2011 values set to 100. The values have not been adjusted for inflation.

Figure 9: Median Monthly Housing Costs as a Percentage of Median Income



Source: U.S. Census Bureau, American Community Survey 5-year estimates

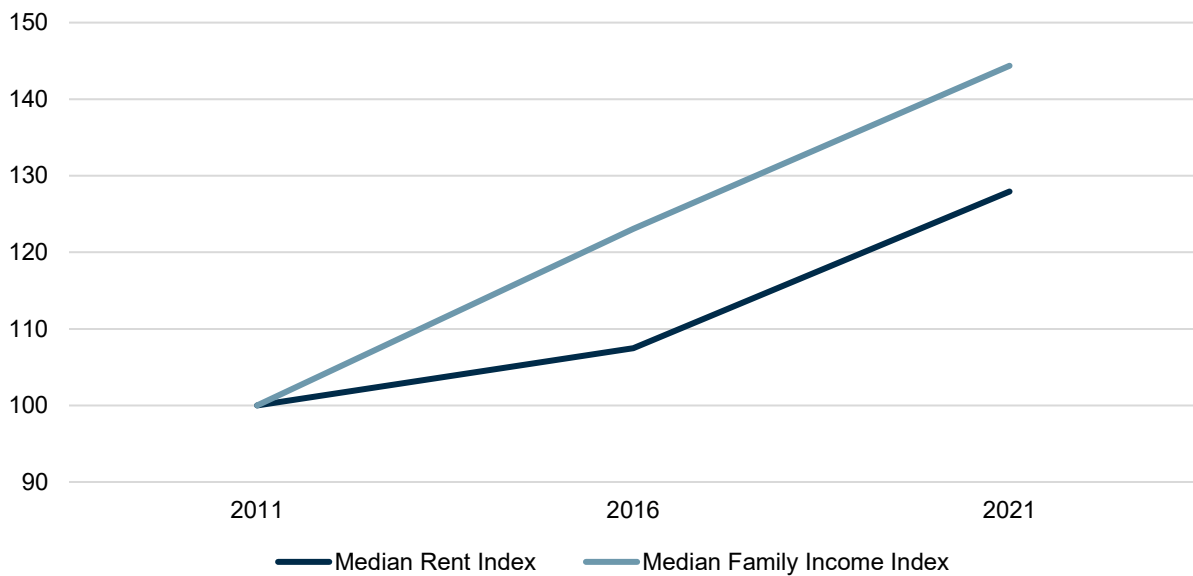
Figure 10: Home Ownership Rate



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Rental Affordability

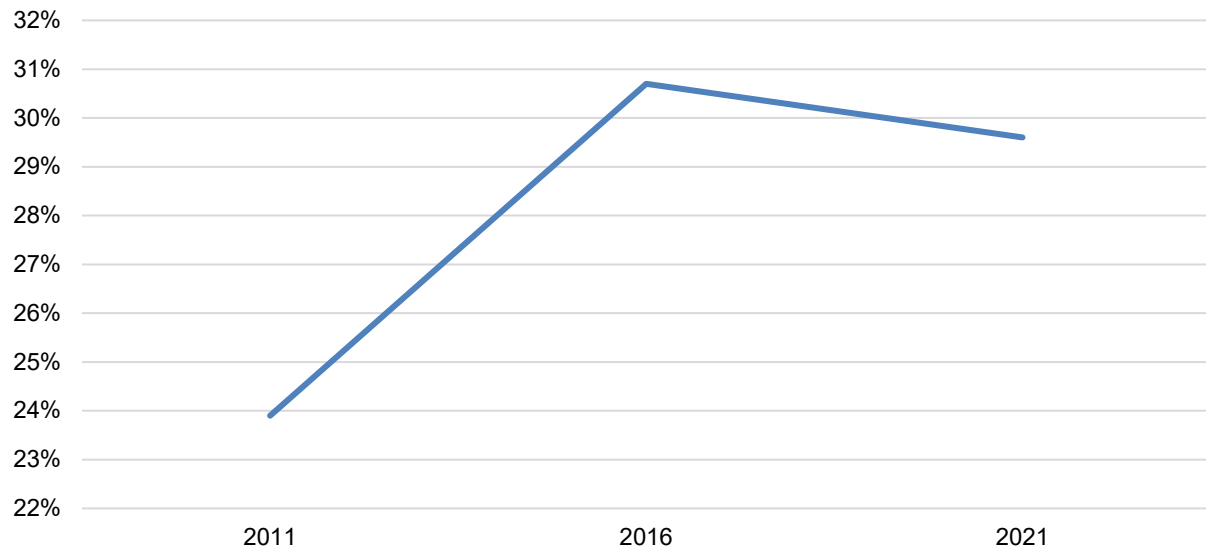
Figure 11: Trends in Rent and Income



Source: U.S. Census Bureau, American Community Survey 5-year estimates

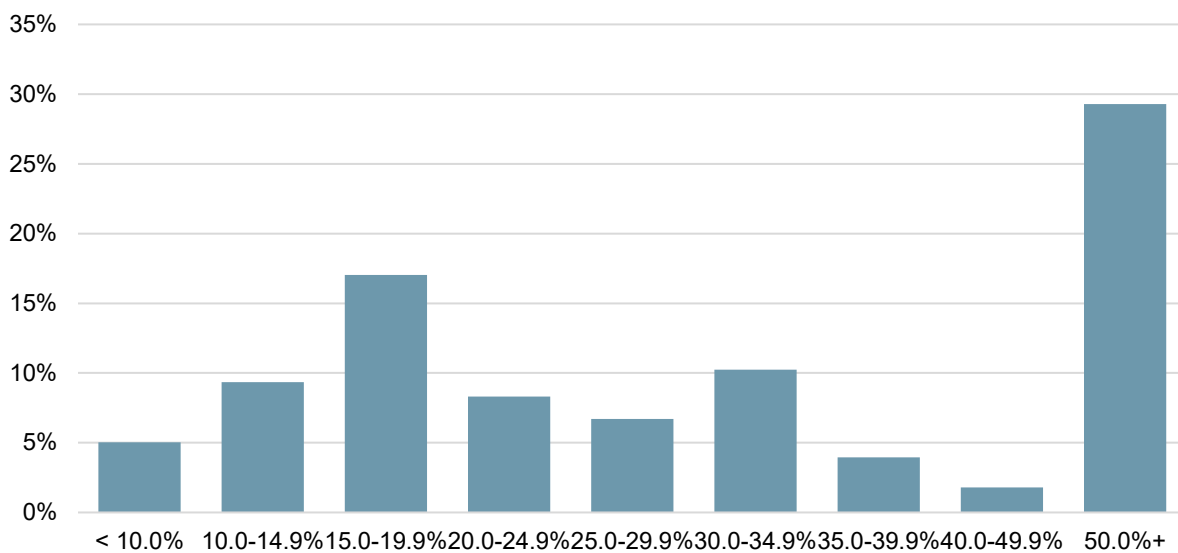
Note: Dollar values have been turned into index numbers with their year 2011 values set to 100. The values have not been adjusted for inflation.

Figure 12: Median Gross Rent as a Percentage of Household Income



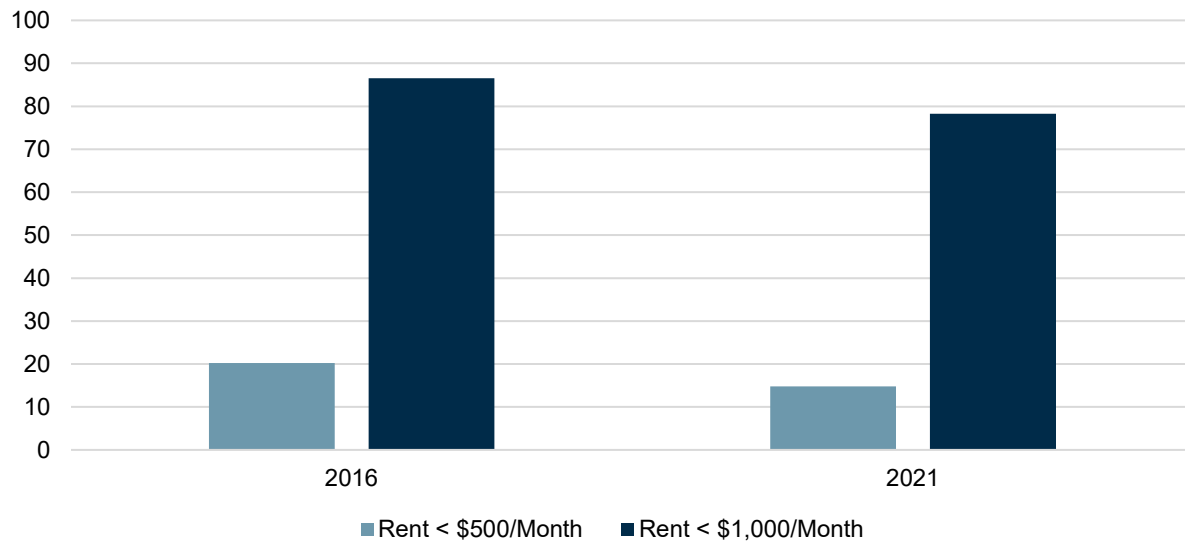
Source: U.S. Census Bureau, American Community Survey 5-year estimates

Figure 13: Gross Rent as a Percentage of Household Income (2021)



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Figure 14: Percent of Rental Units below \$500 and \$1,000 a Month

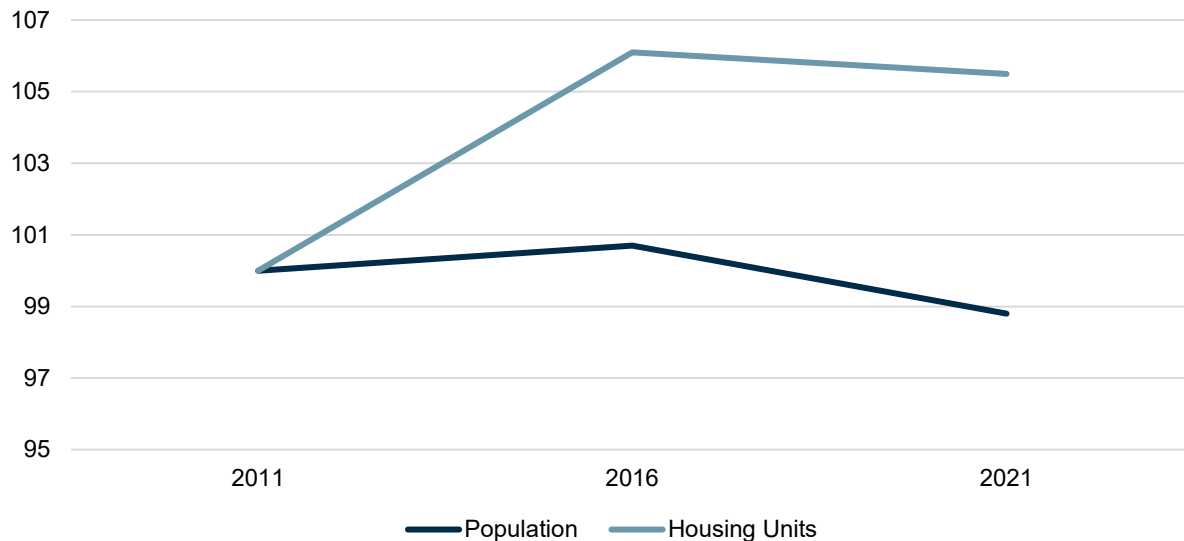


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Alignment of Supply and Demand

The following chart provides insights into the alignment between housing supply and population. When the population decline surpasses the growth of the housing stock, an excess of housing units may arise, putting downward pressure on property values. Additionally, this surplus can contribute to increased vacancy rates. On the other hand, when the population outpaces the housing stock, there is typically a decline in the vacancy rate as vacant units are occupied.

Figure 15: Rates of Housing Supply versus Population



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Note: Relative changes in population and housing units have been turned into index numbers with their year 2011 values set to 100.

Table 1: Affordability by Income Level

Income Range	Maximum Affordable Home Price		Number of Units in Income Range		Households in Income Range		Surplus (+) or Deficit (-)	
	Lower Limit	Upper Limit	Owner-Occupied	Rented	Owners	Renters	Owner-Occupied	Rented
Less than \$5,000	\$ -	\$ 16,362.2083	123	220	34	105	89	115
\$5,000 to \$9,999	\$ 16,362.2083	\$ 32,721.1442	123	74	25	107	98	-33
\$10,000 to \$14,999	\$ 32,724.4167	\$ 49,083.3526	123	73	66	330	57	-257
\$15,000 to \$19,999	\$ 49,086.6250	\$ 65,445.5609	511	73	141	156	370	-83
\$20,000 to \$24,999	\$ 65,448.8333	\$ 81,807.7692	389	315	57	165	332	150
\$25,000 to \$34,999	\$ 81,811.0417	\$ 114,532.1859	800	630	289	247	511	383
\$35,000 to \$49,999	\$ 114,535.4583	\$ 163,618.8109	592	486	528	493	64	-7
\$50,000 to \$74,999	\$ 163,622.0833	\$ 245,429.8526	330	237	640	239	-310	-2
\$75,000 to \$99,999	\$ 245,433.1250	\$ 327,240.8942	178	22	653	136	-475	-114
\$100,000 to \$149,999	\$ 327,244.1667	\$ 490,862.9776	30	0	654	152	-624	-152
\$150,000 or More	\$ 490,866.2500	∞	30	0	142	0	-112	0

Source: PPMC calculations using U.S. Census Bureau, American Community Survey 5-year estimates

The maximum affordable home price represents the maximum home price that would result in a household paying 30 percent of gross income toward a mortgage, taxes, and insurance. The mortgage payment is calculated for a 30-year mortgage at a 7.5 percent rate and a 20 percent down payment. The property taxes assume a mill rate of 170.

Stakeholder Feedback

Methodology

The PPMC conducted four focus groups on June 9, 2023. The purpose of these discussions was to learn about the state of the local housing market directly from El Dorado leaders, businesspeople, realtors, and residents.

The project's steering committee helped identify community members to be invited to the focus groups. Expanding on a list of stakeholders who were engaged for a previous housing study in 2019, they identified thirty-eight people to invite. Sixteen people participated. Two of the 16 participants answered the questions via email because they were unable to attend.

