

STRATEGIES AND RECOMMENDATIONS

BARRIERS/CHALLENGES TO HOUSING

Based upon our analysis of the market and interviews with key stakeholders, there are several barriers and challenges that should be considered due to their negative impact on the housing market in Pittsburgh. There is no single factor that can prevent or reduce barriers, but any initiative taken to promote the preservation of the existing housing stock in addition to promoting new construction should be taken. Barriers include:

- Financial obstacles including land costs and infrastructure costs for developers.
- Lack of readily available land for development.
- Lack of affordable rental homes for low-income families due to student rental market.
- Credit worthiness of potential buyers for homeownership (or renters).
- Individual housing cost burdens such as paying over 30.0 percent of monthly income for rent/mortgage payment and utilities.
- Limited supply of moderate income homes in the area; long waiting times for new construction homes.
- Need for more accountability in providing and maintaining safe, clean rental living conditions by property owners.
- No existing or proposed master development plan for the city, and a lack of master-planned communities.
- Low sense of neighborhood pride and community.

HOUSING STRATEGIES AND RECOMMENDATIONS

In order to address the barriers and challenges to housing in Pittsburg, we have created 10 recommendations and strategies for addressing these issues.

Recommendation #1: Create additional moderate to higher income housing near PSU and Mt. Carmel Regional Medical Center.

Analysis: Employment within the PMA is concentrated in the health care/social assistance and educational services sectors, which together comprise 32.4 percent of employment. This is due to the fact that Pittsburg State University is the largest employer in the area, employing 1,035 persons while Via Christi Hospital (part of the regional medical center) employs 794 persons. PSU's total enrollment has been increasing year over year, and Blake Benson of the Chamber of Commerce mentioned that much of the recent job growth has been in the medical sector as Pittsburg becomes a regional medical hub. As such, the creation of housing, for various income levels, that targets individuals that work at these two large employment centers is important for keeping potential residents within the city of Pittsburg rather than moving elsewhere because of a lack of quality housing.

City Action

- **[In Progress]** Encourage the creation of high quality housing and adjacent amenities that are supported by this higher education and medical district by providing tax incentives to developers.
- **[In Progress]** Utilize the vacant parcels of land off Centennial Drive as locations for development and re-zone them as necessary.
 - PSU Land Swap in the works. Swap City owned industrial land on Centennial with PSU owned land south of Quincy area (Bitner Addition)
- **[In Progress]** Sell land off Centennial Drive to a developer who will create a master-planned mixed-use or residential development in phases and provide tax incentives to the developer.
 - Work with current construction (Gerry Denet) to fill empty lots in the area south of Mt. Carmel Medical Center.
- Provide infrastructure cost reduction for developers along with tax abatements to incentivize a master developer.

Private Action

- Create high-quality housing because professionals in these industries typically earn above the area median income.
- Build affordable for-sale duplexes/townhomes for medical support staff and administrative staff at PSU.

Funding/Incentives

- **[Research]** Kansas Private Activity Bonds (PAB's) – Private activity bonds, or PABs, are a form of tax-exempt financing that encourages state and local governments to leverage private capital in meeting public needs. The bond is directly or indirectly repaid from or secured by revenues from a private trade/business. PAB's would provide better loan terms for developer funding to encourage residential construction.
- **[Research]** KHRC First-Time Home-buyer Program would allow moderate income households to purchase homes in this development.
- Moderate Income Housing Grant – City to obtain a grant to help subsidize another moderate income development.

Recommendation #2 (4): Expand the supply of moderate income housing.

Analysis: The mean hourly wage across all occupations in Pittsburg is \$16.71, which translates to an annual wage of \$34,770. In a dual income household, this average annual wage would over qualify the household to live in low income housing. Numerous stakeholders in the area stated that there is a shortage of moderate income homes in the area, which is forcing moderate income households to live outside of Pittsburg or wait for new homes to be constructed. In addition, the cost of demolition in addition to building a home can be high, which moderate income households cannot afford.

