



EDGERTON HOUSING ASSESSMENT

DECEMBER 2020 DRAFT

ACKNOWLEDGMENTS

A special thank you to the Elevate Edgerton, the City of Edgerton, United Community Services of Johnson County, and the residents of Edgerton for providing their insights and passion for Edgerton.



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MARKET ANALYSIS

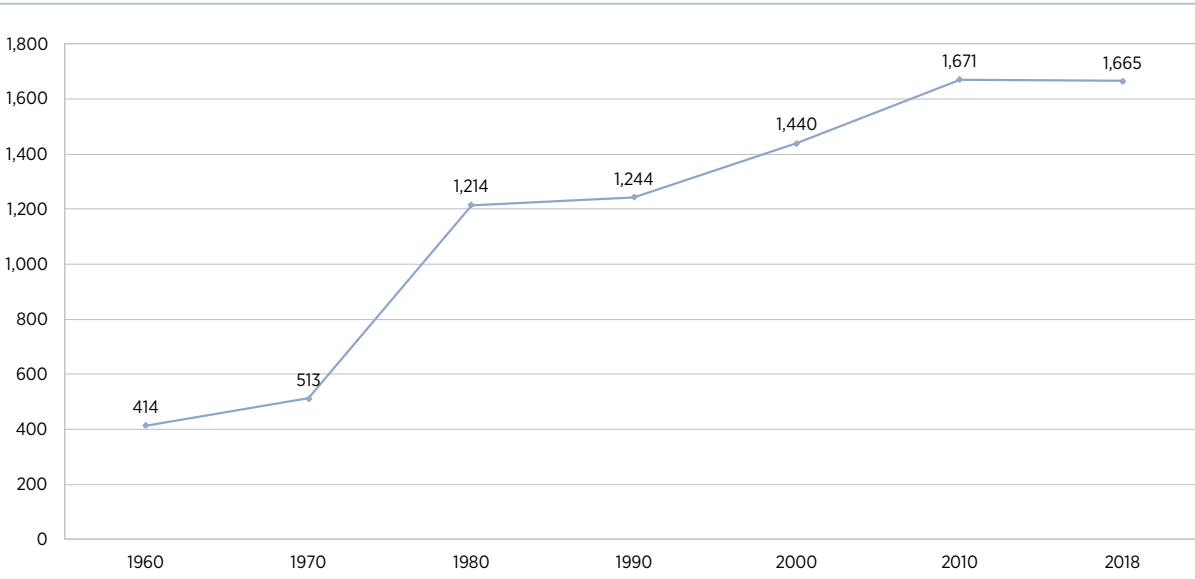
Located in southwest Johnson County, with access to I-35 and Highway 56, Edgerton provides residents with easy access to the metro area. A significant amount of undeveloped land is located in and around the city, leaving ample space to develop new housing options into the future if infrastructure barriers can be overcome.

POPULATION CHANGE

Edgerton's population has been rising since 1950 with the most substantial growth doubling the population in the 1970s. Between 2010 and 2018 the population stayed stagnant despite a steady 1.5% annual population change from 1990 to 2010. Figure 1 illustrates the population change since 1960.

Growth rates projected by MARC and a local plan forecast very aggressive increases not seen since the 1970s at annual rates above 3%. Edgerton's potential hinges on attracting developers and making land shovel ready. Given the time necessary to extend infrastructure, a 1.44% annual growth rate, just under the average in the 2000s but above that of the last ten years, is reasonable in the next 5 years, and could rise higher to well over 2% annually through 2030 once the market is proven and development momentum takes hold. This scenario would result in about 525 new residents by 2030.

FIGURE 1: HISTORIC POPULATION CHANGE, EDGERTON



Source: U.S. Census; American Community Survey (2018)

FIGURE 2: POPULATION CHANGE - SELECT JOHNSON COUNTY COMMUNITIES

	1990	2000	2010	2018 ESTIMATE	CURRENT SHARE OF COUNTY	1990-2018 ANNUAL GROWTH RATE
DE SOTO	2,291	4,561	5,720	6,138	1.05%	3.8%
EDGERTON	1,244	1,440	1,671	1,665	0.28%	1.3%
GARDNER	3,191	9,396	19,123	21,351	3.65%	7.1%
MERRIAM	11,821	11,008	11,003	11,243	1.92%	-0.2%
MISSION	9,504	9,727	9,323	9,437	1.61%	-0.04%
ROELAND PARK	7,706	6,817	6,731	6,796	1.16%	-0.5%
SPRING HILL	2,191	2,727	5,437	6,315	1.08%	4.2%
JOHNSON COUNTY	357,048	451,086	544,179	585,502	-	1.9%
STATE OF KANSAS	2,477,574	2,688,418	2,853,118	2,911,510	-	0.6%

Source: U.S. Census; American Community Survey (2018)

HOUSEHOLD INCOME

Median household income of Edgerton residents is the second lowest in Johnson County at \$54,124, down 11% since 2010. This mirrored a decline in median home values of 4% during the same time period. However, median rents increased 14% to \$756.

HOUSING OCCUPANCY

Figure 4 shows occupancy characteristics in Edgerton.

- Owner-occupancy remains high, near 80% and above of occupied units.
- Based on conversations with community stakeholders the estimate of 53 vacant units appears high. The city is likely closer to the 2000 vacancy rate or potentially lower. For those units that are vacant are attributed to very low quality of the unit. A range of to 5% to 6% should be the goal of any city for a balanced market and adequate options for new and existing residents.
- Household size is around 2.8 people per household which is about average compared to other cities in Johnson County.