Findings

Barriers to Housing

Participants were asked to identify barriers to a prosperous housing market in El Dorado. Their answers covered a range of topics from housing development and construction to homebuying.

Cost of Development & Construction

Focus group participants identified the cost of development as a main barrier. Since the cost of development depends on the cost of construction, developers must build decently sized homes to offset the cost of construction. This limits what types of housing can be developed.

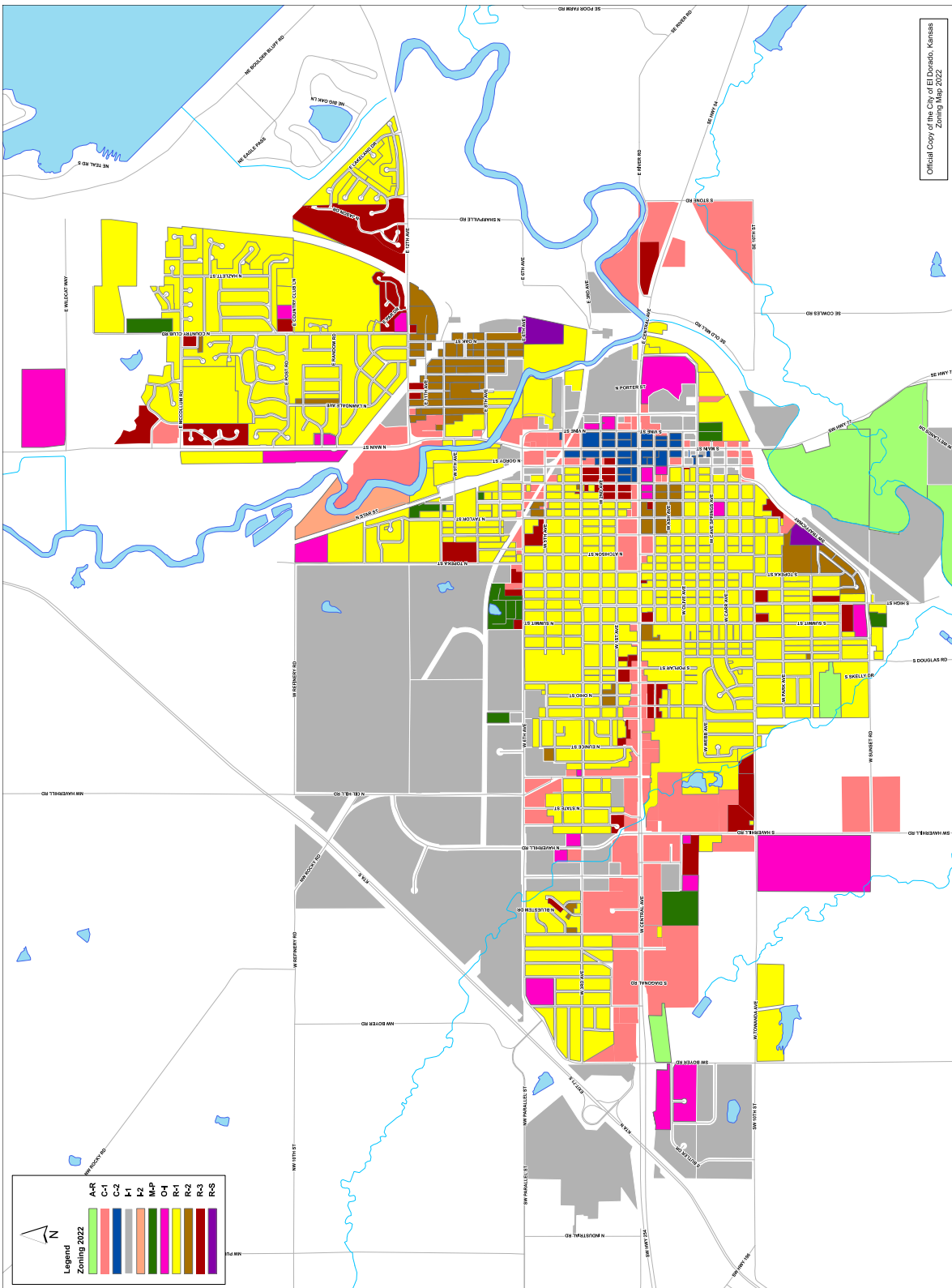
Lack of infrastructure like streets and other utilities adds significantly to the cost of development. There are not many large plots of land already set up with the necessary infrastructure. There are some small plots of land with existing infrastructure in the city that could be developed individually; however, sporadic development is not the most profitable for developers.

Some participants felt local developers are not equipped to attempt large scale development or willing to take on the financial risk associated with it. Costs can be driven up when there is little competition among local developers. While profit is always a primary interest, local developers with connections to the community may also prioritize community interests. One participant recalled that El Dorado used to have more local developers. Nowadays there are few local developers willing to take on the financial risk.

Geographic Barriers

The land and geographic makeup of El Dorado make housing expansion and development challenging. A significant floodplain and the El Dorado Correctional Facility limit expansion east of town. Barriers south and west of town include the oil refinery, oil transmission mains, and floodplains.

Figure 16: El Dorado Zoning Map



Participants identified North El Dorado as the primary location for future development. Discussions highlighted some challenges associated with development in the north.

- Currently, North El Dorado is primarily industrial space. Land would have to be rezoned to allow for residential development.
- To expand the necessary infrastructure for residential development to the north, key landowners will have to be willing to sell or actively develop their land.
- A key selling point of El Dorado has been its proximity to Wichita. Developing housing in North El Dorado means residents are slightly further from Wichita. The perception is that northwest El Dorado is a much longer drive, especially without a northwest bypass to expedite traffic flows to the west.

Reluctant Land and Property Owners

Participants identified owner reluctance to sell land and property as a barrier in both current and potential residential areas. If and property owners were willing to sell, it would:

1. Create housing supply in established residential areas by filling currently vacant homes and lots, and
2. Promote new residential development on large plots of land.

While there are a range of reasons property owners are reluctant to sell, the City may be in a position to act as an intermediary between owners and potential developers.

Competition in Wichita and Andover

El Dorado competes with Wichita and surrounding communities like Andover and Augusta for both residents and developers. Located just 30 miles southwest of El Dorado via I-35, Wichita is the region's metropolitan hub. El Dorado has marketed its proximity to Wichita to attract residents. This tactic has the potential to both help and hurt the growth of El Dorado. On the one hand, potential residents may see proximity to Wichita and its amenities as a benefit of living in El Dorado. On the other hand, potential residents may see the proximity to Wichita as a reason to live in Wichita and commute to work in El Dorado.

Wichita has its own pool of potential developers that could invest in El Dorado, but there are challenges associated with attracting non-local developers. When demand for housing is high in their local area, it may be difficult to convince developers to invest in a different community. Compared to Wichita, El Dorado has not been able to support as many higher-end homes. Focus group participants identified the higher-end housing market as a gap in El Dorado's housing market. This will be further discussed in the section "Housing Types Needed."

El Dorado is 18 miles northeast of Andover. Due to its similar size and other characteristics, El Dorado is often compared to Andover. In 2017, Andover surpassed El Dorado in population (U.S. Census Bureau). While many focus group participants expressed frustration with the fact that El Dorado is frequently compared to Andover, there are some important implications of Andover's recent growth for El Dorado. Executives, young professionals, and other workers choose to live in Andover and commute to El Dorado for work. Participants credited this to their ability to develop more higher-end homes and other attractive amenities like the Andover school district.

Cost to Buy

All focus groups stressed the importance of homeownership for the wellbeing and growth of the community. Some participants identified the cost of buying a home as a barrier within the El Dorado housing market. Representatives from the financial sector said they work with potential homebuyers whose main barrier to buying is a down payment.

Participants concerned with the cost to buy would like to see financing programs and tax incentives for homebuyers. They felt existing funding opportunities could be better advertised to potential homebuyers.

Unfavorable Perception of Non-Single-Family Homes

A couple of focus groups identified an unfavorable perception towards non-single-family homes as an obstacle to diversifying housing in El Dorado. Some participants explained

that when housing projects have been proposed in the past, a common response from residents has been “not in my backyard” (NIMBY). While residents may support diversified housing projects like apartment complexes, manufactured or modular homes, and duplexes, some are concerned with what affects development may have on their property values and current way of life.

Housing Types Needed

Overall, focus group participants would like to see greater diversity of housing types in El Dorado with a focus on ownership. Specific housing types identified included:

- Transitional housing like patio/slab homes for seniors wanting to downsize,
- Retirement housing,
- Single family homes for purchase,
- Apartments for rent,
- Duplexes for rent, and
- Manufactured, modular, container, and tiny homes.

Price

Most participants agreed the price range in highest demand with the lowest supply is homes for sale for \$130,000 to \$180,000. Some participants also stressed the need for higher-end family homes in the price range \$200,000 to \$250,000. Participants felt that more housing supply within both price ranges would make El Dorado more competitive in the region.

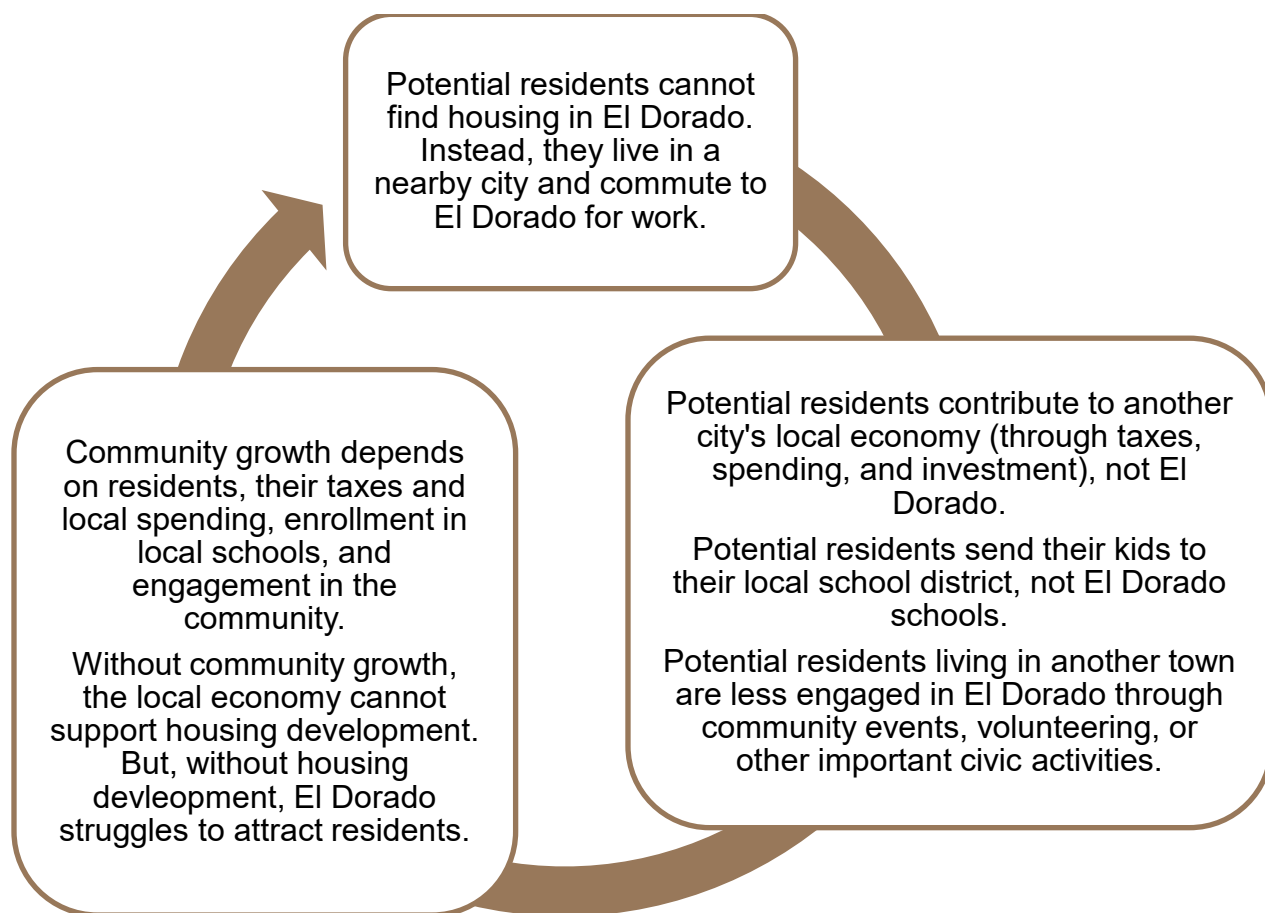
As for rentals, participants were less specific with what price was in highest demand or lowest supply but agreed monthly rents have gone up with the market.

Zoning Changes to Support Diversification

It is important to note that in order to develop more housing types, the City will likely have to re-zone some areas. Currently, most of El Dorado is zoned “R-1, Single-Family Residential,” which only allows for one single-family home unit per lot.

Impact of the Housing Shortage

Participants were asked to discuss the impact of the shortage of housing in El Dorado. Answers were specific but also systemic. Although each focus group discussion was unique, each described the same impact a shortage of housing has on community growth: when a potential resident cannot find housing in El Dorado the local economy, workforce, schools, and sustainability of the community are negatively impacted.



Participants said there have been multiple businesses that wanted to locate in El Dorado, promising to bring jobs to the area. However, El Dorado has not been prepared to meet what would be a sharp increase in housing demand. This limits El Dorado's economic growth.

When workers live in neighboring communities, they do not pay taxes to El Dorado or contribute to the local economy by shopping for groceries or gas. Although they work in El Dorado, since they live in another community, they are less likely to be civically engaged in El Dorado. They send their children to school in their community, not USD 490.

Enrollment in El Dorado schools has declined in recent years. There are children in the El Dorado school system who struggle with housing insecurity and homelessness. Future community growth depends on a population of children who can grow up and contribute to the community.

Potential Strategies and Solutions

The City's Role

Focus group questions asked participants how they understand the City's role in eliminating barriers to improving the housing market. Many would like to see the City play a bigger role in land and resource allocation, believing it is the City's role to plan for future development. Some ideas included:

- Considering and approving different zoning districts,
- Acquiring land,
- Investing in infrastructure like streets and other utilities, and
- Incentivizing reluctant property and landowners to sell.

Participants would like to see the City take advantage of the current funding opportunities through Kansas Housing Resource Corporation and the Kansas Department of Commerce to assist their efforts. More details about which of the State funding opportunities or programs El Dorado may qualify for can be found in the section Funding Opportunities on page 30.