City Action

- **[Marketing]** Encourage and market program/resource availability and incentives for infill development of moderate income homes (menu/toolbox of resources to assist with moderate income/workforce housing development).
- Promote and provide incentives to new construction developments such as paying for an increased percentage of infrastructure costs to help entice developers to build lower priced homes while still earning a profit, waiving Tap fees, demolition fees, reducing building permit fees, or providing other city-based incentives.

Private Action

Funding/Incentives

- Moderate Income Housing Grant – The city has secured one grant, and if it proves successful, it would be reasonable to obtain another grant for a different area of the city to help subsidize another moderate income development.
- KHRC First-Time Home-buyer Program would allow moderate income households to purchase homes.

Recommendation #3 (10): Build short-term housing for young professionals, consultants, and families near major employment centers (e.g. PSU, Mt. Carmel) to provide temporary lodging for moderate to higher income households.

Analysis: There are currently very limited furnished, temporary housing options in the Pittsburg

area outside of hotels. Excluding the summer months, temporary housing, especially for larger families, is non-existent, forcing households to look outside of the city for accommodations or to delay moving to Pittsburg until permanent lodging can be established.

City Action

- Provide development tax incentives to existing apartment complexes to construct additional phases with units dedicated to short-term housing.
- **[In Progress]** Build live/work/play short-term accommodations for smaller households near PSU and the hospital by integrating multifamily housing with complementary retail options that will allow households to immediately integrate into the community and its amenities and services.
- Provide tax breaks to local property management companies to dedicate a percentage of its good condition, single-family rental stock (3BRs or larger) to housing short-term leases only that would accommodate larger families.
- **[Marketing]** Market incentives program/resource availability for various stakeholders to encourage the development and availability of short-term, moderate to higher income housing in our community (menu/toolbox of resources to assist property owners, developers, etc.).
- Engage local large employers through the Human Resources (HR) Department and hold quarterly informal round tables to discuss housing needs.

Private Action

- Partner a developer with PSU and the hospital to construct a small, well-amenitized luxury apartment complex that offers both short and long-term housing options to mitigate developer risk.

Financing/Incentives

- Moderate Income Housing Grant – City to obtain another grant for a different area of the city to help subsidize another moderate income development.

Recommendation #4 (5): Create a land bank run by a city-related entity.

Analysis: The establishment of a land bank would allow for the public control of abandoned property, assemblage of parcels for residential, recreational, commercial and industrial redevelopment, and generally improve the quality of the housing stock. Recently, several cities in the area including Kansas City, Missouri, St. Louis, Missouri, and Olathe, Kansas have created land banks where vacant properties are acquired mostly through tax foreclosures and set aside for rehabilitation or resale so that they can be reintroduced to the city and county's tax rolls as well as providing maintenance and landscaping to vacant and abandoned lots. According to the US Census Bureau, there are 1,211 vacant properties in the city of Pittsburg, which provides ample opportunity to begin the creation of a land bank.

City Action

- Creation of a city-related and ran land bank. Allow the city to sell properties to be rehabilitated thus increasing the property values of the area as a whole.
- Provide short-term fiscal benefits to the city by getting rid of some of the worst properties in the area, while also bringing them back onto the tax roll.
- Donate excess land to nonprofit agencies to be used to construct affordable housing for families and seniors.
- Acquire land for future development of low to moderate income housing and/or create an infill lot program.
- Turn unusable land into parks or green space.
- Gain entitlement to a specific time period's years of property tax payments on sold properties to boost tax revenue.
- Utilize Kansas' Unclaimed Property Statute more aggressively to take over abandoned property and utilize these properties for low to moderate income housing.
- Identify and aggressively pursue "absentee" owners through pro-active legal measures on acquiring properties for land bank inventory.
- Work with the County on establishing/ensuring annual property tax sales. All property acquired from tax sales would become inventory for the land bank.
- Abate delinquent taxes for properties to encourage their purchase and redevelopment.
- Allocate a portion of delinquent property tax interest and penalties for the land bank to be used for funding to purchase land and homes.