FIGURE 3: 2018 MEDIAN HOUSEHOLD INCOME

	2018 ESTIMATED MEDIAN HOUSEHOLD INCOME	MEDIAN HOUSE VALUE	MEDIAN MONTHLY COSTS WITH A MORTGAGE	MEDIAN CONTRACT RENT
DE SOTO	\$52,364	\$203,200	\$1,839	\$642
EDGERTON	\$54,125	\$121,200	\$1,235	\$756
GARDNER	\$75,985	\$178,700	\$1,517	\$835
MERRIAM	\$59,643	\$160,100	\$1,315	\$784
MISSION	\$60,875	\$169,500	\$1,447	\$812
ROELAND PARK	\$70,514	\$164,100	\$1,363	\$901
SPRING HILL	\$72,384	\$188,800	\$1,659	\$634
JOHNSON COUNTY	\$ 86,746	\$277,300	\$1,802	\$884

Source: American Community Survey (2018)

FIGURE 4: HOUSING OCCUPANCY, EDGERTON

	2000		2018 5YR		CHANGE 2000- 2018
	NUMBER	% OF OCCUPIED UNITS	NUMBER	% OF OCCUPIED UNITS	
OWNER-OCCUPIED	396	83.5%	474	79.4%	78
RENTER-OCCUPIED	78	16.5%	123	20.6%	45
TOTAL VACANT	26		53		27
VACANCY RATE	5.2%		8.2%		
TOTAL UNITS	500		650		

Source: U.S. Census; American Community Survey (2018)

RETAIL DEMAND

A caveat to the data available by ESRI for Edgerton's area is that spending data by industry is under-reported due to the low volume of businesses in each category. Reporting actual sales would disclose revenues of individual businesses so the information is unavailable.

ESRI Business Analyst reports that nearly all industry sectors experience retail leakage to other market areas with exception to Gasoline Stations. Health and Personal Care Services Stores tend to capture more of Edgerton's market, yet continues to experience substantial leakage.

RETAIL FORECAST

A 2% growth rate with a population increase of 525 residents by 2030 translates to a future retail spending demand of \$29.6 million or 31% increase.

Per capita retail spending is calculated by taking the anticipated retail spending of \$22,530,810 and dividing it by the current population of 1,665. The result is \$13,532.

A growth of 525 residents by 2030 translates to an additional \$7.1 million (525x\$13,532) in retail spending.

While retail spending demand will increase as population grows, Edgerton's ability to capture their existing leakage and add new businesses represents an opportunity for growth.

FIGURE 5: RETAIL SPENDING POTENTIAL (MARKET DEMAND)	
INDUSTRY	DEMAND (RETAIL POTENTIAL)
TOTAL RETAIL TRADE AND FOOD & DRINK	\$22,530,810
INDUSTRY GROUP	
MOTOR VEHICLE & PARTS DEALERS	\$5,048,703
FURNITURE & HOME FURNISHINGS STORES	\$657,179
ELECTRONICS & APPLIANCE STORES	\$576,534
BLDG MATERIALS, GARDEN EQUIP. & SUPPLY STORES	\$1,346,400
FOOD & BEVERAGE STORES	\$3,708,186
HEALTH & PERSONAL CARE STORES	\$948,858
GASOLINE STATIONS	\$1,927,544
CLOTHING & CLOTHING ACCESSORIES STORES	\$785,370
SPORTING GOODS, HOBBY, BOOK & MUSIC STORES	\$480,141
GENERAL MERCHANDISE STORES	\$3,819,216
MISCELLANEOUS STORE RETAILERS	\$799,942
NONSTORE RETAILERS	\$307,687
DIRECT SELLING ESTABLISHMENTS	\$57,922
FOOD SERVICES & DRINKING PLACES	\$2,125,050
Source: ESRI Business Analyst (2017)	

POTENTIAL SPENDING INDEX

ESRI's Business Analyst includes a Spending Potential Index (SPI), which is household-based, and represents the amount spent for a product or service relative to a national average of 100. This report is not a comprehensive list of all consumer spending variables. Scores below 100 represent below the national average while scores above 100 represent above the average. Consumer Spending data is derived from the 2017 and 2018 Consumer Expenditure Surveys, Bureau

of Labor Statistics.

In general, Edgerton's SPI is below the national average, representing more conservative spending patterns than the nation as a whole.

Edgerton's projected population growth would result in approximately \$7.1 million more in retail spending.

FIGURE 6: POTENTIAL SPENDING INDEX	
INDUSTRY	INDEX - 100
APPAREL AND SERVICES	84
COMPUTER	82
ENTERTAINMENT & RECREATION	84
FOOD	83
FINANCIAL	90
HEALTH	85
HOME EXPENSES (MORTGAGE/ MAINTENANCE)	87
HOUSEHOLD FURNISHINGS AND EQUIPMENT	85
HOUSEHOLD OPERATIONS (CHILD CARE; LAWN/GARDEN)	90
INSURANCE	88
TRANSPORTATION	88
TRAVEL	83
Source: ESRI Business Analyst (2017)	

CONSUMER TAPESTRY

ESRI Business Analyst characterizes communities in 67 distinct tapestries, which informs retailers about prominent attributes of the demographics and their spending patterns.

Based on ESRI's methodology, Edgerton shows three prominent tapestries, including Middleburgs (<92%), Soccer Moms (<6%) and Green Acres (<3%).

A snapshot of descriptions for Edgerton's tapestry segments is provided below. For more information on ESRI's tapestry segmentation, visit www.esri.com/tapestry.