The Greater Community's Role

In order for the City and greater community to be successful in efforts to increase affordable housing, other stakeholders will have to play a continued role. To accomplish

any of the tasks listed above – zoning, land, infrastructure, and incentives – will require community involvement and support. Those community members who are or who work closely with developers, homebuyers, contractors, and other essential groups must be engaged in future efforts.

Additionally, there are many State-level funding opportunities available for non-governmental organizations concerned with housing. While the City should certainly apply for current funding opportunities, developers, non-profit organizations, and other local entities can and should take advantage of programs designed for them.

Using the findings of this assessment, it would be in the interest of the City to establish a housing committee to develop goals, strategies, and outcomes to measure to ensure progress is made.

Focus Incentives on Developers; Continue to Improve Financing Programs for Homebuyers

Many participants agreed lack of development and trouble attracting developers are the main factors influencing the El Dorado housing market. For this reason, they would like to see more incentives for developers, specifically related to infrastructure. Lacking the existing infrastructure necessary to develop large plots of land is a deterrent for potential developers.

Other participants emphasized the importance of continued support for El Dorado homebuyers and owners. They support increased awareness about currently available funding opportunities for homebuyers and programs to help homeowners to update and maintain their property.

Diversify Housing

Diversifying housing types within El Dorado can be both a short and long-term strategy for improving housing supply. In the short term, current and potential residents would have some place to live in the community, while more traditional housing types are revitalized and developed. In the long-term, residents will have access to a wide variety of housing types that may better suit their needs.

Two actions that can be taken now to work towards more diversified housing are:

1. Rezoning plans and preparations for potential development areas, and
2. Making improvements to and maintaining existing non-single-family homes, specifically existing mobile home parks.

Overcoming negative perceptions associated with some non-single-family homes will have to be a long-term goal but necessary if El Dorado residents are serious about diversifying the housing market.

Potential Impact of Solving the Housing Shortage

Participants felt strongly that adequate housing supply would greatly benefit the El Dorado housing market and community overall. In the same way that the housing shortage has a negative systemic impact on El Dorado by limiting growth, adequate housing supply could positively impact economic and community growth.

A prosperous housing market would make El Dorado a more competitive option among potential residents and their families. With more residents comes an increased tax base and contributions to the local economy. A stronger local economy can support more amenities and growth, both of which are attractive to businesses who bring jobs. When potential residents have an adequate housing supply to choose from, they stay in the community and get connected. The wellbeing of a community depends on connected residents.

Align Efforts with State Housing Strategies

The State of Kansas, through the Kansas Housing Resource Corporation and the Office of Rural prosperity, conducted a statewide, comprehensive housing needs assessment in 2021. This section will highlight:

1. Key characteristics of South-Central Kansas and how they relate to housing challenges, and
2. State strategies and how they align with El Dorado.

Key Characteristics

Much of the demographic information included in the State report was covered in the Demographics section earlier. However, the State reported data at the County level. Some notable findings about Butler County include:

- Except for Butler County (2.28 percent increase), all other Counties surrounding Sedgwick County saw population decreases between 2010 and 2020.
- In 2019, Butler County had the second highest number of employees per 1,000 people. Overall, the region saw a decrease in employees (-25.8 percent).
- In 2020, Butler County had an 8.33 percent vacancy rate.¹
- Compared to other counties in the region, Butler County has the youngest housing stock with the median year built being 1981.
- In 2020, Butler County had one of the lowest ratings (5.95 percent) for housing in poor condition or worse and one of the highest ratings (73.1 percent) for housing in fair to average condition.
- From 2010 to 2019, Butler County saw no increase in the number of owner-occupied cost burdened households² (19.99 percent). There was an increase (41.64 percent) in the number of renter-occupied cost burdened households.

¹ The State considers a 5 to 6 percent vacancy rate “good” for a community.

² Households who pay more than 30 percent of their income for housing.

State Goals and Strategies

The report outlined six goals for improving housing cross the State and strategies to support them.

1. More middle-income housing (freeing up existing homes or building new),
2. Diversifying the housing stock to align with local and employer needs,
3. Extend housing security for existing affordable units,
4. Increase investment in older homes and vacant units,
5. Address labor shortages among trade workers, and
6. Share knowledge, initiatives, and innovations across the State.

The State report outlines many strategies to support these six goals, but this report will highlight a few of the most relevant strategies to El Dorado:

- Encourage Businesses to take advantage of State business incentives for housing.
- Emphasize middle-income units when implementing Rural Housing Incentive Districts and Upper Story RHIDs.
- Preserve the State's older housing stock using the Neighborhood Revitalization Program (NRP) and expand local rehab programs.
- Include requirements for diverse units when writing agreements to help finance development.
- Ensure municipal codes do not slow or prohibit housing development and streamline the approval process.
- Offer prepackaged site plans to builders to facilitate innovative development.
- Sponsor trade programs and encourage succession planning for existing, essential trade businesses.
- Stay up to date on other housing initiatives going on across the state.

Funding Opportunities

As a result of the 2021 Statewide Housing Assessment, the State of Kansas has been working to enhance and promote their funding opportunities for housing. There are programs for each player involved in housing – homebuyers or renters, developers, community organizations, and local governments. Given stakeholders agreed a key strategy will be to incentivize developers while supporting homebuyers, leveraging the benefits of multiple types of funding opportunities will be important.

Some programs are offered directly through the State through the Department of Commerce or the Kansas Housing Resource Corporation. Others are federally funded programs highlighted by the State. Based off the findings of this assessment, the City and other community members should consider applying for the following programs.

*For more information on these programs, click on the program titles which link to State websites.

For the City of El Dorado

[Rural Housing Incentive District \(RHID\) Program | Reimbursement](#)

The purpose of the RHID program is to assist local governments in incentivizing developers to local areas by either financing:

1. Housing development infrastructure, or
2. Renovations of buildings 25 years old or older.

A City or County must pass a resolution to establish the bounds of an RHID.

The local government has the choice to either:

1. Issue a bond to fund the infrastructure up front, or
2. Reimburse developers for eligible costs incurred in development.

Either bond debt or reimbursements to developers are paid using whatever incremental increase in real property taxes created by an approved housing development project for up to 25 years.

El Dorado stakeholders identified the high cost of development, infrastructure specifically, as a main barrier to affordable housing development. Given this, the City should consider adopting an RHID to help incentivize development. (Kansas Commerce, C)

[Community Development Block Grant \(CDBG\) Housing Program | Grant](#)

While CDBGs can be used to fund a vast array of project areas, the State has set aside \$2 million for housing activities including rehabilitation and/or demolition, neighborhood development, housing construction, or infrastructure. Projects must benefit low-to-moderate income households in the area. Application requires a 25 percent match. (Kansas Commerce, A)

[Moderate Income Housing \(MIH\) Program | Grant and/or Loan](#)

Since many housing programs are targeted at housing benefitting low-income residents, the State made an intentional effort to fund the Moderate Income Housing Program. MIH can fund a variety of housing projects including construction, rehabilitation, or converting a non-housing unit to a housing unit. While the responsibility for compliance remains with the local government receiving funds, the program encourages private-public partnerships to accomplish the projects. (Kansas Housing Corporation, A)

For Other Local Entities

[Affordable Housing Program \(AHP\) | Grant](#)

Designed for developers and community organizations, non- and for-profit alike, the AHP helps to finance a wide range of housing projects. Projects must meet one of two purposes:

1. Owner-occupied projects: Down payment and/or closing cost assistance for the purchase of a home *or* the rehabilitation of an owner-occupied home. In this

case, 100 percent of units in the project must be for low- or moderate-income households.

2. Rental projects: Purchase, construction, or rehabilitation of a rental project. At least 20 percent of units must be occupied by very low-income households.
(Kansas Commerce, B)

HOME Rental Development Program | Loan

In an attempt to strengthen public-private partnerships and develop affordable rental housing, Kansas' HOME Rental Development Program provides funds to developers.

The State sets aside at least 15 percent of funding for the HOME Investment Partnership Program for [CHDOs](#). CHDOs are nonprofit, community-based organizations with staff whose mission is to develop affordable housing for the community. Kansas' HOME program targets affordable rental development. Funds can be used for a variety of activities that advance affordable rental development. (Kansas Housing Resource Corporation, B)

Federal and State Low Income Housing Tax Credit (LIHTC) | Tax Credit

The LIHTC provides credits to offset investor federal income tax liability with the aim of incentivizing affordable rental development by making it more affordable. Property owners and developers are eligible for the tax credit. The credit is offered for either construction or rehabilitation of rental housing:

- In rural areas,
 - For special needs populations,
 - To address a housing shortage,
 - Housing with HUD Section 8, USDA Housing Assistance, or Public Authority, or
 - Housing developments with a wait list.
- (Kansas Commerce)

For Individuals

The State offers many programs for homeowners and potential homebuyers. Some include:

- [First Time Homebuyer \(FTHB\) Program](#)
- [Homeownership Set-Aside Program](#)
- [Weatherization Assistance Program](#)

(Kansas Commerce)

Conclusion

Evidenced through this assessment, there is a shortage of quality housing in El Dorado. According to trends in median income, home values, and rents, the lack of new construction over the last 40 years, and an understanding of the barriers to housing in El Dorado offered by stakeholders, the shortage of housing is expected to persist. Stakeholders clearly described the limiting impact of the housing shortage on current economic growth of El Dorado. Stakeholders expect the shortage to persist if the City does not provide additional incentives for developers and continue to support financing programs for homebuyers.

Going forward, this assessment can be used for:

- Policy development
- Funding applications
- Future planning
- Progress monitoring

Altogether, the information provided on El Dorado demographics, housing stock, affordability, supply and demand, and stakeholder feedback can help the City make informed decisions about interventions, resource allocation, and targeted solutions to address the evolving needs of the community.

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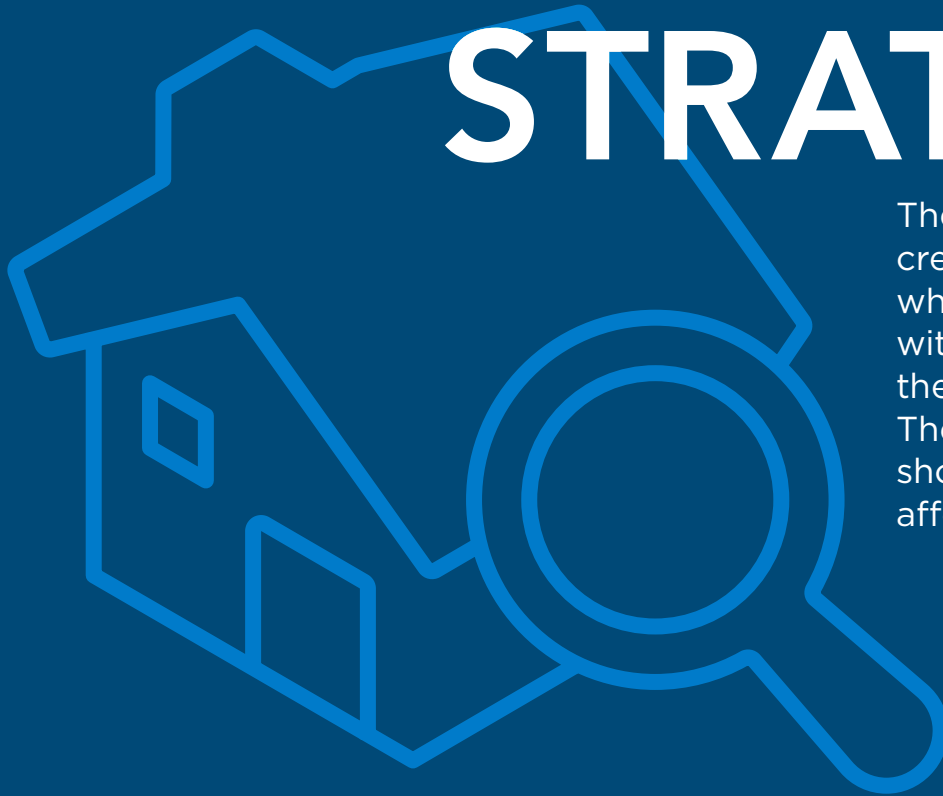
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GOALS *and* STRATEGIES



The measure of a study's success is its ability to create action. In the case of a housing assessment where the issues are diverse and implementation lies with many constituents that have a vested interest in the housing market, the roadmap forward is critical. The desired action from a housing assessment should be an increase in housing variety and affordability.

Goals

The community engagement and market analysis presented in the previous sections brought to light several key challenges and opportunities that face the state as it considers its capacity to meet housing needs during the next 10 to 15 years. This chapter provides the goals and potential strategies for addressing the state's housing priorities.



Add or free up more middle-income housing

Over the past two decades, much of the new construction market has focused on units that are affordable to households making less than 80% of the area median income (AMI) or over 120% of AMI. The need for these units continues, but the gap for the middle-income ranges has only grown. Capital or incentives for these projects is often harder to find and returns on investments are seen as lower. To address this, a mix of incentives should both improve existing housing units and generate new construction.



Diversify the housing stock to match local demographic and employee needs

Households have different housing needs. For many years the housing market focused on single-family detached homes with rental construction happening primarily in urban areas. The lack of varying housing types results in individuals staying in homes they do not prefer (or need) or entering homes that do not fit their stage of life or lifestyle. A greater variety of housing products should provide options for households' needs at every stage of life.



Extend housing security

Many communities across Kansas have existing affordable units. Some of these are affordable because of the age of the house, while others were specifically built to meet the needs of lower-income households. Preserving and reinvesting in the older units should ensure that existing affordable units do not decrease.



Increase reinvestment in older housing stock, including vacant units

Approximately 30% of the housing stock in Kansas was built before 1960. Consequently, the condition of housing in many areas, especially rural areas, is below average. This housing is often referred to as naturally occurring affordable housing. Continual reinvestment in this stock of housing will be important to meet existing and future housing needs. Reoccupying many of the suitable vacant units within this supply of housing is also essential to add affordable units without the need for new construction.



Address the building trades labor shortage

The construction of new housing and the rehabilitation of existing housing will be difficult to achieve without the workforce necessary to complete this work. Existing contractors are busier than ever and cannot keep up with the demand. The recruitment and retention of this workforce will be necessary in all parts of the state. This could also mean investing in technological advancements and innovations that experiment with new construction methods, faster construction processes, or other ways that help existing tradespeople be more efficient.