Private Action

Financing/Incentives

- Low Income Housing Tax Credits and HOME Funding – To be used by developers in conjunction with the donated land to increase the area's affordable housing supply.

Recommendation #5 (2): Enhance housing and amenities in the Downtown Area.

Analysis: The current housing stock in the Downtown Area includes inexpensive but poor condition market rate apartments as well as several affordable properties. There are very few options for moderately priced apartments in this area despite the desirable location. Further, there is ample space for development and redevelopment in the Downtown Area above storefronts.

City Action

- Emphasize the pedestrian-friendly nature of downtown and conveniences of living in the area. Residents of all demographics will be able to live closer to school, work, retail, and restaurants.
- Provide tax abatements to developers to encourage residential housing in this area.
- **[Marketing]** Encourage and market program/resource availability for downtown revitalization (menu/toolbox of resources to assist in downtown revitalization).

- International existing building code (more lenient with older buildings). Utilize Pittsburg State Marketing students and professors to prepare marketing campaign of the downtown living area to gain not only future tenants, but help to draw new businesses to the area (walkable community).
- Create partnership with PSU Construction Engineering Dept. to make use of architectural students / professors to help in the redesign of downtown apartments. Cost of architecture was regarded as being very high when visiting with downtown property owners.
- **[In Progress]** Create moderately priced income housing in the Downtown Area so that empty-nesters looking to downsize and professionals earning near the area median income have housing options.
 - Discussion underway with John Kutz to provide loft style apartments for moderate to higher income households with downtown living amenities; rooftop garden, private laundry, workout facility, green building concepts, etc.
- **[In Progress]** Develop additional low-income/affordable housing in downtown apartment buildings.
 - Discussion underway with Kim Wilson to gain potential developers and funding to do rehab of downtown housing /apartment buildings.

Private Action

- **[In Progress]** Convert the second floors of underutilized office and retail buildings to loft-style apartments or condominiums, such as those in Joplin, which have been very successful in a similar-type setting.

Funding/Incentives:

- Low Income Housing Tax Credits and HOME funding would also provide funds to convert some of the buildings into apartments for low income households.
- **[In Place]** City of Pittsburg “Living Downtown” Loan Program would provide necessary funds to rehabilitate the second floors of existing buildings in the area by turning them into apartments that could be rented to lower income individuals.
- **[Research]** HOPE VI Main Street Grant Program would support the revitalization of the downtown area including the creation of additional residential housing above storefronts.
- **[Research]** HUD Neighborhood Choice Grant would provide funding to support downtown revitalization.
- **[Research]** Community Foundation Fund for downtown revitalization.
- **[Research]** USDA Rural Development programs
- **[Research]** CDBG program grant funds available through Kansas Department of Commerce (KDOC).

Recommendation #6 (3): Preserve Pittsburgh's existing single-family housing stock.

Analysis: Approximately 27.1 percent was built prior to 1939, indicating a very old housing stock. In addition, 28.4 percent of the housing stock was built between 1940 and 1970. The typical life of a single-family home is approximately 40 years before significant renovations and improvements are needed. Many homes in central Pittsburgh have fallen in disrepair due to neglect and financial difficulties and are in need of serious maintenance. Maintenance is difficult or cost burdened home owners. However, poorly maintained and condemned homes are a concern for the community and bring down the value of all homes in the area.