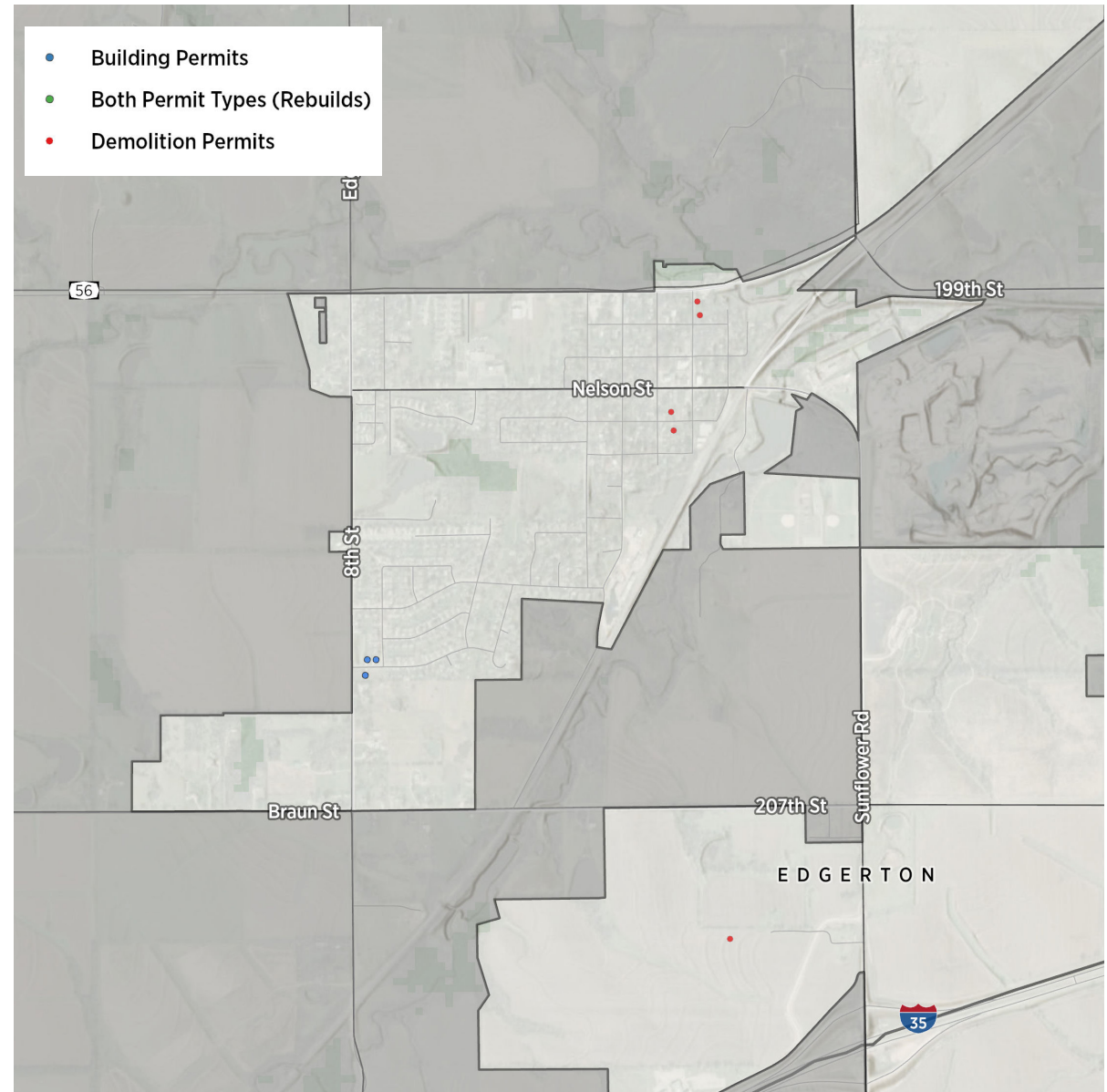
- **Middleburgs Attributes.** Middleburg neighborhoods transformed from the easy pace of country living to semirural subdivisions in the last decade, when the housing boom reached out. Residents are conservative, family-oriented consumers. Still more country than rock and roll, they are thrifty but willing to carry some debt and are already investing in their futures. They rely on their smartphones and mobile devices to stay in touch and pride themselves on their expertise. They prefer to buy American and travel in the US. This market is younger but growing in size and assets.
- **Soccer Moms Attributes.** Soccer Moms is an affluent, family-oriented market with a country favor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets
- **Green Acres Attributes.** The Green Acres lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