Extend existing human capital resources

Many communities and community leaders have identified strategies for housing development. This knowledge should be collected and shared with others around the state. Some of this is already done with KHRC and the Department of Commerce but local innovations are opportunities for knowledge sharing at a broader level, even considering out-of-the-box initiatives in other states.

Strategies

A housing market is a complex and ever-changing landscape of countless variables including economic factors guiding production, rehabilitation, and demand. Social factors also influence housing preferences, as does the willingness of home buyers to adapt to new products, and the perception of a community.

Forward

The following section explores housing strategies and partnerships that can be used to generate energy in the market. There is no one solution to address issues and capitalize on strengths. Therefore, the following strategies are included as starting points for building momentum and expanding the state's quantity and quality of housing at every income level.

In decades past, housing strategies often focused on the production of housing for the lowest income households and how to make homeownership more attainable. **While these are still important issues, today's housing market is more nuanced.** The Statewide Profile and community outreach

in other sections illustrated the need for housing at almost every income level. For these reasons, strategies in this assessment try to target some of the underlying issues and opportunities that are driving the housing market today. These strategies should be seen as a starting point from which other policies and programs can be proposed that will help achieve the goals outlined in this assessment.

The following chapter identifies strategies related to each goal. Strategies are identified as either state or local level. Some strategies will help implement more than one goal.

In decades past, housing strategies often focused on the production of housing for the lowest income households and how to make homeownership more attainable. While these are still important issues, today's housing market is more nuanced.

MIDDLE INCOME HOUSING

If a group of individuals were asked “what is middle-income housing” the number of definitions received would probably equal the number of individuals asked. For the purposes of this assessment, “middle-income housing” will be defined as housing that is affordable to households making between 80% and 120% of Area Median Income (AMI). This definition allows for some flexibility based on regional context as the economic drivers in Southwest Kansas are different from those in the Kansas City Metro area.

The need for more middle income housing cannot be fully addressed through the construction of new units. No community or region can build their way out of the issue, nor should they. Across the state are many existing housing units valued at price points nearly impossible to construct in today’s market. Making sure these units are livable and providing alternative housing options for the households living in these units to move if preferred is an important part of adding more units.

2021 Income Limits - Four Person Families

	MEDIAN FAMILY INCOME	30% OR EXTREMELY LOW INCOME	50%	80%	120%
Kansas	\$77,400	\$23,200	\$38,700	\$61,900	\$92,800
Johnson County	\$86,600	\$26,500	\$43,300	\$69,300	\$103,900
Hamilton County	\$53,900	\$26,500	\$32,550	\$52,100	\$64,700

U.S. Department of Housing and Urban Development

The above chart provides a glimpse at income limits. Income limits are based on a county’s area median income. The above chart provides a summary of the highest and lowest income counties along with the statewide average. The income limits for each county can be found at HUD.gov.

State Level

Greater Funding for MIH Program

The Moderate Income Housing Program is impressive and participants from every corner of the state noted its benefits. Most housing assistance comes from State and Federal sources that require income restrictions of 30% to 80% of Area Median Income (AMI). The MIH program provides grants or loans to local governments to develop owner or rental housing for households making up to 150% of the state AMI in cities or counties with populations of less than 60,000.

In the past, middle-income products have often been left behind with price points too high to receive traditional low-

income incentives, but too low to make them profitable for the private sector. The MIH Program provides essential gap financing necessary to reduce the risk for development, and its flexibility has been impressive. The program has truly embodied the mission of bringing more housing to rural areas.

There are two main challenges to the program:

- The demand for the program is greater than the funding. In 2019 there were 18 applications for a total of \$5 million in requests. The requests have been steadily rising. In 2021 there were 28 applications for a total of \$8.7 million in requests.



MIH Project in Newton

- › The program has \$2 million available each year and each project has a \$400,000 request limit.
- The need for units within these price points also exists in our larger communities and counties that do not currently qualify to use the program. Preservation of existing units that meet the need for middle income households will be important but adding to the stock will also be important.

The funding for the existing MIH Program should be expanded to meet the growing demand. Additionally, the program should be expanded or a sister program developed with a separate pool of funding that focuses on the middle-income housing needs in larger communities and counties. An important component of this program may be the preservation of existing units through programs like a purchase, rehab, and resale program discussed in this chapter.

BENCHMARKS FOR MIH PROGRAM

Below are some benchmarks to determine the amount of funding and funding mechanisms to consider for the MIH Program.

- Nebraska Rural Workforce Housing Fund - is a matching grant for the development of workforce housing based on the price of units being less than \$285,000 for owner-occupied or rentals costing no more than \$200,000 per unit. The program was originally funded through a reallocation of \$7 million from the Nebraska Affordable Housing Trust Fund. <https://opportunity.nebraska.gov/program/workforce-housing-fund/#app>
 - › In 2020 a sister program, The Middle Income Workforce Housing Investment Fund, was developed to target the state's larger cities. The fund was established with a one-time transfer of \$10 million from the general fund. <https://opportunity.nebraska.gov/program/middle-income-workforce-housing-investment-fund/>
 - › Both of these funds in Nebraska can be further supplemented by revenue from appropriations from the legislature, grants, private contributions, and other sources.
 - › The Nebraska Housing Trust Fund is supported through stamp collections on real estate transactions.
- Iowa Workforce Housing Tax Credit - in 2021 provided nearly \$30 million in tax credits for 49 projects. No project can receive more than \$1 million in tax credits. For the most recent application round, 137 applications requesting \$85.9 million in tax credits were received. The program includes a small city set aside that in 2021 accounted for \$12 million in credits. <https://www.iowaeda.com/workforce-housing-tax-credit/>
- Oklahoma Housing Trust Fund - a one time allocation in the 1990s of \$4.5 million focused on households making less than 120% AMI. The program is set up as a revolving loan and therefore has periods of zero funding available. <https://www.ohfa.org/oklahoma-housing-trust-fund/>
- Missouri Affordable Housing Assistance Program (AHAP) - a tax credit for providing affordable housing assistance activities or market rate housing in distressed communities. The program offers \$10 million in production credits and \$1 million in operation assistance annually. http://www.mhdc.com/rental_production/ahap/index.htm
 - › Missouri Housing Trust Fund is supported through a \$3 recording fee on real estate transactions.

State Level Cont'd

State Business Incentives

One of the largest challenges for employers in Kansas' mid- to small communities is having adequate housing for new employees. For some businesses, the need to add workforce and having the housing for that workforce has hampered their ability to expand.

The State currently has a package of successful business incentives that could potentially be expanded to include housing targeted to a company's workforce. Potential adjustments to current programs include:

- High Performance Incentive Program (HPIP) or the Day Care Facilities Tax Credit. Both of these programs offer tax credits to employers for qualifying capital investments. HPIP could be expanded to include housing investment as a capital expense or a new program formed similar to the Day Care Facilities Tax Credit.
- Promoting Employment Across Kansas (PEAK) program. Offers qualified companies the ability to retain up to 95% of their payroll withholding tax for five to ten years. To help fund housing, this level could be lowered and the increment up to 95% could be used to pay off funds used to build housing geared toward the employer's workforce.
- Qualifying Expenses. Corporations in Kansas can claim certain qualifying expenses as a deduction against their corporate tax liability. Qualifying expenses could be expanded to include housing construction or funding to a program that produces or rehabilitates housing for their employees.

Rent-to-Own Program

Some states have carved out a portion of their tax credit allocations for rent-to-own projects. In these programs, homes must remain affordable for 15 years and a portion of the renters monthly payment goes into an escrow account that can be used to either purchase the home in the program at the end of the 15 years or used to purchase a market rate home. The programs are often combined with homeowner education programs.

Funding

Since the spring of 2020, states have received significant federal funding for various reasons. One source is The American Rescue Plan (ARP). ARP funding could be used for housing but some of the other existing and proposed legislation generally cannot be used for direct housing development.

More importantly, this funding may allow the State to use state funds that would have been devoted for infrastructure projects anyway, to be redirected to housing. Kansas

HOUSING DENSITY

One of the most effective ways to reduce housing costs is to use land more efficiently. The lower the density the more the costs of land and infrastructure are carried by the individual unit. The production of moderate income housing is nearly impossible at the lowest densities. Existing programs should encourage or give preference to projects that use funding more efficiently through the development of medium and higher density housing.

Additionally, the location of housing adjacent to transportation services, child care and other services can lower a household's expense. In the state's largest cities, moderate income housing should be encouraged next to transportation services.

may have a unique opportunity to provide a substantial injection into the State Housing Trust fund that could address many of the issues identified in this plan and support generations to come. Additionally, a reliable source of funding for the Trust Fund should be established. This could be as simple as a small filing fee on all real estate transactions.

Local Level

Bond Programs

A growing number of cities across the country are looking to or already using bond initiatives to fund housing development and rehabilitation. This includes cities from the size of Newton, Iowa (15,000) to Greensboro, North Carolina (540,000). This type of initiative should be tailored to the community and may include the development of lots, rehabilitation or removal of aged properties, builder incentives to reduce risks associated with certain price points, or incentives to produce attached and medium density units.

Rural Housing Incentive District & Upper Story RHID

The RHID program in Kansas has been very successful but there are facets of the program that should be considered.

- **Development Costs.** The fees and costs associated with setting up a RHID (legal, bond, etc.) can be the same for a small community as they are for the city over 20,000. This can add costs to the units or even discourage a city from setting up a RHID. Finding ways to defray these costs, like having regional housing assistance resources/staff, should be considered.
- **Administrative Needs.** For a community looking to establish their first RHID there are few resources other than seeking out another city that has completed one and ask for their assistance. Regional resources to help are discussed later.

- **Proving the Market.** For some cities, RHIDs were, and are, essential to get any new lots developed. However, for many cities, this need has now been proven and a new phase should be considered. Cities with histories using RHID should consider emphasizing middle-income units and greater variety of units within developments. This variety is important to create a healthy housing market.
- **Upper Story RHIDs.** This is a new State program that is still untested but has great potential to add housing diversity and revitalize downtowns. Technical assistance with this program will be needed. Partnerships with the Main Street Program may be an opportunity to provide some technical assistance and identify potential properties and be a conduit between property owners and cities.

Industrial Revenue Bonds

Industrial revenue bonds (IRBs) are issued by cities and counties to provide funds for rental projects. The bonds are generally used as a tool to grant full or partial property tax abatement for certain commercial facilities for up to ten years and a sales tax exemption for labor and materials purchased for new facilities. Like RHIDs, there is no guarantee that housing produced using IRBs will meet the need for middle-income housing. Cities like Salina have established guidelines for using these programs that help promote middle-income housing and/or diverse housing options.

SHARED EQUITY HOUSING

Shared equity housing provides permanent affordability of housing. There are several models.

- **Community Land Trusts (CLT).** In this model the CLT retains ownership of land, homeowners purchase just the improvement, and there is a 99-year ground lease.
- **Limited Equity Cooperative.** The Co-op owns the buildings and land underneath, tenant-shareholders own a share in the corporation and receive a long-term “proprietary lease” to their units, and is democratically governed by tenant-shareholders.
- **Classic Deed Restriction.** Homeowner holds title to both the land and the home, deed includes restrictive covenants 30-99 years, and tend to be embedded within a larger organization or government.
- **The Lawrence Tenants to Homeowners (TTH) CLT** offers a stock of affordable renovated or newly constructed homes at subsidized sale prices to buyers with low to moderate incomes. The buyers agree that at resell they will sell to another income-eligible buyer at a formula price that provides affordability but allows the seller to gain some equity. This provides a permanent affordable unit.

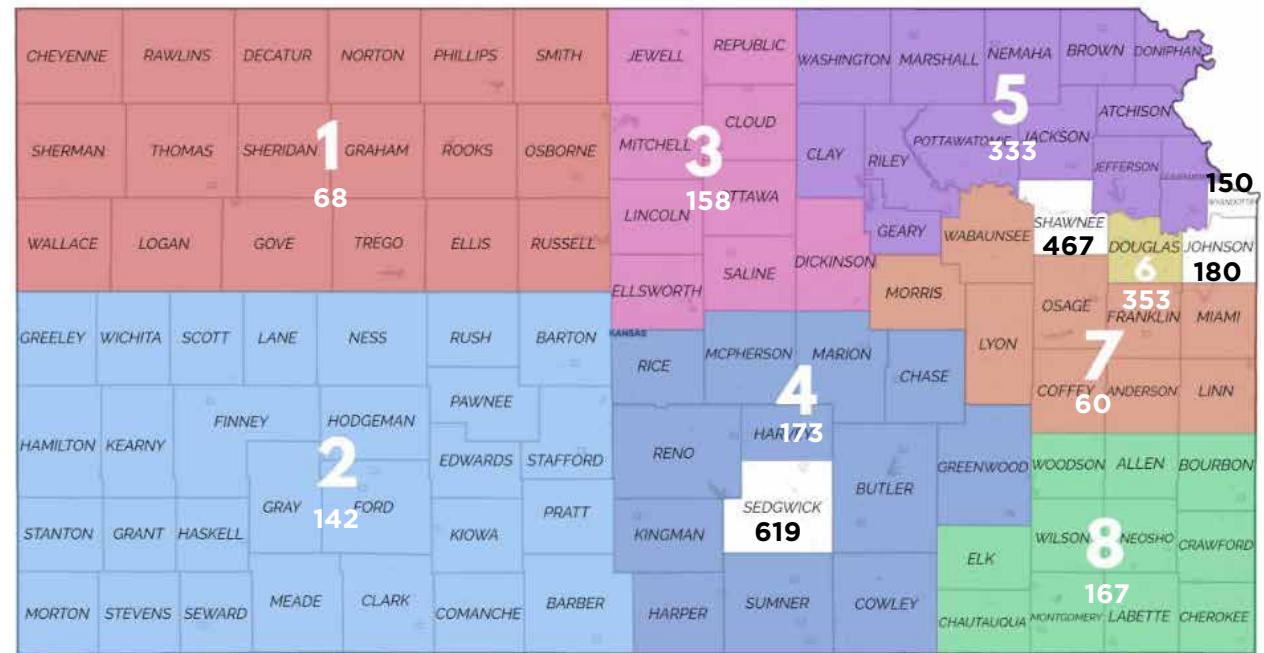
LOW INCOME HOUSING

The previous strategies focus on housing for those making above 80% AMI. Production or preservation of housing affordable to these households has been found to open up housing options at more affordable price points. However, that does not mean there is not a significant need for additional affordable housing for those making less than 80% AMI and even less than 50% AMI.