City Action

- **[Marketing]** Encourage and market the use of local funding incentives to low-moderate income individuals to prevent homes from declining further (menu/toolbox of resources to assist in homeowner/renter rehabilitation programs/resources, etc.).
- Prevent neighborhood deterioration by demolishing homes that have been condemned or are vacant in existing neighborhoods.
- Revitalize dilapidated neighborhoods across the city; rehabilitate low and very-low income homes to keep them from failing housing code inspections and prevent condemnation.
- Rehabilitate moderate income owner occupied housing to increase adequate/desirable workforce housing.
- Encourage infill development by waiving demolition fees, reducing building permit fees, or providing other city-based incentives.
- **[Research]** Adopt International Existing Building Code, which helps encourage redevelopment by not requiring all new construction requirements in the building code.
- **[Education]** Provide community outreach/consulting that would help prospective owners fill out the necessary paperwork to apply for local housing programs.
- Revisit our existing Presbyterian church funded programs available to see what guidelines can be updated and or changed to improve the feasibility of this program (the main guidelines with this funding is low/moderate income and the spending level compared to remaining fund?)

Private Action

- **[Education]** Provide home buyer education, credit and budget counseling and continue local efforts.
- **[Education]** Conduct asbestos, lead paint, and other contaminant abatement (arrange trainings/certifications through inter-agency partnerships. Ex. EPA, HUD, PAPOA, etc.).

Funding/Incentives

- **[In Place]** Paint Pittsburgh – Help subsidize the cost of repainting and upkeep.
- **[In Place]** Neighborhood Revitalization Act – Provides a tax rebate for substantial rehabilitation of a home or demolishing and home and building new construction.

- **[In Place]** City of Pittsburg Emergency Repair Program – Would encourage repairs to maintain and preserve the existing housing stock by offering loans of up to \$1,800 for critical repairs.
- **[In Place]** City of Pittsburg Housing Rehabilitation Loan Program – This loan would provide funding for rehabilitation of homes for those who cannot obtain conventional loans and encourages the rehabilitation of the existing housing stock.
- **[In Place]** KHRC Weatherization Program (Available through SEKCAP) – Increasing the participation of households in the Weatherization Program would help make the existing housing stock more energy efficient and help to lower the costs of homeownership.
- **[Research]** Community Foundation Fund for moderate/workforce housing made available through private funding/contributions, to address existing moderate income housing rehabilitation efforts that would not be qualified for assistance under existing low income housing programs and resources.
- City of Pittsburg Demolition Program- Budget annually funds specific to the demolition of dilapidated housing/structures that have been identified through Codes and the City as persistent, severe blight in neighborhoods.
- **[Research]** CDBG program grant funds available through Kansas Department of Commerce (KDOC).
- **[Research]** HOME program grant funds available through KHRC annually.
- **[Research]** USDA Rural Development programs.

Recommendation #7 (8): Expand housing for seniors with emphasis on affordable housing options.

Analysis: The senior population in Pittsburg is predicted to increase by 2.9 percent annually through 2018. There is a limited supply of senior properties in the area, and senior rental properties are experiencing a vacancy rate of 1.7 percent. In addition, all but one of the affordable senior properties in the area maintains a waiting list. This data indicates the demand for additional senior rental housing. Further, the existing housing supply in Pittsburg does not offer many, if any, low-maintenance condominium and townhome options.

City Action

- Encourage the creation of low maintenance low-moderate income senior housing near the Mt. Carmel Regional Medical Center and adjacent amenities.
- Encourage the development of low-moderate income senior housing and rehabilitation of downtown apartment buildings.
- **[In Progress]** Collaborations/partnerships with inter-agencies and developers for senior project/housing development.
 - Discussion underway with Community Mental Health, Kim Wilson housing, and Red-wood Development, to improve housing for seniors and disabled clients.

Private Action

- Increase housing supply targeted towards seniors, including smaller homes that require less maintenance in locations that are in close proximity to healthcare and retail amenities.
- Build condominiums and townhomes where seniors can enjoy homeownership instead of renting but do not have to worry about the maintenance of yards, common areas, etc.

Financing/Incentives

- Low Income Housing Tax Credits and HOME Funding – To be used by developers in conjunction with the donated land to increase the area's affordable housing supply.
- **[Research]** Identify additional state and federally assisted housing programs.

Recommendation #8 (9): Educate low to moderate income households on how they can purchase homes and encourage the use of first-time homebuyer incentive programs.