CONSTRUCTION ACTIVITY

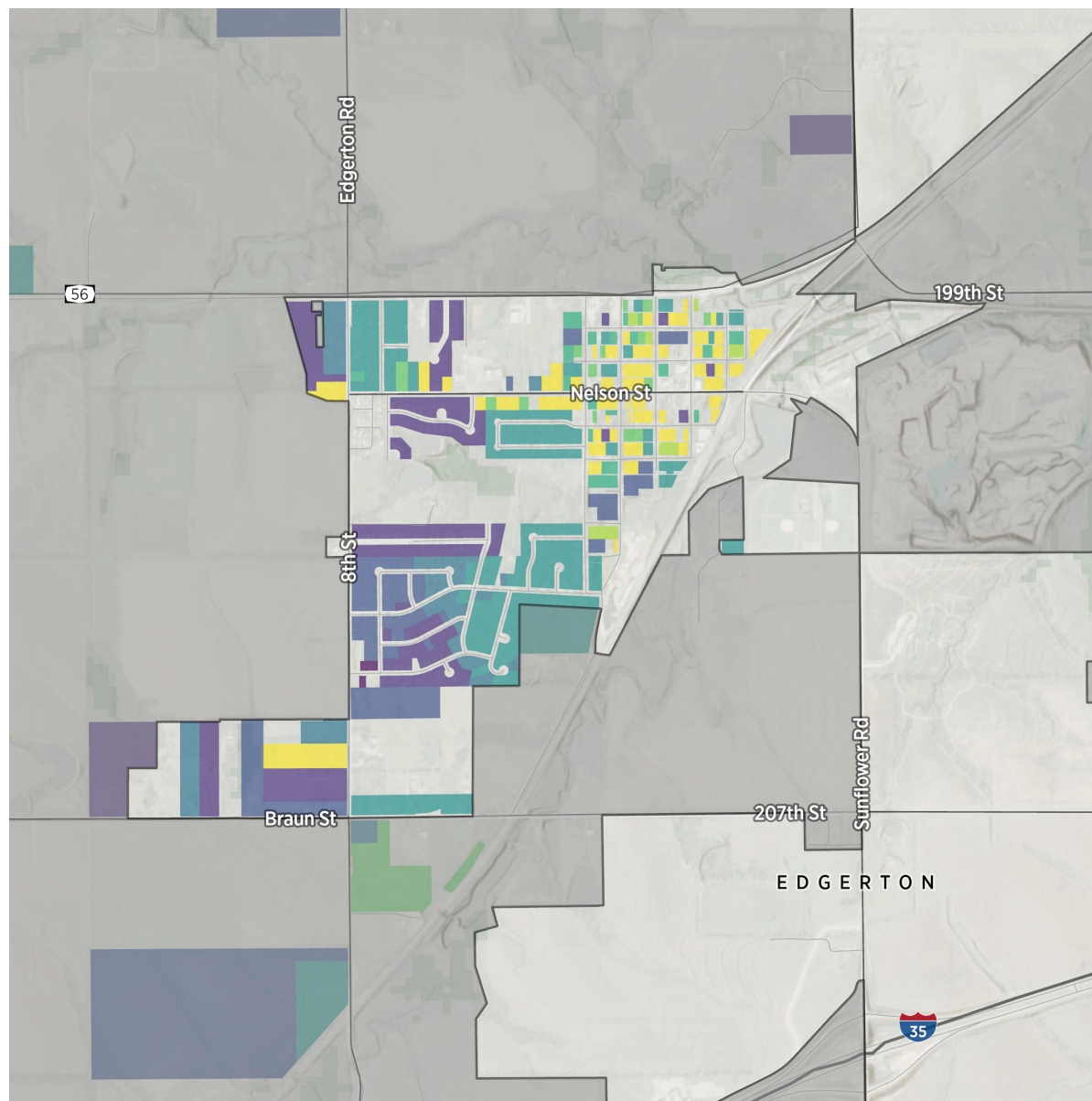
Edgerton continues to see very low rates of construction activity since 2010. Demolitions actually outpaced construction at 23 housing units lost to only 6 constructed. With an older housing stock this is something that needs to change to maintain attainable housing options for future residents. These units cannot be brought back as new units in the price range of the demolished units.

MAP 1: PERMITS BY LOCATION (2010-2019), EDGERTON



Source: Johnson County

MAP 2: YEAR BUILT, EDGERTON

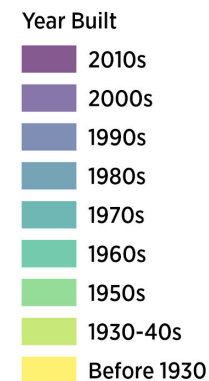


Source: Johnson County

AGE OF HOUSING

Map 2 shows the year built of residential dwellings. The age of housing provides preliminary insight into areas more susceptible to deterioration and additional homeowner costs. If these areas are also occupied by lower income households and the elderly, then monitoring of rehabilitation needs is even more important.

- About 79% of Edgerton's housing stock was constructed between 1970 and 2009, with 36% alone in the 1970s. Less than 1% of the housing was built in the last 10 years.
- About 19% of the housing units were built before 1970.



HOME SALES

How quickly homes sell in a market is a leading indicator of housing demand and supply. Figure 7 shows home sales data from 2017-2019. In Edgerton:

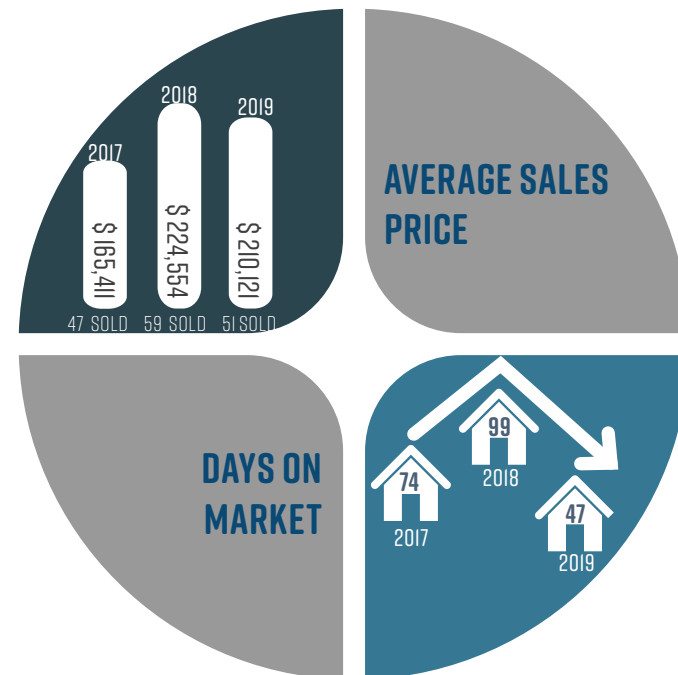
- Sales prices and the volume sold are steady but low compared to other cities in Johnson County. Lower volume is largely a result of fewer overall housing units in the city.
- The average days on market varied by year, not at extremely low levels but homes do not sit for sale for long periods of time either.