Additionally, without low-income and service based housing options, many may be at risk of homelessness and those that are currently homeless may have a harder time transitioning to stable housing. The point-in-time count of homeless population in Kansas as of January 2021 was 3,093 across the state, sheltered and unsheltered. Special note that pertains to this count in 2021:

- Areas outside of Sedgwick, Shawnee, Johnson, and Wyandotte counties (Balance of State, BoS) were issued a waiver on counting unsheltered in 2021. For 2020, the BoS unsheltered count was 223 persons across the eight regions.
- The sheltered count for BoS areas is approximately double what it was in previous years. This likely reflects the availability of non-traditional shelter options during COVID, such as expanded use of options like hotels/motels, etc. and innovative solutions like the 'tent city' that Lawrence created in a park near the hospital.

Kansas Continuum of Care Map - Jan. 2021 Homeless Count



Source: Kansas Statewide Homeless Coalition

- It is possible that numbers reported for Wyandotte County may have been lower than actuals, based on past provider experience with the local needs.

THE COST OF HOMELESSNESS

In 2017 the National Alliance to End Homelessness reported that on average a chronically homeless person costs taxpayers \$35,678 per year. However, supportive housing costs \$12,800 a year on average.

To learn more visit the National Alliance to End Homelessness at <https://endhomelessness.org/resource/ending-chronic-homelessness-saves-taxpayers-money-2/>

State Level

Low-Income Housing Tax Credit Projects (LIHTC)

Since 2017, over 4,400 LIHTC units in Kansas have initiated the process to leave the program. Adding to this struggle are the changes in the tax code that occurred in 2017. The Tax Cuts and Jobs Act of 2017 lowered the corporate tax rate, which made tax breaks like LIHTC's less appealing. The effect was almost immediate. The value of individual tax credits nationally fell from \$1.05 per credit in November 2016 to \$0.90 cents each. In Kansas, pricing topped out in the low-mid \$0.90s and currently developers are reporting offers in the mid \$0.80s. When credits drop below \$1.00, which they have been since 2017, developers must fill this gap. In some places, developers have chosen to focus on market-rate developments rather than struggle to find the funding necessary to complete low-income housing projects.

To increase the appeal of using the LIHTC program, the gap between what the credits can cover and development costs will have to be filled. This can happen through several strategies even at the local level including below market rate loans through a lending consortium, TIF, IRBs, a state level tax credit program, Federal affordable housing funds, USDA Rural Development loans, Federal Home Loan Bank resources, and cost sharing on land and infrastructure.

Kansas may have a unique opportunity to provide a substantial injection into the State Housing Trust fund that could address many of the issues identified in this plan and support generations to come.

Very Low Income

As noted earlier, funding middle-income housing is challenging. Therefore, funding housing for the lowest income households can be even more challenging. Often our communities' most vulnerable populations need more than just housing but an array of services that help them live independently and navigate other everyday challenges. Some existing funding resources include the National Housing Trust Fund (HTF) which targets rental housing at 30% of AMI. HOME-ARP will target homeless and at risk populations, with rental development as an eligible activity. Preservation of existing units and funding of additional units should be a priority.

Emergency Housing

In addition to helping those struggling to access housing, it is the mission of many churches and non-profits in Kansas to assist those who have lost their home due to a natural disaster or geopolitical crisis. While federal programs such as FEMA provide temporary resources in the aftermath of a natural disaster, if communities do not have adequate emergency housing for existing

residents, it can put additional strain on communities suffering from or seeking to help those who have lost their home.

Local Level

Housing Choice Vouchers

The Housing Choice Voucher program is a federal program that is administered by local housing authorities. The vouchers provide assistance to pay for housing that the voucher recipient selects. The rental units must meet minimum standards for health and safety. For some communities this requirement is a barrier because landlords have to choose to participate in the program and meet the minimum standards. At a local level, communities should consider developing a risk mitigation program that assists landlords in meeting the voucher requirements but also provides additional insurance for any damages that may occur from the renter.

Happening Around the State

It would be impossible to list all the housing and related support programs used by the hundreds of cities, counties, and regional entities throughout the state. The following list is only a sample of efforts heard throughout the spring and summer of 2021 that relate to middle and low income housing.

MIDDLE AND LOW INCOME HOUSING

- City of Humboldt had a program in the past to survey elderly who would like to move into maintenance free housing then help find that housing.
- Wichita Places for People Plan – Affordable Housing Fund. Under development in 2021.
- Norton City/County Economic Development – Free Lot Program. Qualified developers can have specific lots cost-free within the Cities of Almena, Lenora, or Norton for new residential units. Eligible projects include a minimum specified quantity/quality of new residential structures meeting design and timing specifications set out for that parcel of ground.
- Norton City/County Economic Development – Build on Cleared Lot Incentive. Build a new home on a cleared lot with city infrastructure in Almena, Lenora, or Norton and receive a bundled package of grants and incentives of approximately \$10,000 to \$12,000.
- Norton City/County Economic Development – Senior Living Relocation Incentive. Residents of Almena, Lenora, or Norton transitioning from home ownership to qualifying senior housing, assisted living, or long-term care within Norton County can receive a one-time grant of \$5,000 at home closing.
- The City of Topeka issued \$10 million in industrial bonds to prepare a former Ramada hotel into 140 workforce rental housing units.
- [Tenants to Homeowners](#) - a non-profit in Lawrence that works as a community land trust to provides affordable rental units and homeownership assistance.
- Several projects (for example, Grant Prairie Townhomes in Ulysses, Delaware Place in Valley Falls, Prairie View Estates in Ottawa) have successfully combined LIHTC and other low-income resources with MIH to build mixed-income communities.



CONSERVATION OF OLDER HOUSING STOCK

In 2019, the Census estimated the median year a housing structure was built in Kansas was 1974. That means in the next few years over 50% of the state's housing stock will be over 50 years old. Many of these units are the most affordable units in a community. Losing these units to lack of maintenance or to rising prices will create further housing pressures on the middle and lower income households and make it harder for communities to attract employees.

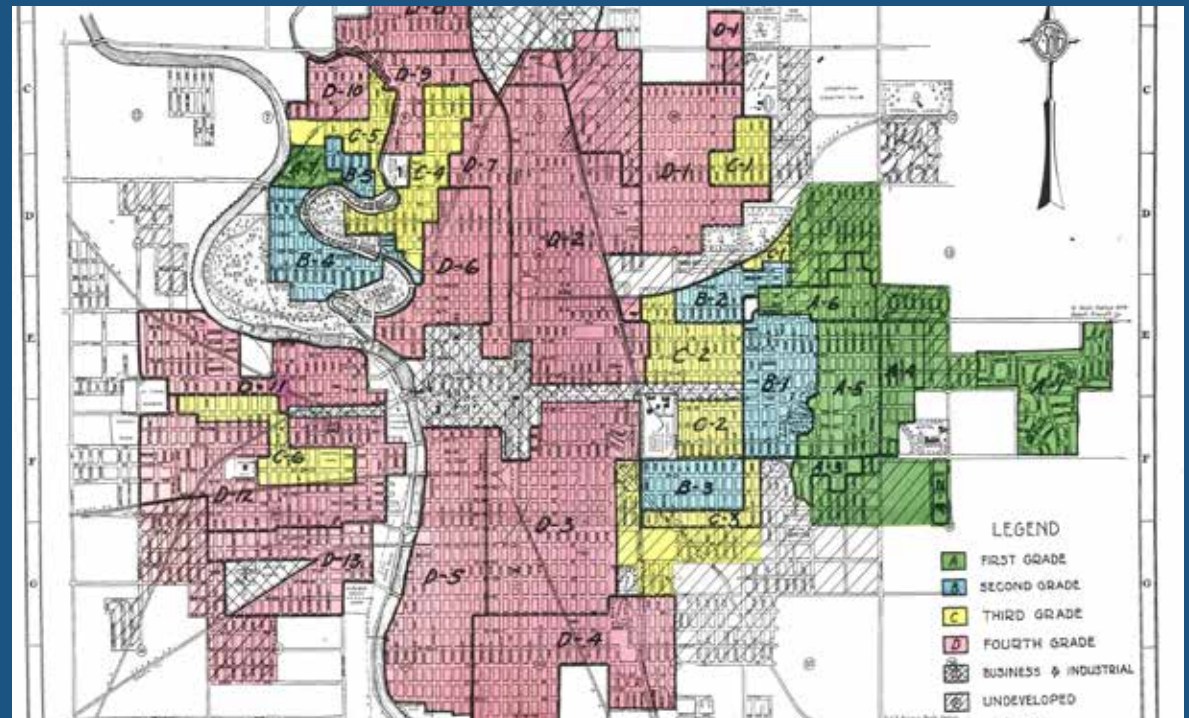
Conserving these units in rural areas and distressed urban neighborhoods may mean ensuring that reinvestment and maintenance continues. This can be very challenging when overall housing values in a community or neighborhood are low. If a \$30,000 investment only garners a \$20,000 increase in the valuation of the property there is little financial incentive to complete the project.

At the other end, some fast-growing communities are experiencing rapidly increasing values that outpace what some households can afford. This is especially true for those that teach, protect, and nurse a city's residents – our essential workers.

The following strategies can help address the need to preserve the state's older housing stock. Many of the strategies outlined in the previous section could also be targeted to housing rehabilitation and new construction.

REDLINING

Redlining was the discriminatory practice of denying services and financing within neighborhoods that had higher concentrations of certain racial and ethnic groups. These practices have lasting impacts on both the targeted ethnic and racial groups and the neighborhoods in which they lived. Being denied financing or paying higher financing costs made it more challenging to fund property maintenance or left households in rentals longer. These practices leave marks on the current times with families unable to build generational wealth and neighborhoods with decades of disinvestments. Growing acknowledgment of this history and the lingering impacts is important in addressing housing and neighborhood needs within the existing housing stock.



Redlining Map of Wichita

Source: Robert K. Nelson, LaDale Winling, Richard Marciano, Nathan Connolly, et al., "Mapping Inequality," American Panorama

State Level

Neighborhood Homes Investment Act

The Neighborhood Homes Investment Act is an Act being proposed at the national level (2021). It calls for creating a new federal tax credit that will produce new equity investment dollars for the development and renovation of multi-family housing in distressed urban, suburban, and rural areas. The goal is to address the “value gap” or the situation in which the cost of rehabilitating or building a home is greater than the post-construction value of the unit.

The Neighborhood Homes Coalition, which is advocating for the act, notes that the gap contributes to three interrelated conditions that hamper community prosperity:

1. Blight, vacancy, and abandonment – when there is no financial incentive to reinvest, owners will walk away from units.
2. Conversion of homeownership neighborhoods to absentee landlord neighborhoods – low valued units creates a favorable environment for absentee owners/investors who convert aging homeownership housing to rental housing. This can only further spur stagnant home values.
3. Racial inequity – the lack of capital for reinvestment has exacerbated racial inequities. Without the ability to invest in rehab and repair, families and neighborhoods may experience asset depreciation absent of mitigating factors.

At this time, this Act is being proposed at a national level, but there is no reason that a state could not consider providing a similar state level tax credit. As noted on the previous pages, several surrounding states have tax credit programs that focus on the development of housing. This could be tailored to address infill and redevelopment in distressed areas, specifically targeted to fill the gap between development costs and sale prices. This program could be blended with other programs like the RHID Upper Story or Neighborhood Revitalization Program.

Neighborhood Revitalization Program (NRP) and Expansion

The Neighborhood Revitalization Program (NRP) was established to encourage reinvestment in older neighborhoods and communities. Property owners can receive a property tax rebate on additional taxes levied as a result of eligible property improvements within a designated area. Each city establishes the area and the guidelines for the tax rebate, but many range from 25% to 100% rebates over a set period, or graduated decrease in the rebate over time.

The NRP has both positives (+) and negatives (-):

- (+) The program can be very appealing for investors looking to construct new or rehabilitated units. The rebate can be factored into their financing model and in theory the property taxes would not be passed on to the renter.

- (-) There is limited appeal for lower-income households to use the program. For these households, financing the initial improvements may be challenging. Therefore, having to come up with the additional taxes each year is just as challenging, even if the taxes are rebated.
- (-) Setting up or revising the program can be challenging. There is a significant amount of work required to establish a program or to revise an existing program area. For smaller communities, they may lack the staff to complete these tasks. There is also confusion on community versus county-wide NRP.

Through discussions with stakeholders, revising the program to encourage more owner-occupied rehab was not viewed as the appropriate solution. The current program is used and is successful. **Rather, participants felt that a sister program tailored to owner-occupied rehab would be more effective.** Addressing the concern of rising property taxes will be important. A graduated property valuation increase could be more appealing to lower income households.



Infill project in an NRP area, Ellinwood

Energy Efficiency Assistance

The energy efficiency of older homes can have a significant impact on the affordability of the housing unit. Older homes tend to be the least energy efficient. Lack of insulation, single-pane windows, and older heating and air conditioning units means higher utility bills. Often the households most affected by these issues, whether rural or urban, are lower income or elderly on fixed incomes. KHRC currently provides a weatherization program that covers:

- Sealing of drafts and air leaks, caulking doors and windows, weatherstripping.
- Testing, cleaning and repairs of heating and cooling systems, and water heaters.
- Adding insulation to ceilings, walls, floors, and foundations.
- Lighting, refrigerator, and fan upgrades.

The KHRC program has income limits and with the large stock of older housing, it is only scratching the surface of the need. **In other states, programs are often undertaken by utility companies. Kansas needs to open up these opportunities and provide incentives for utilities to work with customers. This will likely involve the utilities from around the state and state agencies.**

Historic Tax Credits

For those projects that qualify for historic tax credits at the state or federal level, small and rural communities are often unable to attract

investors seeking federal tax credits due to their project size. This is another area in which efforts can be made to “close the gap” by increasing the state historic tax credit for communities under a certain population or helping developers layer other state or local financing tools.

Local Level

Local Rehab Programs

Many communities have rehabilitation programs that are funded through CDBG and HOME funds. However, over the years funding to these programs has been dramatically cut. These local programs should be expanded using a mixture of funding sources including city funds, local development initiatives that include major employers, and potentially State Trust Fund dollars (the trust fund would first need greater funding).

