Housing Development in Central City
A Multi-Strategy Approach
The Rural Town Housing Issue

Figure 5-3.
Average Household Size: 1900 and 1930 to 2000
(People per household)

Source: U.S. Census Bureau, decennial census of population, 1900 and 1930 to 2000, and decennial census of housing, 1940.
So, what do we need?

We have about 1,300 residences in Central City.

If we assume a 3% decline in average household size in the 2010’s, then we will need 39 more residences built over the 10 year period to maintain the same population.

If you assume a housing unit lasts 100 years, then 1% of your housing stock needs to be replaced each year. This is 13 housing units per year, or 130 over 10 years.

Using these assumptions, we would need 169 housing units built over 10 years. This is about 17 housing units per year.

This all assumes zero growth
So, how do we get it?

Address Market Failure

1. Market Confidence: Developers and Comparables
2. Unsold Lots
3. Few Risk Takers
4. No Subdivision Developers
5. Insufficient Demand for Housing Infill Replacement
HOUSING IS A COMMUNITY INVESTMENT

A $150,000 House = about $3,000 in new property taxes
2 new kids = about $10,000 in state aid to schools
A new house + 2 new kids = $13,000 / year new revenue

This equals $130,000 over 10 years
Demolition Program

City initially developed a confidential list of 50 “most wanted” properties. Council agreed to acquire any property that hits the market for $10,000 or less, plus desirable higher $. Also received $50,000 NSP1 grant that demolished 8 properties.
Criteria for 50 Most Wanted List

Inactive Utility Accounts

History of Rapid Turnover of Accounts

High Level of Utility Delinquency

Appearance of Structural Deficiencies
Criteria for 50 Most Wanted List

Inactive Utility Accounts

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Appearance of Structural Deficiencies

Overgrown with Vegetation
Criteria for 50 Most Wanted List

Inactive Utility Accounts

History of Rapid Turnover of Accounts

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Overgrown with Vegetation

History of Nuisance Violations
Criteria for 50 Most Wanted List

Inactive Utility Accounts

History of Rapid Turnover of Accounts

High Level of Utility Delinquency

Appearance of Structural Deficiencies

Overgrown with Vegetation

History of Nuisance Violations

Size of Lot
50 x 120 – Not So Good
Criteria for 50 Most Wanted List

Inactive Utility Accounts

History of Rapid Turnover of Accounts

High Level of Utility Delinquency

Appearance of Structural Deficiencies

Overgrown with Vegetation

History of Nuisance Violations

Size of Lot

Location / High Visibility
Before and After
City has demolished about 18 homes
After acquiring about 14 of the properties
Cleared lots enter the Free Lot program
Free Lot Program
Eastview Subdivision

Lots had been undeveloped for many years
$1,300,000 in new valuation to date
Paving Assessments existed on all lots.

Economic Development Corporation uses TIF to cover assessments of 13 undeveloped lots and compensation for some of the lot value.

Free Lot with minimum new construction of 1,300 square feet and $100,000 taxable valuation.

All 13 lots are now developed.
Free Lot Program, Patterson Field

Land had sat vacant for an extended period of time. Unpaved street deterred development. TIF used for acquisition of lots and paving of street for 3 building sites. Expected that about 6 years of property taxes will be used to cover the cost. All 3 sites are now developed.
New Development

No developers were willing to establish new housing subdivisions. Community Redevelopment Authority developed 10 lot “Lakeview Subdivision” using Tax Increment Financing to subsidize about 40% of the lot cost. Lots sold for $14,000 to $25,000.
After 3 years, 9 of the 10 lots are developed. Approximately $1,500,000 in new taxable valuation.
Where did we end up?

After having a glut of vacant lots in Central City in recent years and the development of 3 small subdivisions:

- We have 2 lots remaining in the Free Lot Program
- 3 of our remaining Free Lots were used with a $260,000 NSP3 Grant

We had 1 “new” lot left for development.

Our Free Lot program has resulted in $2,334,325 in new valuation to date. 18 structures with 21 living units have been built.
Byers Subdivision

38 Acres
47 Lots
City Funded

$1,300,000
Investment

7 acre lake
Built for
Future Expansion