FIGURE 7: SINGLE-FAMILY HOUSING MLS DATA - 2017-2019

	2017			2018			2019		
	AVERAGE SALES PRICE	# SOLD	AVERAGE DAYS ON MARKET	AVERAGE SALES PRICE	# SOLD	AVERAGE DAYS ON MARKET	AVERAGE SALES PRICE	# SOLD	AVERAGE DAYS ON MARKET
DE SOTO	\$262,806	77	69	\$265,740	70	66	\$313,485	84	61
EDGERTON	\$165,411	47	74	\$224,554	59	99	\$210,121	51	47
GARDNER	\$210,845	506	20	\$232,844	496	54	\$245,525	475	15
MERRIAM	\$190,726	137	41	\$200,927	167	23	\$217,208	149	21
MISSION	\$203,868	172	23	\$223,332	177	20	\$249,010	166	20
ROELAND PARK	\$207,603	179	14	\$216,727	190	42	\$230,582	166	14
SPRING HILL	\$267,579	163	90	\$299,383	212	114	\$308,444	207	287

Source: Multiple Listings Service (MLS)

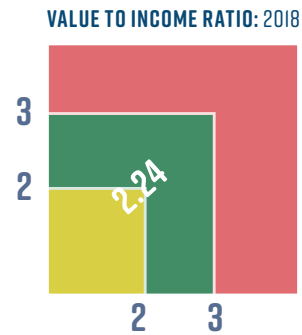
FIGURE 8: SINGLE FAMILY HOME SALES, EDGERTON



Source: Multiple Listings Service (2017-2019)

HOUSING AFFORDABILITY

According to the U.S. Government, households spending more than 30% of their income on housing are considered cost burdened. Additionally, a healthy, self-sustaining housing market will have a value to income ratio between 2 and 3. Edgerton has an overall affordable housing ownership market.



- Edgerton has a value to income ratio of 2.24 indicating a homeownership market that is not overly burdensome for many residents. Although, about 22% of homeowners pay more than 30% of their income for homeownership.

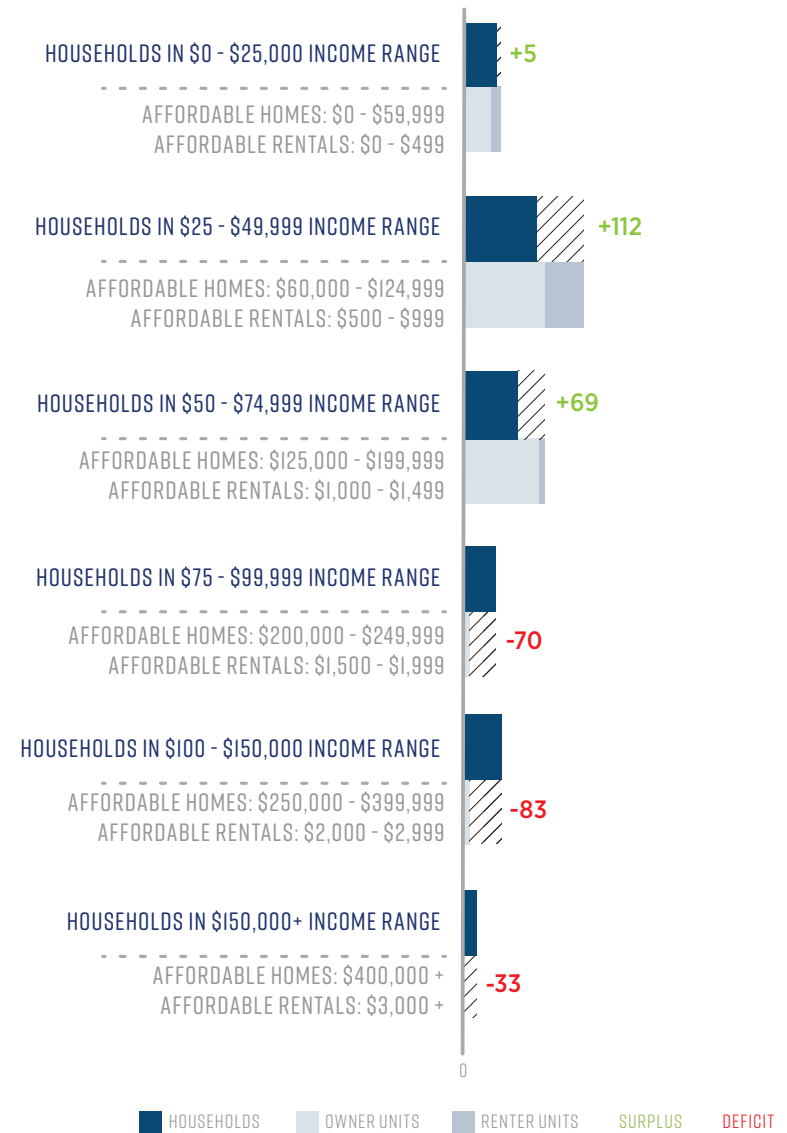
Renters appear to be more disproportionately affected by affordability. About 39% of renters pay more than 30% of their income on gross contract rent.

- Edgerton's median contract rent is third lowest in Johnson County at \$756. This rate is up 14% since 2010 which would not be of great concern except that this coincides with a decline in median income of 11% during the same time.
- A variety of rental units are not available in Edgerton. Therefore, existing rental landlords are able to charge higher prices even if the quality is low.