For more rural areas funds could be established on a county-wide level. Norton City/County Economic Development is currently administering a program that provides a rebate grant of up to 10% for material purchases. Funding for these types of programs can come from a variety of sources including HOME, local/regional foundations, or local employers. Rehab programs should also include rental properties. The funds should be connected to minimum inspection standards and assurances that rental rates will remain affordable.

WEATHERIZATION & ENERGY EFFICIENCY PROGRAMS

- **Pay As You Save.** In this program, improvements are charged to the monthly utility bill but the bill is still less due to the energy savings provided by the improvements. <https://www.youtube.com/watch?v=cW8S8e7TTH4>
- **Community Energy Efficiency Program.** Washington State established the Community Energy Efficiency Program in 2009. The pilot was originally funded in 2009 from the American Recovery and Reinvestment Act and is managed by Washington State University Energy Program. The program focuses on energy efficiency retrofits and upgrades. <https://www.energy.wsu.edu/BuildingEfficiency/CommunityEEProgram.aspx>
- **Focus on Energy.** The Focus on Energy initiative is a partnership with 107 Wisconsin utilities that helps single-family homeowners, renters, and property owners make energy related improvements to their homes. <https://www.focusonenergy.com/residential>
- **Other programs in Kansas:** [Kansas Corporation Commission \(link\)](#)

Local Level Cont'd

Acquisition Rehab Resale

These types of programs have been highly successful in communities of all sizes. In this model, houses are acquired and sold in a rehabilitated or “turnkey” state to owner-occupants. Traditionally these programs are administered by a nonprofit housing developer or development corporation. The model recognizes the limited number of prospective buyers who want to carry out home rehabilitation projects. The program works best when candidate houses can be purchased at relatively low cost, usually due to their quality. Under the program, a development corporation purchases existing houses, rehabilitates, them, and resells them to new homebuyers. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low- and moderate-income buyers may be assisted by Community Development Block Grant (CDBG) or HOME “soft-second” loans. Examples include KHRCs First Time Home Buyer program, and others operated by HOME Participating Jurisdictions (Wichita, Topeka, Lawrence, KCK, Johnson County). Real estate professionals may also participate by reducing commissions on selected projects.

NEIGHBORWORKS OF NORTHEAST NEBRASKA PURCHASE/REHAB/RESELL PROGRAM

Over a five year period NeighborWorks of Northeast Nebraska has implemented a highly successful Purchase/Rehab/Resell program. Under the program a qualifying household identifies a home, an assessment of the home for structural stability is completed, and then followed by NeighborWorks of Northeast Nebraska purchases the home to complete any repairs needed. Repairs can range from \$2,000 to \$25,000. Following completion of the repairs the home is sold to the qualifying household often with down payment assistance of 20% of the final purchase price, up to \$20,000. For Columbus, Nebraska this has resulted in 140 homes being updated and owned, often by first time home buyers.

<https://www.nwnen.org/what-we-do/homeownership-assistance/purchase-rehab-resellprogram>



Rental Inspection Programs

Under current state laws, interior rental inspection programs are prohibited. The condition of rental properties is concerning to both rural and urban communities and the use of inspection programs has both its supporters and detractors. The detractors are concerned with adding more costs and regulations for landlords that are then passed on to tenants in the form of higher rents. Supporters note the need to ensure that housing is safe and healthy for all residents, especially vulnerable populations and the lowest income households who often have few housing options. Most inspection programs, like that done by [La Vista, Nebraska](#), are established to prevent or eliminate substandard or deteriorating rental housing, and preserve residential rental properties, property values, and neighborhoods. The La Vista program waives all fees unless a re-inspection is required.

Land Banks

Land banks are non-profits developed by local government entities for the purpose of acquiring vacant, abandoned or dilapidated properties for renovation or demolition. Land banks are appealing because they allow for land assembly without the city having to hold and maintain properties. The land bank can then sell the lots for projects that meet specific needs or work with a local contractor or non-profit developer to rehab homes. It is crucial that the land bank is coupled with a steady local funding source.

Vacancy Rate Assessment

As noted in earlier sections, the Census is reporting fairly high vacancy rates in many parts of Kansas, especially in more rural areas. At the same time, participants in this process noted a lack of both renter and ownership units.

There can be a full range of reasons for the higher reported vacancy rates:

- Dilapidated homes that should be removed from the market.
- The undercount occurring in some locations. If a resident refuses to fill out the survey or answer the door when a Census surveyor arrives, the unit can get counted as vacant. This may have been exacerbated during the pandemic, but details of the extent are yet to be known.
- The unit is no longer available because it is being used for other purposes, such as storage.
- The owner of the unit has passed away or has moved into an assisted or skilled living unit and the unit was never put on the market for sale.

These are some of the most common reasons, but reasons can vary from community to community. For cities with higher vacancy rates (above 8% is a good threshold, depending on the community), an assessment of units should be completed to understand what units are vacant and why. From this assessment, strategies can be developed to determine how to fill these units or demolish those most deteriorated. It may take multiple agencies and individuals including utility providers, the U.S. Postal Service, and even real estate professionals to complete the assessments.



Happening Around the State

It would be impossible to list all the housing and related support programs used by the hundreds of cities, counties, and regional entities throughout the state. The following list is only a sample of efforts heard throughout the spring and summer of 2021 related to conserving the existing housing stock.

CONSERVATION OF OLDER HOUSING STOCK

- Ellis County has used funds from the Dane Hansen Foundation for a purchase-rehab-resale type program (developer rehab program).
- Dodge City Ford County Development Corporation/Community Housing Association of Dodge City – Community Home Renovation Program. CHRP assists residents in renovating homes to increase value and lifespan. There are specific programs to assist painting homes, rehabbing vacant homes, and constructing new homes on vacant lots.
- Wichita Places for People Plan – Land Bank. Under development and will promote the revitalization of neighborhoods consistent with the Wichita: Places for People Plan, through the management and transfer of properties that are deemed underutilized.
- Norton City/County Economic Development – Fix and Flip Program. Get 0% interest short-term funding for the purchase, renovation and resale of housing. Qualifying units include those identified as dilapidated or major wear in the 2019 Norton County Wide Housing Study.
- In Blue Rapids, a Community Action Team helped initiate mapping of the town through GIS. Then it was easy to see that they needed to target infill development of vacant lots and property. Infrastructure is expensive and having it close by was key for them.
- Overland Park – Exterior rental inspection program. A two-year cycle of inspections to the exterior elements of rental property throughout the city.



DIVERSITY OF HOUSING

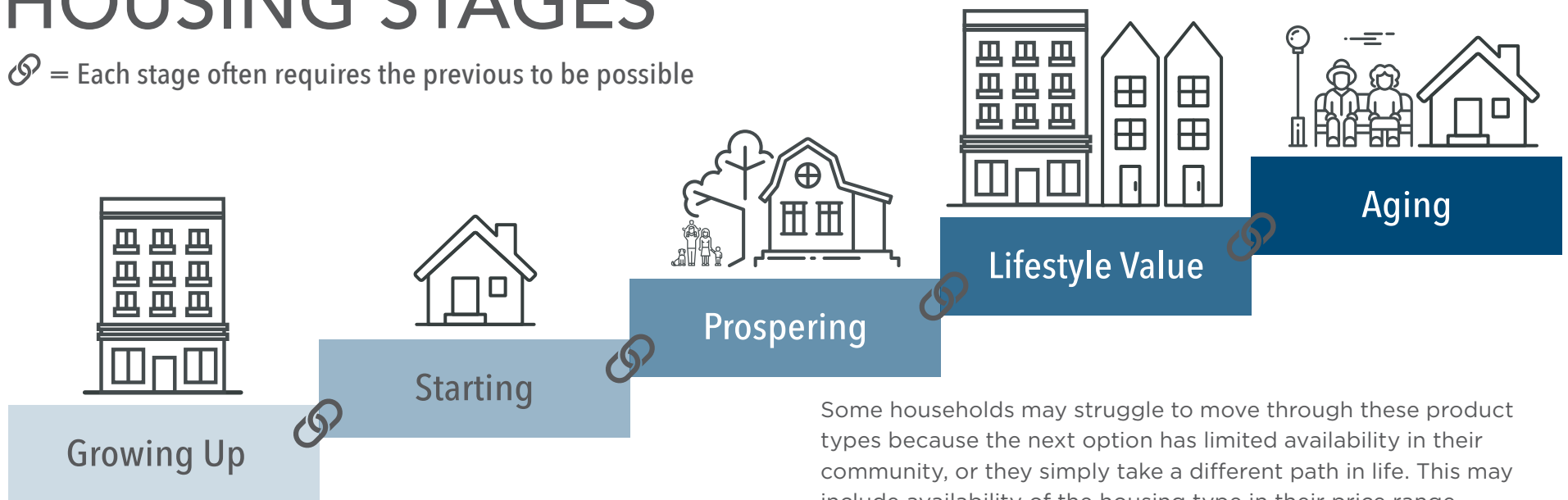
During the 1980s, 1990s, and 2000s the majority of new units produced in many communities across Kansas were single-family detached homes. In the last decade or two, there has been an increase in multi-family construction but there are still limited options for households looking for lower maintenance, smaller lot sizes, or units adjacent to family members. Greater housing variety can ensure more variety of price points and options for all stages of life. Communities have found that it can be one of the most effective ways to bring existing affordable homes to the market.

Variety, both in housing type, lot size, and location, provides for interesting neighborhoods and accommodates changing household preferences, but more importantly, provides affordable housing options. The affordability usually comes from efficiencies gained from smaller lots and the construction of more units (economies of scale). Housing types should range from townhomes, senior living facilities, low/no maintenance condominiums, multi-family development, and small lot (new or infill). Smaller lots sizes are one of the easiest ways to reduce home buying costs as land and infrastructure costs are spread across more units but home finishes remain similar to homes on larger lots.

Greater housing variety can ensure more variety of price points and options for all stages of life.

HOUSING STAGES

🔗 = Each stage often requires the previous to be possible



Housing Variety Examples



State Level

In many communities around the country the focus on housing diversity has trended toward addressing the need for Missing Middle Housing and the impediments to this housing type that are created by local regulations (<https://missingmiddlehousing.com/>).

At a state level, there are several mandated approaches that can have unforeseen consequences. Approaches should avoid swinging the pendulum too far in one direction. A healthy housing market has a full range of housing options.

Program Guidelines and Preferences

Existing State programs could give higher preferences to housing products that fill product gaps within a particular community. This can be determined using building permit data. If in the last several years the majority of units constructed have been one particular type (for example, all single-family detached or high density multi-family), a project would score higher if it is producing a different product for the community. Preference could easily be given to smaller lot developments or approaches that use materials or land more efficiently. These types of programs are easier to adjust to the needs of a community rather than blanket legislation.

Retiree Housing Incentive

One of the largest segments of the homeowner population is over the age of 55. Creating products appealing to this population can create movement in the market and free-up middle-income housing. One deterrent to move to a new unit that may cost more than their existing home is the increase in property taxes. A potential solution would be to allow a transfer of the appraised value of their existing home to the new construction. In this model the older household may move into a new home but not see their property taxes increase when they are on a fixed income.

Housing Toolkit

Many communities know they need more housing variety, especially for their retirees and young professionals but they are not always sure what that may look like or how to encourage those units. A local housing toolkit would provide guidance regarding:

- Types of desired housing.
- Site plans for how units can fit into existing and future neighborhoods.
- Planning tools to have in place.
- Regulatory tools that should be in place, or removed if they are barriers.
 - › This includes a zoning evaluation system that smaller communities can use to check older, dated codes. Many communities do not have full-time planners or zoning officials and have no idea their codes restrict something until a proposal comes forward.

FEDERAL FANNIE MAE - MANUFACTURED HOME ADVANTAGE PROGRAM

MH Advantage is a program by Fannie Mae to encourage the development of new affordable housing using manufactured housing. Homes under the program must meet specific criteria to classify them as real property, including being placed on a permanent foundation. These homes are required to have the same features of site built housing but the production off-site allows for greater efficiency and reduced costs. The program targets homes in the \$150,000 to \$250,000 range.

Local Level

Development Agreements

Developments today often require financing assistance from a city. This may be done through RHIDs, IRBs, infrastructure cost sharing, or TIF districts to name a few. With any of these, a development agreement can be established that requires different types of units to be included. This may be as simple as a gross density requirement that can be met by whichever products the builder feels will be most successful in the local market.

Streamlining the Approval Process

The pre-construction process includes many variables, most of which are out of the control of local officials. The city approval process is one step where local communities can play a role.

For many rural cities this is not an issue, but for larger communities regulations and processes have often been put into place to address the “worst case scenarios.” Additionally, new product types can cause worry for local residents, concerned over the impacts that a potential development could have and result in “Not In My Backyard” (NIMBY) battles. This can extend the process for the developer, costing them more because of design changes and interest payments. Even then, the developer may not be guaranteed approval.

Zoning in Small Cities

Nationally, there is a growing discussion regarding the adverse impact ordinances have on the development of housing. Cities and counties need to make sure that municipal codes do not prohibit or add time to desirable housing development.

An individual ordinance review for each city or county is beyond the possibility of this assessment. However, the following is the start of a general checklist, that may be beneficial for jurisdictions without a planner or zoning official on staff.

- Review past exceptions granted on residential development. If there are more than four or five similar exceptions granted each year, consider making the exception allowed citywide.
 - Review setbacks, site coverage, and parking requirements to allow building on nonconforming small lots that exist in many cities today.
 - Allow more residential uses in commercial/employment districts. At a minimum, upper story residential should be allowed in downtown districts.
 - Allow duplexes, attached housing, and even tri-plexes in more zoning districts. Cities may find many of these uses in “single-family” neighborhoods today as non-conforming uses that function just fine, and have for many years.
 - Evaluate nonconforming building regulations to ensure compliance
- requirements focus mostly on properties with records of nuisance or building code violations rather than merely seeking more properties to align with regulations that did not apply at the time of construction. Examples include:
- › Restoration after damage – Exempt residential uses in residential zoning districts from any compliance trigger for lot size, setbacks, building size, and parking when damaged. Instead, allow restoration of these damaged structures to the condition at the time of damage.
 - › Adaptive reuse and reconstruction – Specify adaptive reuse and reconstruction is allowed for any non-conforming building so long as the property has no known nuisance complaints or safety violations.
 - › Special permits for nonconforming structures – Exempt special permit requirements for reconstruction or structural alteration of residential uses if not changing the setback, height, or area as existing today.
 - Reduce or eliminate parking requirements for multifamily housing units. Generally, off-street parking requirements for residential uses should be two spaces per unit at most. Multifamily type uses can typically have standards lower than two spaces per unit.