Analysis: Obtaining mortgage financing can be difficult for low to moderate income households due to poor credit and/or lack of funds for down payment assistance. Further, many households are unaware of home buying assistance programs in place in the area.

City Action

- **[Marketing]** Encourage and market program/resource availability for various homebuyer programs and education resources to the community (menu/toolbox of resources to assist in homebuyer education, etc.).
- **[In Progress]** Engage in community partnerships with service agencies/lending institutions to ensure and provide financial and homebuyer education/trainings.
 - Discussion underway with Primary Residential out of Wichita, KS on possible future collaborations in credit counseling, financial tools and available state/federal programs.
 - Discussion underway with the Housing & Credit Counseling, Inc. (HCCI) out of Topeka to bring services to the Pittsburg market. HCCI has over 40 years of credit counseling experience and has received a grant to pursue and expand to new markets in Kansas.
- **[Research]** Look into the feasibility of establishment and/or partnerships with Community Development Financial Institutions.

Private Action

- **[Education]** Banks and credit counseling service providers to conduct seminars/trainings on how households can improve their credit scores and begin saving for down payments.
- **[Education]** Educate future and prior homebuyers on financing options, access to capital and how to improve their credit worthiness by promoting KHRC's home buyer education programs and offering them in the community.

Financing/Incentives

- KHRC First-Time Home-buyer Program would allow low to moderate income households to purchase homes.
- **[Research]** HUD Mortgage Insurance Programs would help secure funding for lower income households.

Recommendation #9 (7): Establish neighborhood associations and planned subdivisions.

Analysis: There are no neighborhood associations that exist in Pittsburg, and people are not generally held accountable for their property, which can lead to property neglect as homeowners and landlords are often focused on their own interests. In addition, the last major subdivision in the area was built in the 1970s, so there is little sense of community among neighborhoods.

City Action

- **[In Progress]** In conjunction with the planning department and one master developer, create areas dedicated to building new subdivisions.
- **[In Progress]** Re-zone previously light industrial areas, such as Mission Clay, to encourage the development and creation of new subdivisions.
- Encourage infill development in specific areas for revitalization that will create a sense of Community.
- Establish neighborhood associations and provide association grants for the completion of Beautification projects, creation of green space, and other projects beneficial to the city and community.
- Identify natural boundaries for neighborhoods and create a sense of community and identification to existing sub-divisions/neighborhoods.
- Start public dialog around community and neighborhood revitalization efforts/topics. Look into a community social/communications platform for open discussions, and community engagement (ex. Mindmixer).

Private Action

- Public Buy In

Financing/Incentives

- Minimal

Recommendation #10 (6): Implement stricter property maintenance codes.

Analysis: Although there are currently property maintenance codes in place, they are not always followed or stressed in the community, which has led to a deteriorating housing stock, and properties that are unsafe.

City Action

- **[Research]** Create legislation similar to Chula Vista's "Abandonment and Waste" clause that places responsibility on lenders to maintain abandoned and foreclosed properties.

- **[Marketing]** Encourage and market program/resource availability for neighborhood revitalization resources to property owners/renters/homeowners at time of code violation. Linking the community to possible resources (menu/toolbox of resources to assist in neighborhood revitalization).

Private Action

- Encourage community based enforcement of property maintenance violations and increasing university neighborhood standards by offering a “University Standards Checklist” and a stamped for approval rating system through PSU student organizations. PSU organizations/University Housing Department identifies PSU neighborhood boundaries and advertises and promotes properties that meet/exceed neighborhood standards (positive association to deserving landlords/property owners, etc.)

Financing/Incentives

- **[In Place]** KHRC Weatherization Program (available through SEKCAP) – Increasing the participation of households in the Weatherization Program would help make the existing housing stock more energy efficient and help to lower the costs of homeownership.
- **[In Place]** Paint Pittsburg – Help subsidize the cost of repainting and upkeep.