Figure 7 compares the number of households in an income range with the number of units that would be attainable to that household (the balance).

- The greatest shortage is for households in higher income ranges making more than \$75,000. Most housing for these income ranges will be in the form of owner-occupied housing.
 - The gap indicates that new homes priced above \$200,000 and rentals above \$1,500 a month could be viable options in Edgerton.
- There is a good supply of units available for household's making up to \$75,000. However, these units are filled with households making more. These units, which are often the oldest units in the city, should be maintained as attainable options for many households in the future.

FIGURE 9: INCOME DISTRIBUTION AND HOUSING AFFORDABILITY, EDGERTON



Source: American Community Survey (2018); RDG Planning & Design

HOUSING DEMAND

The housing demand analysis builds on the population projections, housing trends, and community conversations to forecast the demand for additional housing. The model is built on the following assumptions with a 1.44% growth rate through 2025, increasing to the MARC rate of 3.5% through 2030:

- The proportion of the household population (those living in households and not in skilled nursing or prisons) will remain stable through 2030.
- Average people per household is expected to remain constant over the next decade. Some growth may occur as Millennials move into their childbearing years, but Baby Boomer households will also continue to shrink.
- Unit demand at the end of the period is calculated by dividing household population by the number of people per household. This equals the number of occupied housing units.
- A manageable housing vacancy provides housing choice for residents moving to the community. As noted earlier, the rate in Edgerton is slightly high and should decrease over time as the worst units are removed from the market.
- Unit needs at the end of each period are based on the actual household demand plus the number of projected vacant units.

FIGURE 10: HOUSING DEMAND MODEL, EDGERTON

	2020	2025	2030	TOTAL
POPULATION AT END OF PERIOD	1,713	1,841	2,188	
HOUSEHOLD POPULATION AT END OF PERIOD	1,713	1,841	2,188	
AVERAGE PEOPLE PER HOUSEHOLD	2.80	2.80	2.80	
HOUSEHOLD DEMAND AT END OF PERIOD	612	657	782	
PROJECTED VACANCY RATE	8.0%	7.5%	7.0%	
UNIT NEEDS AT END OF PERIOD	665	711	840	
REPLACEMENT NEED (TOTAL LOST UNITS)		15	15	30
CUMULATIVE NEED DURING PERIOD		61	145	205
AVERAGE ANNUAL CONSTRUCTION		12	29	21

Source: RDG Planning & Design

- Replacement need is the number of housing units demolished or converted to other uses. Homes in poor condition or obsolete should be gradually replaced in a city's housing supply. The number of units lost annually is based both historic demolition rates.
- Cumulative need shows the number of total units needed between the base year of 2020 and the year indicated at the end of the period.

Figure 8 shows an average annual construction need of 21 units. The average annual construction rate from 2010 to 2019 was under one unit annually, making this an aspirational growth strategy for Edgerton but attainable based on regional demand if housing strategies can be executed.

DEVELOPMENT PROGRAM

Building on the housing demand model, the development program forecasts production targets for owner and renter occupied units based on the following assumptions:

- Owner-occupied units will be distributed roughly in proportion to the income distributions of the households for whom owner occupancy is an appropriate strategy.
- Most low-income residents will be accommodated in rental units.
- Over the next 10 years, production levels need to balance to provide the housing variety necessary for a growing population. Therefore, the model illustrated in Figure 9 targets a split of 80% owner- and 20% renter-occupied units, adjusting to 75%-25% by 2030.
- Approximately 94 additional owner-occupied units should be priced below \$200,000. This demand will come through the city's existing housing stock being freed up through move-up housing, or products that do not fit the traditional detached single-family homes.
- Nearly 27 rental units will need to be produced with rents below \$1,000 per month. These units are generally one bedroom or will have to be generated through programs like low-income housing tax credits.

FIGURE II: HOUSING DEVELOPMENT PROGRAM, EDGERTON

	2025	2030	2020-2030
TOTAL OWNER OCCUPIED			
ATTAINABLE: <\$200,000	29	65	94
MODERATE MARKET: \$200-250,000	7	17	24
MARKET: \$250-350,000	9	20	28
HIGH MARKET: OVER \$350,000	3	7	10
	48	108	157
TOTAL RENTER OCCUPIED			
ATTAINABLE: LESS THAN \$1,000	7	20	27
MARKET: \$1,000-1,500	3	10	13
HIGH MARKET: \$1,500+	2	6	8
	12	36	48
TOTAL NEED	61	145	205

Source: RDG Planning & Design

COMMUNITY THEMES

PERCEPTION SURVEY

A total of 78 residents completed the community survey. This sample size provides several themes from the survey results:

- Many are aware of an undersupply of lots in the community.
- The most successful housing products perceived by respondents include small and mid sized houses.
- Respondents were not as favorable to large houses, cottage courts, and mixed-income housing near transit.
- Respondents recognize that Edgerton's existing homes are attainable starter homes, but also that these homes often need rehabilitation help.

LISTENING SESSIONS

Many people familiar with the housing market specific to Edgerton participated in small group discussions. These included representatives from the City Council, Planning Commission, staff, and real estate agents among others. Key themes from these sessions included:

- **Housing demand.** There appears to be a tremendous opportunity for housing in Edgerton, specifically to meet the workforce needs at the logistic park.
- **Lot availability.** A lack of lots is blocking the development of additional housing because, understandably, developers do not want to front these significant up-front costs.
- **Needed infrastructure.** Infrastructure needs to be extended to support additional lot development.
 - › Assessment of the cost of extension and capacity of the existing systems needs to be completed.
 - › Some risk may need to be shared beyond only the city to pioneer initial developments.
- **Lack of rental options.** No new rental housing has been develop in the last two decades leaving a gap in rental options.
 - › Renting is often a gateway to long-term living in a community, allowing people to "try out" a community before buying.
- **Development support.** People appear to be open and supportive of development.