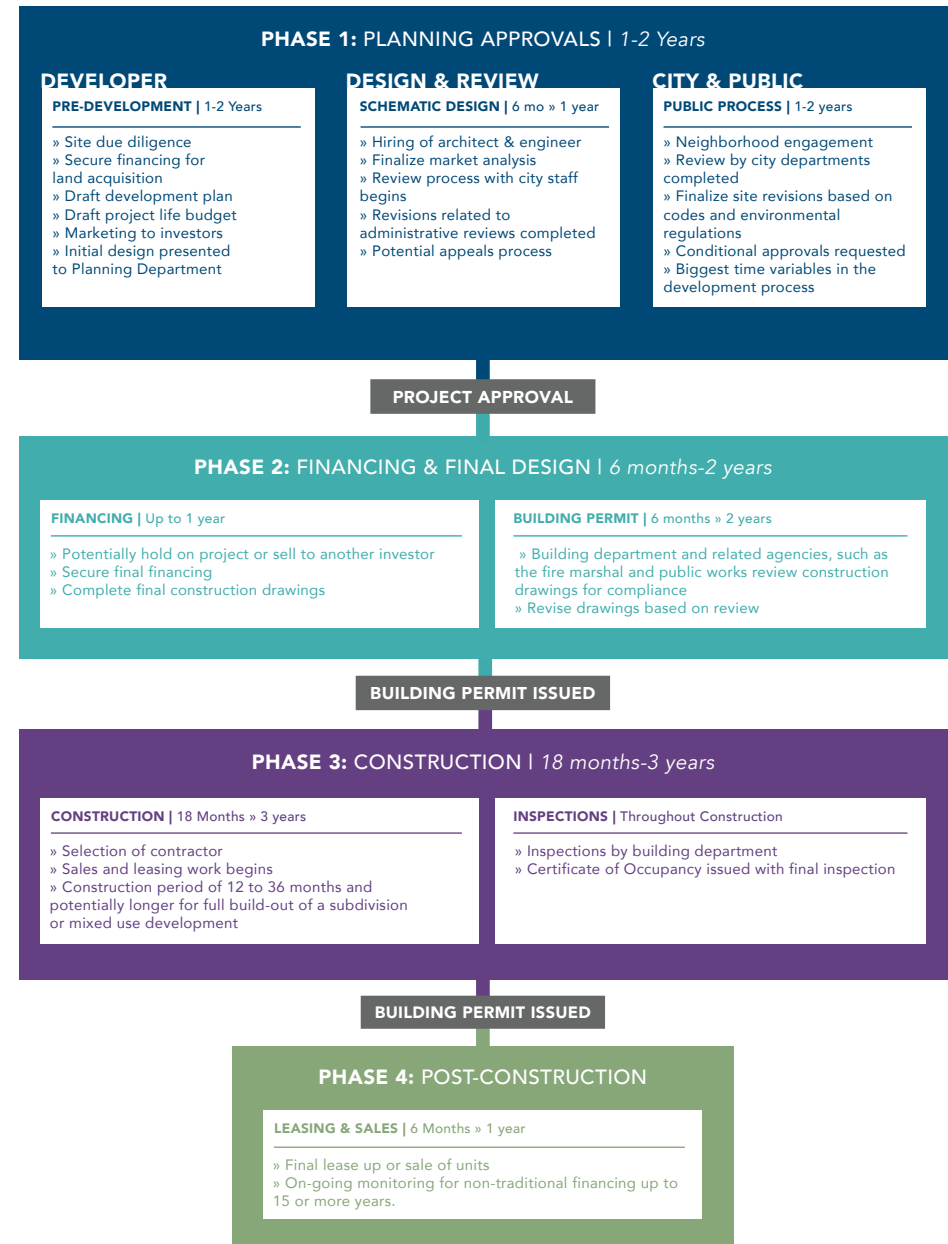
Streamlining the Approval Process Cont'd

There are ways to increase opportunities for administrative site plan approval. Especially when housing proposals meet a city's comprehensive plan goals and targeted housing needs. There should not be a question of public approval because the comprehensive planning process includes heavy public participation to frame the vision, goals, and actions for the city's future. Additionally, a well-structured and design-oriented zoning ordinance will prevent possible adverse effects of density, building mass, land use conflicts, and transportation movement. Exceptions include:

- The project requests an amendment to the comprehensive plan.
- The project requests a change to the zoning or subdivision ordinance.
- The project requests a rezoning.
- State or Federal law requires a public hearing because of specific funding or permit procedures.



Prototypical Development Process



Site Plans

The development approval process can be further streamlined by having prepackaged site plans available. Builders will often continue to build what they know – single-family homes or larger apartments – because of historical consistency in profits and evidence of past local approvals, which reduces the risk of a project falling through. By creating a package of example site plans and products that will get approved, a level of risk is taken off the builder. Cities or economic development organizations could go as far as to release a request for proposals (RFP) to develop assembled sites under specific criteria and standards. Both methods are straightforward ways to eliminate approval risks.

This also applies in smaller markets where these packaged site plans can provide technical assistance for less experienced local builders, investors, or community members interested in a community project.

A note about single-family zoning. There is currently a lot of national dialog around the elimination of single-family zoning. Often this approach eliminates zoning districts that only allow single-family detached housing, but does not eliminate or prohibit the production of single-family detached homes. This can streamline the process for producing other product types, but it does nothing to guarantee that a builder will change from building what they know best, which may be a single-family detached home.

OTHER TYPES OF ZONING INCENTIVES

These types of incentives may be more appropriate for larger cities where a decent number of developers/builders are already working at scale. Some cities already have similar provisions in place and are working to expand opportunities, such as the Wichita Places for People Plan.

Density Bonuses

These address entitlements and will typically involve higher density or other modifications of development regulations to encourage certain kinds of development. In some places, these incentives may include expedited processes, code relief, or other “accelerants.” However, this implies a level of favoritism that could well be unacceptable, in addition to implying that normal processes are substandard.

Density by Right

Zoning changes that permit higher density or different forms of development like accessory dwelling units and duplexes on residential lots.

Mandates or Minimum Requirements for Affordable Housing.

This would follow a model of requiring a certain percentage of units in a project to fall within affordability guidelines.

Inclusionary Zoning/Mixed-Income Housing

This approach requires developments to include a certain amount of affordable units. As written in Kansas Code, cities cannot require inclusionary zoning, only create incentives to provide affordable housing. These incentives need to be enough to make the effort worthwhile for a developer.



Infill Development Site Plan Schematics – Incremental Development Alliance

Happening Around the State

It would be impossible to list all the housing and related support programs used by the hundreds of cities, counties, and regional entities throughout the state. The following list is only a sample of efforts heard throughout the spring and summer of 2021 that relate to increasing the diversity of housing.

DIVERSITY OF HOUSING

- Newton had a speculative house program that offered up to ten builders a speculative housing finance guarantee. Once a Certificate of Occupancy is obtained the City will cover the carrying costs up to \$10,000.
- Catholic Charities of Northeast Kansas – Emergency Assistance and Transitional Housing. Provides an array of housing services from rental assistance to avoid eviction and a case manager to help find long term solutions.
- City of Frankfort – Free lots on City-owned golf course. Eight lots bought and filled with expensive housing over 2,000 square feet. While all the homes were upper income homes, there were 2 or 3 built to replace an existing home in Frankfort, opening up a lower price point home in the community.
- City of Fort Scott – Small Homes. While not initiated by the City, a local builder/developer completed smaller home footprints of 782 square feet.



BUILDING THE HUMAN CAPITAL

It is often said “there is no reason to reinvent the wheel” and this could not be truer for many rural communities. Kansas has a number of great tools but there is limited knowledge or resources on how to use those tools. Providing technical assistance and expanding the state’s human capital can ensure that existing programs are fully used.

State Level

Housing Extension Officers

Many communities noted the need for technical assistance in using programs such as RHIDs, NRP, and Land Banks. This is just one way in which a “housing extension officer” could assist cities and with small project administration. These individuals could be part of the regional planning commissions or University extension offices. Additional funding for these positions would be needed and could come from a variety of sources, including small fees paid by counties to their regional service providers.

At a minimum, a clearinghouse of resources should be created to provide guidance on these different programs. The Department of Commerce has many of these today. Therefore, expanding on this website may be all that is necessary. The appendix of this assessment lists a variety of local programs heard across Kansas during the outreach process.

Supportive Services

Across the state are agencies and organizations that provide services to low-income households. Many of the programs that these agencies administer are complicated. Providing additional support services and technical assistance should help to better use existing programs. Additionally, like many other industries, a good number of Baby Boomers that have filled these positions are retiring. The next generation needs to be trained.

Local Level

Training and Development

At the local level, community leaders need to invest in themselves through training and development. This may be as simple as KHRC, HUD, the Office of Rural Prosperity, or the Department of Commerce creating a regular speaker series on different housing initiatives going on around the state. In partnership, these agencies could cover a wide variety of topics and initiatives.

This is done to some extent at the local level in Johnson County, and has stimulated conversation on new programs and initiatives.

WEBINAR SERIES

Below are just a couple of examples, but several different organizations started these types of series during the pandemic.

- Regional Opportunity Initiatives developed a webinar series that explores workforce housing challenges, needs, and strategies for advancing housing opportunities in the Indiana Uplands. <https://regionalopportunityinc.org/housing-series/>
- Nebraska Investment Finance Authority hosts a monthly webinar series to connect with Nebraska communities and housing partners. <https://www.nifa.org/community-engagement/education-training>





BUILDING TRADES LABOR SHORTAGE

The shortage of workers in the building trades is well-documented. In September of 2021, the Bureau of Labor Statistics reported there were over 300,000 construction jobs open nationally. Many feel this is an undercount. A 2021 survey by the National Association of Home Builders found that 71% of their members reported the availability and cost of workers is one of the most significant challenges they face. While the financing and desire to build housing may exist, little will change if there are not the workers to actually build the homes.

State Level

Workforce recruitment and retention in many job sectors is a priority issue. States and local communities across the country are trying new and innovative approaches every day to address this issue. With regards to building trades, the State should consider:

- **Expanding workforce development programs around building trades.** In the list of highest-priority fields, skilled trades are often not on the list. The need for more plumbers, electricians, and heating and air conditioning workers is growing to near emergency status. Without these trades, many industries, including housing construction, will not be able to grow and expand.

A 2021 survey by the National Association of Home Builders found that 71% of their members reported the availability and cost of workers is one of the most significant challenges they face.

- **Provide assistance to Community and Tech Colleges and high schools for the expansion of building trade programs.** Many of these programs are being rebuilt after being cut in the past. Ramping these programs back up to address the labor shortage needs is a priority. This may include assistance finding trained educators to teach the classes. The ability to expand the full breadth of programs at community colleges to all campuses may also be important, rather than having certain specialties in different locations.
- **Create incentives for existing business to expand.** Starting a new business is never easy and expanding an existing business can be just as challenging. Small business loans and incentives targeted to existing business may help fill some of the gap and provide an opportunity for individuals new to a trade. However, a challenge many businesses face is the available labor.

Local Level

Often workforce issues need to be addressed at the local level through partnerships of engaged local stakeholders. In addition to expansion of trades programs within the community and tech colleges, local partnerships could consider:

- **Sponsorship programs for students in building trade programs.** This is not a new concept, many other industries have tried this approach, including the medical industry. Students are sponsored by a business or local initiative that can include tuition assistance or student loan payments. For this assistance, the students agree to spend a certain amount of time employed at the business or in the area.
 - › This type of program could be expanded to include training for inspectors. Projects using federal dollars, like CBDG, require certified inspectors. In many areas there are no certified inspectors which creates delays and additional costs to bring inspectors in from further away.
- **Succession planning programs for existing businesses.** In many communities, especially rural communities, trade businesses are owned and operated by individuals at or near retirement age. Many of these business owners are too busy focusing on their current workload to plan for passing their business on to the next generation. Local development groups can be a great resource and may need to pro-actively reach out to business owners.
- **Prison workforce.** Several participants in the outreach process noted the opportunity to train incarcerated individuals in the building trades for when they reenter the workforce or complete selected projects as part of prison programming.
- **Rural Opportunity Zones.** Within rural opportunity zones certain incentives exist that are meant to attract new workers and businesses to the areas. These incentives should be extended to those in the building trades, including those who are already in the communities.

As communities look to fill jobs and attract new residents, housing is only one component. Investments in communities to create high quality neighborhoods, schools, medical facilities, recreational amenities, and access to high speed internet are all important.

Happening Around the State

It would be impossible to list all the housing and related support programs used by the hundreds of cities, counties, and regional entities throughout the state. The following list is only a sample of efforts heard throughout the spring and summer of 2021 that relate to human capital and building trades.

BUILDING THE HUMAN CAPITAL

- The Columbus Housing Interest Committee – Meets regularly to discuss housing needs and potential solutions. More people are stepping up with ideas and offers to invest. Homeowners are becoming more conscientious about the upkeep of their property. Community workdays and cleanup events are well attended.
- Lawrence Housing Toolkit – Outlines a variety of possible tools and strategies that have been utilized in other communities to meet similar housing goals identified for Lawrence.
- United Community Services of Johnson County – Housing for All Toolkit. Serves as a go-to resource for local governments, organizations, service providers, developers, and residents to learn about, take action, and contribute to housing solutions. <https://ucsjoco.org/housing-toolkit/case-studies/#preserve-stock>

BUILDING TRADES LABOR SHORTAGE

- Several areas with community colleges or high school programs, current or former, have programs to build a house a year as part of the curriculum.
- Plainville Free Land Program resulted in local people building their own homes rather than waiting on developers to come in and build.
- Blue Rapids – Marshall County Partnership 4 Growth (MCP4G) and the city mayor have been considering workforce housing through small home like cabins and modern container homes as built by Highland Community College for alternative housing options.
- Habitat for Humanity – Various programs throughout Kansas that are primarily volunteer based for building affordable homes, home repair, maintenance, and other resources.

CONCLUSION

As noted in the opening to this section, the issues around housing affordability and availability are complex and varied. These issues are often very localized and the strategies to address those issues will often need to be developed and championed at the local level. That does not mean that programs and funding at the state level should not encourage addressing these issues. Often outside voices are needed to push forward tough and painful conversations.

As noted earlier, this assessment should be a launching point for continued conversation, education, funding, and even reform. To do this, a statewide housing consortium should be formed that brings together experts and individuals passionate about housing issues from across the state. Part of their role should be the identification of priority initiatives and moving those priorities forward.

State Administered Programs as of 2021 for Reference

KHRC Administered

- Kansas Emergency Rental Assistance (KERA) program
- First Time Homebuyer Program
- Weatherization Assistance
- Tenant Based Rental Assistance
- Emergency Solutions Grant
- Community Services Block Grant
- Low Income Housing Tax Credit Program
- HOME Rental Development Program
- Private Activity Bonds
- National Housing Trust Fund
- Moderate Income Housing program

Kansas Department of Commerce

- Rural Housing Incentive Districts (RHID)
- Upper Story RHID Program
- Downtown Redevelopment Tax Rebate
- Community Development Block Grant (CDBG) program

Kansas Historical Society Administered

- Heritage Trust Fund
- State Historic Rehabilitation Tax Credit
- CARES Act Funds

Other Program Resources

- AARP - <https://local.aarpfoundation.org/>
- AffordableHousing.com - <https://afford-ablehousingonline.com/housing-search/Kansas>
- Residential Lead Hazard Prevention Program (RLHPP)

ADDITIONAL RESOURCES

- 2021. State and Local Policy Strategies to Advance Housing Affordability. Rosen Consulting Group. <https://www.nar.realtor/political-advocacy/state-and-local-policy-strategies-to-advance-housing-affordability>
- 2021. Housing is Critical Infrastructure: Social and Economic Benefits of Building More Housing. Rosen Consulting Group. <https://www.nar.realtor/political-advocacy/housing-is-critical-infrastructure>
- 2021. Kansas Housing Resources Corporation Qualified Action Plan. <https://kshousingcorp.org/qualified-allocation-plan/>
- 2021. Kansas Framework for Growth. Department of Commerce. <https://www.kansascommerce.gov/kansas-framework-for-growth/>

TO: City Commission
FROM: Emerald Ashlock, Executive Assistant
SUBJ: Consideration of an Ordinance Designating a Common Consumption Area
DATE: February 28, 2024

Background:

K.S.A. 41-2659 permits a city to establish, by ordinance or resolution, one or more common consumption areas within the limits of the city. A common consumption area is defined as an indoor or outdoor area not otherwise licensed where the possession of alcoholic liquor and cereal malt beverage (CMB) is allowed, pursuant to said permit. It must be defined by a barrier or other apparent line of demarcation and have signs posted identifying the boundaries and providing notice to those entering or leaving the area.

Given the number of events at the Brewery, the ABC Agent suggested that we make the street in front of the brewery a common consumption area for more efficient licensing. During larger events, the city will provide barricades to block the streets from traffic.

Attachments:

1. Common Consumption Ordinance

Policy Issue:

The City Commission must decide whether to allow the establishment of a common consumption area.

Fiscal Impact:

There is no fiscal impact to the city.

Trade-offs:

Not applicable.

Staff Recommendation:

Move forward with the ordinance at a regular Commission meeting.

Commission Action:

This is a discussion item and no action will be taken by the Commission at this time.

ORDINANCE NO. ____

AN ORDINANCE AMENDING CHAPTER 9 OF THE MUNICIPAL CODE OF EL DORADO, KANSAS PERTAINING TO CONSUMPTION ON PUBLIC PROPERTY AND AMENDING CHAPTER 4 OF THE MUNICIPAL CODE OF EL DORADO, KANSAS AND ESTABLISHING A COMMON CONSUMPTION AREA

WHEREAS, K.S.A. 41-2659 permits a city to establish, by ordinance or resolution, one or more common consumption areas within the limits of the city, and to authorize the possession and consumption of alcoholic liquor or cereal malt beverage within the common consumption area; and

WHEREAS, Subsection (g)(1) of K.S.A. 41-2659 states that “common consumption area” means a defined indoor or outdoor area not otherwise subject to a license issued pursuant to the Kansas Liquor Control Act or the Club and Drinking Establishment Act where the possession and consumption of alcoholic liquor or cereal malt beverage is allowed pursuant to a common consumption area permit.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF EL DORADO, KANSAS:

SECTION 1: Section 9.12.020 of the Municipal Code of the City of El Dorado, Kansas is hereby amended to read as follows:

9.12.040 - Consumption on public property.

Except as provided in Chapter 4 of the El Dorado, Kansas Municipal Code:

- A. It is unlawful for any person to drink or consume alcoholic liquor upon the public streets, alleys, roads or highways, or in beer parlors, taverns, poolhalls or places to which the general public has access, whether or not an admission or other fee is charged or collected, or upon property owned by the state or any governmental subdivision thereof, or inside vehicles while upon the public streets, alleys, roads or highways.
- B. Consumption of alcoholic liquor in public places is a Class C violation.

SECTION 2: Section 4.04.010 of the Municipal Code of the City of El Dorado, Kansas is hereby amended to include the following:

4.01.010 – Definitions.

“Public Place” shall include upon any street, public thoroughfare, public parking lot or any privately owned parking area made available to the public generally, within any parked or driven motor vehicle situated in any of the aforesaid places or upon any property owned by the state or any governmental subdivision thereof unless such property is leased to others under K.S.A. 12-1740 et seq. if the property is being used for hotel or motel purposes or purposes incidental thereto or is owned or operated by an airport authority created pursuant to Chapter 27 of the Kansas Statutes Annotated.

SECTION 3: Section 4.30 is hereby added to the Municipal Code of the City of El Dorado, Kansas to read as follows:

4.30.010 - Common Consumption Area established.

- (a) In accordance with K.S.A. 41-2659, and amendments thereto, the Governing Body hereby establishes the Walnut River Brewery Common Consumption Area (“CCA”) located at the 100 block of Locust Avenue. (description), provided that a common consumption area permit has been issued by the Director of the Kansas Department

- of Revenue Division of Alcoholic Beverage Control (“Director”).
- (b) The boundaries of the CCA must be marked using a physical barrier or any apparent line of demarcation. Every CCA shall have signs conspicuously posted identifying the boundaries of such area, and such signs must be in a size and manner that provides notice to persons entering or leaving the area.
- (c) The possession and consumption of alcoholic liquor or cereal malt beverages in the CCA is authorized on Thursday, Friday, and Saturday between the hours of 10 a.m. and 11 p.m. An exception may be made for a change in day or time if prior approval is granted via a special event permit approved by the Governing Body.

4.30.020 - Common Consumption Area - Rules of Conduct.

- (a) Sales Conditions. CCA permits are for the possession and consumption of alcoholic liquor or cereal malt beverages only. No sales of alcoholic liquor or cereal malt beverage may occur on premises covered by the CCA permit unless the sales are conducted by a caterer licensed in accordance with all City requirements for a catered event, a separate special event permit has been issued for that specific area, or a drinking establishment has been authorized in writing by the City Clerk or designee to operate a noncontiguous service area in accordance with K.S.A. 41-2659(e)(2).
- (b) Consumption Areas. Alcoholic liquor or cereal malt beverage drinks may be consumed on public property within the CCA including sidewalks and crosswalks. Still, they shall not be consumed in public parking lots, street parking stalls, or the public thoroughfare (“street”) unless the street has been closed to vehicular traffic for a special event approved by the Governing Body.
- (c) Purchases Outside of the CCA. The possession and consumption of alcoholic liquor or cereal malt beverage purchased outside of the CCA, and its participating licensees shall not be permitted inside the boundaries of the CCA without prior approval of a special event permit by the Governing Body.
- (d) Removal of Purchases from Within the CCA. No open container of alcoholic liquor or cereal malt beverage purchased within the CCA shall be removed from the boundaries of the CCA.
- (e) Containers and One-Drink per-person on-street limit. All alcoholic liquor and cereal malt beverage removed from a licensed premises or otherwise sold within the CCA shall be served in a paper or plastic cup no larger than sixteen (16) fluid ounces that displays the licensee’s trade name or logo or other identifying mark that is unique to the licensee. No establishment participating in the CCA shall allow any person to leave their premises and enter the CCA with more than one such alcoholic beverage at a time. Paper or plastic cups shall be single serve and not be refilled by the licensee identified on the cup, by any other licensed establishment participating in the CCA, or by any other person or party.
- (f) Conduct. All persons within the CCA shall follow all laws and ordinances concerning the purchase, sale, and consumption of alcohol or cereal malt beverage. Any person acting in a way that violates any provisions of the Municipal Code, State or Federal laws, including but not limited to any offenses against person, property, the public peace, the public safety, or public morals, will be removed from the CCA.
- (g) Licensed Premises. Any licensee of a licensed premises located within or immediately adjacent to the CCA may request permission from the Kansas Alcoholic and Beverage Control Director to participate in the CCA upon forms prescribed by the Director.
- (1) Removal of Alcohol from Licensed Premises. Any licensee of a licensed premises who has requested and received permission to participate in the CCA may allow its legal patrons to remove one alcoholic liquor or cereal malt beverage purchased from the licensee per person into the premises described by the CCA permit.
- (2) Noncontiguous Sales. In addition to their licensed premises, one or more licensees that have requested and received permission to participate in the CCA may offer for

sale, sell, and serve alcoholic liquor or cereal malt beverage for consumption from one noncontiguous service area within the CCA, as designated and approved by the CCA permit holder. The licensee shall prominently display a copy of its drinking establishment license and the approval of the CCA permit holder at its noncontiguous service area.

- (3) Compliance with Applicable Laws. Each licensee within the CCA shall comply with all City ordinances, Federal and State laws regulating the purchase, sale and consumption of alcoholic liquor or cereal malt beverage. Any violations of the common consumption area restrictions, City ordinances, or State or Federal laws may result in revocation of the licensee's participation in the CCA. Each licensee within the CCA shall be liable for violations of all liquor laws governing the sale and consumption of alcoholic liquor or cereal malt beverage that occur on the licensee's premises.
- (4) Signage. Any licensed establishment that allows patrons to leave the establishment with an alcoholic beverage in an open container as provided in this Article shall maintain posted inside all exit doors for clear public view a map of the current boundaries of the entertainment district and a sign of at least eleven (11) inches by eight and one-half (8.5) inches that states the following:

"All patrons leaving this establishment with an alcoholic beverage in an open container do hereby assume full responsibility to consume such alcoholic beverage only if it has been served in a paper or plastic cup not to exceed 16 ounces in size and obtained from an establishment licensed to sell alcoholic beverages within the common consumption area (CCA) outlined on the map below. Any individual who leaves the CCA with an alcoholic beverage in an open container is in violation of the Augusta, KS Code of Ordinances and may be subject to a citation, arrest, incarceration, and/or fine."
- (4) Liability. Each licensee within a CCA shall be liable for violations of all liquor laws governing the sale and consumption of alcoholic liquor or cereal malt beverage that occur on the licensee's premises. Licensee shall provide any insurance coverage or proof of coverage as may be required by the Governing Body as a condition of participating in the CCA.

4.30.030 - Common Consumption Area - Notification.

Upon passage of an ordinance or resolution establishing a CCA, the City shall immediately notify the Director of the Kansas Alcoholic Beverage Control Division of the establishment of the CCA and submit a copy of the ordinance or resolution along with such notice."

SECTION 4: All ordinances or parts of ordinances in conflict herewith are repealed. However, any section of an existing ordinance not in conflict herewith is not repealed and remains in full force and effect.

SECTION 5: This Ordinance shall become effective upon passage and publication of the Ordinance summary as provided by law.

Passed by the City Commission this 18th day of March, 2024. Signed by the Mayor this 18th day of March, 2024

Bill Young, Mayor

ATTEST:

Emerald Ashlock, City Clerk

TO: City Commission
FROM: Tabitha Sharp
SUBJ: Consideration of the Designation of the Official City Newspaper
DATE: February 28, 2024

Background:

The City Commission approved a Charter Ordinance in November 2023 allowing for the designation of the website as the city's official newspaper. The 61-day waiting period required by the Charter Ordinance has passed, and we can now designate the official paper by Resolution. We have created a specific section of the website for these publications. It can be found at <https://eldoks.com/573/Legal-Notices-and-Publications>. It can also be found by going to the City Government menu at the top of the website and clicking on Legal Notices and Publications.

The Mayor and City Manager recently met with a representative of the BUCO Times Gazette. They agreed to discuss with the Commission the option of making the newspaper the official paper of the City, but still utilize the paper to publish notices in order to reach more people.

Attachments:

1. Official Newspaper Resolution

Policy Issue:

The City Commission must determine whether to designate the website as the official city newspaper.

Fiscal Impact:

We typically average around \$4,500 in payments to the newspaper. It varies depending upon the activity in the city each year. This move will save a portion of these funds. However, the City will still be required to publish items such as the budget as required by State Statute.

Trade-offs:

The City Commission has the following options:

1. Approve the Resolution as presented.
2. Request that staff make changes to the Resolution.
3. Designate another format as the official newspaper.

Staff Recommendation:

Adopt the Resolution designating the website as the official city newspaper.

Commission Action:

Commissioner _____ moved to approve a Resolution designating the website as the official newspaper of the City of El Dorado, Kansas.

Commissioner _____ seconded the motion.

RESOLUTION NO. ____

**A RESOLUTION DESIGNATING AN OFFICIAL NEWSPAPER FOR THE
CITY OF EL DORADO, KANSAS**

WHEREAS, the City of El Dorado, Kansas, (“City”) is a legal municipal government as provided by the laws of the State of Kansas; and

WHEREAS, the City Commission has approved Charter Ordinance No. 29 regarding the designation of the official city newspaper; and

WHEREAS, that Charter Ordinance allows for the city’s website to be designated as the official newspaper as it is:

1. A public-facing website available to the public at all times, except during website maintenance as reasonably determined necessary; and
2. The website is easily accessible from the City’s website home page (<https://www.eldoks.com>); and
3. It is available to website users free of charge; and
4. All current notices and unrepealed ordinances uploaded to the website for publication shall be uploaded in their entirety during any period they are in effect; and

NOW, THEREFORE, the City Commission hereby designates the City of El Dorado, Kansas website, <https://eldoks.com/573/Legal-Notices-and-Publications>, as the official city newspaper.

**APPROVED BY THE GOVERNING BODY OF THE CITY OF EL DORADO,
KANSAS**, this 5th day of February 2024.

APPROVED _____
Bill Young, Mayor

(SEAL)

ATTEST: _____
Emerald Ashlock, City Clerk