Edgerton is in dire need of housing development that meets need for 3 bedroom, 2 bath middle class homes. There is plenty of small "starter" type homes then nothing to grow into... The lack of housing is forcing middle class tax payers out of the community.
- Survey Respondent

ISSUES & OPPORTUNITIES

Based on the market analysis and community input several issues and opportunities are apparent to Edgerton.

LIMITED DEVELOPMENT

Almost every other community in Johnson County, exclusive of those that are landlocked and fully developed, has experienced tremendous growth in the last decades. This includes Gardner, which has experienced as high as an 11% annual growth rate the last few decades. The demonstrated ability in these communities to support new growth has only made them more appealing to developers, who often see Edgerton as an untested market.

JOB MARKET

Over the past decade the Edgerton area has gained hundreds of jobs but those have not been converted into new households in the community. Many of these employees live in Kansas City, Missouri where housing prices are lower, even when considering the transportation costs to work. The unemployment rate has remained low within the immediate region. Many of the jobs at the logistic park were considered essential and the demand to fill positions at the park remains very high. This would indicate that the need for housing to support this workforce remains high.

QUALITY OF HIGH SPEED INTERNET

Today more than ever, the demand by households to have access to quality, high speed internet is a must. The city and other organizations are working to address this issue in larger parts of the county but the issue must remain a priority to ensure successful absorption of a new development.

LOT SUPPLY

Currently the city's inventory of housing has a very low vacancy rate and the attraction of new young families to the community will require adding to the city's supply of housing. The lack of buildable lots is the largest barrier to this growth. For many smaller communities, developers are adverse or do not have the financial wherewithal to take on the risk to extend infrastructures in what is seen as an untested market. Some level of risk sharing will likely need to occur with an initial development to both establish costs and establish the strength of the market.

LIMITED HOUSING VARIETY

In the past twenty years very few new housing units have been produced and the majority of those units have been single-family detached. This results in a lack of variety in the market. Residents interested in higher quality rentals, attached housing, or lower-maintenance products have very few options. For many of these households, they remain in units that no longer fit their needs or move to surrounding communities.

SHORTAGE OF QUALITY RENTAL OPTIONS

No market rate multi-family construction has occurred in Edgerton in over 20 years leaving a significant shortage in what some in the community refer to as “transitional housing.” This is the housing that allows an individual to “transition” into a community. Many of the jobs near Edgerton fall within a range that allows employees to afford a quality rental.

SCATTERED HOUSING CONDITION ISSUES

Generally, Edgerton's housing stock is in good condition. The city's housing supply is older but over the years many households have invested in these units. However, there are still a number of units in poor condition. These range from minor to major repairs but all need to be addressed to maintain the city's stock of affordable housing.

DIRECTIONS FORWARD

The following is a set of strategic objectives to help guide the city and its partners in setting priorities and taking action to support the growth of the housing market.

STRATEGIC OBJECTIVES

As Edgerton looks ahead to the next decade, it appears poised to grow as the nearby employment base and community investments increase. The previous analysis of issues and opportunities suggest the potential to achieve this; however, a number of forces limit Edgerton's ability to produce additional housing units. If action is not taken to demonstrate the need, the community will be unable to attract builders and ultimately new residents.

The following strategic objectives should guide housing programs and policies for Edgerton.

1. Find ways to share risk to meet the needs the private market sees as untested and thus high risk.
2. Provide a range of housing environments by offering housing types that meet housing need for households at different points in their life.
3. Meet the demand in two critical market segments: market-rate rentals and moderately-priced housing.
4. Use strategic rehabilitation and housing conservation to meet the need for entry-level housing through the existing housing stock.

5. Continue to invest in the community's quality of life assets such as high-speed internet and parks. These features make Edgerton attractive in a highly competitive market and position the city to attract residents and thus new commercial services development.

STRATEGIES & POLICIES

Without quality housing, Edgerton will not be able to accommodate the people and growth that is needed to attract new commercial development and the next generation of young families. This section identifies the strategic policies and programs that will support the previously identified strategic objectives.

Edgerton's housing strategies should include the following items.

- Participate in Housing Partnerships
- Lot Development
- Housing Diversity
- Housing Conservation
- Invest in Quality of Life

Note that no one program or approach will address all the issues and goals identified on the previous pages. A combination of projects, programs, and policies will need to be combined to create a strong and balanced housing market.

PARTICIPATE IN HOUSING PARTNERSHIPS

As part of the development of the Johnson County Housing study, it is likely that key county-wide partnerships will be developed. The city should plan to participate in these types of opportunities. Specifically this may include:

- **Funding pools** for targeted housing types or price points. This may include trust funds, a lending consortium, or a housing development fund. If these are not developed on a county-wide level the city may want to consider development of a local pool of funding, much like an economic development fund, that can be used for the development of housing. Specifically, the fund should be used to further the objectives laid out earlier in this document.
- Development of a **non-profit** or re-activation of a non-profit development corporation. The purpose of a non-profit housing development corporation is to build housing that the market demands but the for-profit market cannot financially produce or the risk is viewed as too high.
- **The city will have to be a key player in any housing partnership.** One of the main goals of any housing partnership is to find ways to share risk. The city must be a partner in the risk sharing. The biggest role cities traditionally play is in the development and financing of infrastructure.

Participate in Housing Partnerships

Lot Development

Housing Diversity

Housing Conservation

Invest in Quality of Life

Participate in Housing Partnerships

Lot Development

Housing Diversity

Housing Conservation

Invest in Quality of Life

Housing is economic development, and just as efforts would be made to bring new jobs or commercial development to a community, housing must be viewed in the same light.

LOT DEVELOPMENT

The lack of lots is the largest hurdle to additional development in the community. To develop additional lots, barriers to infrastructure must be addressed.

Most developers understand the cost of infrastructure from their property to a main or trunk line. However, when that main or trunk line does not exist the connection cost for a small scale project is too much for a private development to finance. A developer often cannot take the risk or even find the financing to pioneer these lines. Also, it should be noted that even if a developer could finance this type of pioneering that those costs would be passed on to the home buyer, likely putting housing costs out of reach for most workers in the immediate area. To address the issue of main and trunk lines the city will need to:

- Complete an assessment of existing systems and identify cost estimates for extension of services into appropriate locations in and around the city. This assessment cannot take years, as it is critical to future development. If nothing else the city should participate in complete an infrastructure analysis with a developer on an interested site.

The city may have to fund the construction of these main lines but should be able to capture these costs over time through both additional property and sales tax revenues. However, it should be noted that the type of development will greatly influence the time or ability to recapture these costs. Widespread low

density development will result in longer pay back periods.

The city may also need to address infrastructure within developments. As a case study, and to prove the market, the city may need to participate in the first development and should be willing to partner on any development that meets the city's strategic housing objectives. Financing tools may include:

- **Special assessments.** The city front-ends the cost of the infrastructure and then applies that as a lien on the property to be paid back over time by the property owner.
- **Subordinate payment.** The city front-ends a portion of public improvements, repaid over a longer period through a second mortgage on the property. This reduces payments over special assessments by extending the loan term and reducing the principal.
- **Deferred payment.** The city finances the infrastructure as a deferred loan. The infrastructure loan is paid back upon sale of the house. The repayment represents the same percentage of the sale proceeds as the initial infrastructure loan made up of the original price.
- **Tax Increment Financing.** TIF should be viewed as another financing tool within the city's toolbox. The cost of infrastructure financed through a TIF is paid back over time like a special assessment but the city does not always have to carry the bonds on the financing.

HOUSING DIVERSITY

The low supply of “for sale” or “for rent” units that meet buyers expectations or price points is a significant challenge for new employees to the area and for current residents looking to move within the community. Low mobility rates among existing households is the key issue for available units. Traditionally, as households earn more they would look to purchase larger homes. This trend is changing in many places, with more homeowners staying in housing longer and instead looking for products that fit their lifestyles. A variety of housing products are needed to provide options for every stage of life. For empty-nesters, this may be lower maintenance units that will allow them to easily transition into their retirement years. For young households this may be quality rentals that allow them to try out a community and build savings for their first home purchase.

- **Market-rate rentals.** Edgerton has very few rental housing units and little new construction in recent years. Below are a series of steps to encourage new multi-family development.
 - › Define sites suitable for higher-density housing
 - › Consider advance acquisition of sites (communities have done this for industrial sites)
 - › Create development partnerships including businesses and institutions with similar recruitment needs

- › Encourage downtown housing. While many of the downtown buildings are single story, new construction, underused sites around downtowns can bring new life to a district.

- **Low maintenance products.** Many households, both young and old, are looking for lower maintenance options. If the city is partnering on any new development these options should be included, which can consist of duplexes, townhomes, or cottage courts with shared maintenance.

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HOUSING CONSERVATION

The existing housing stock within communities today is the best source of affordable housing. Preservation of this housing is essential to keep livable. Additionally, lack of housing maintenance only lowers home values in some neighborhoods and communities, discouraging private market investment that may not see a project appraise at cost. A targeted approach should continue to identify strategies that will elevate the overall values of neighborhoods and communities. Programs should include:

- **Code updates and enforcement.** The city should complete the updates to the zoning code which should address site development issues related to adequate parking and other items that can result in poor functioning developments or higher development costs. Additionally, building and nuisance codes should be reviewed for inconsistencies, gaps, and desired outcomes.
 - › Enforcement. Codes are only as good as the enforcement of those codes. Enforcement has to be consistently applied and staffed. Edgerton could consider partnering with another community to defer some of these costs.
- **Demolition of dilapidated structures.** Edgerton may consider budgeting for the removal of a specific number of houses or outbuildings per year. This will help stabilize and strengthen home values and increase residents sense of pride in their community. Overtime, these budgeted funds could be transitioned to rehabilitation funds.
- **Neighborhood Revitalization Program (NRP).** The NRP program allows the city to designate a specific area of the city for neighborhood conservation and reinvestment. Under the program tax abatement is provided to homeowners for improvements made to existing structures. Challenges with the program include:
 - › For low- to moderate-income homeowners in targeted areas, who in hard times and not so hard, often have difficulty financing property improvements, a tax abatement is largely irrelevant.
 - › Most (but not all) middle and upper-income owners often live outside the targeted area.
 - › Rental property owners generally do not see an economic reward in terms of higher rents from property rehabilitation. But additional competition in the market may change that perspective.

INVEST IN QUALITY OF LIFE

In a regional job market new renters and buyers weigh many factors when deciding where to live. The house itself may only be a small part of that decision. Quality of life features may be just as important. Edgerton must continue to invest in quality of life features, including

- Schools
- Downtowns
- Trails, Parks, & Recreation
- High Speed Internet
- Basic City Property Maintenance
- City Identity

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