# JEFFERSON CITY HOUSING STUDY

Final Report
August 2022

Prepared by RKG Associates

RKG ASSOCIATES INC

# Content:

## Demographic & Market Conditions

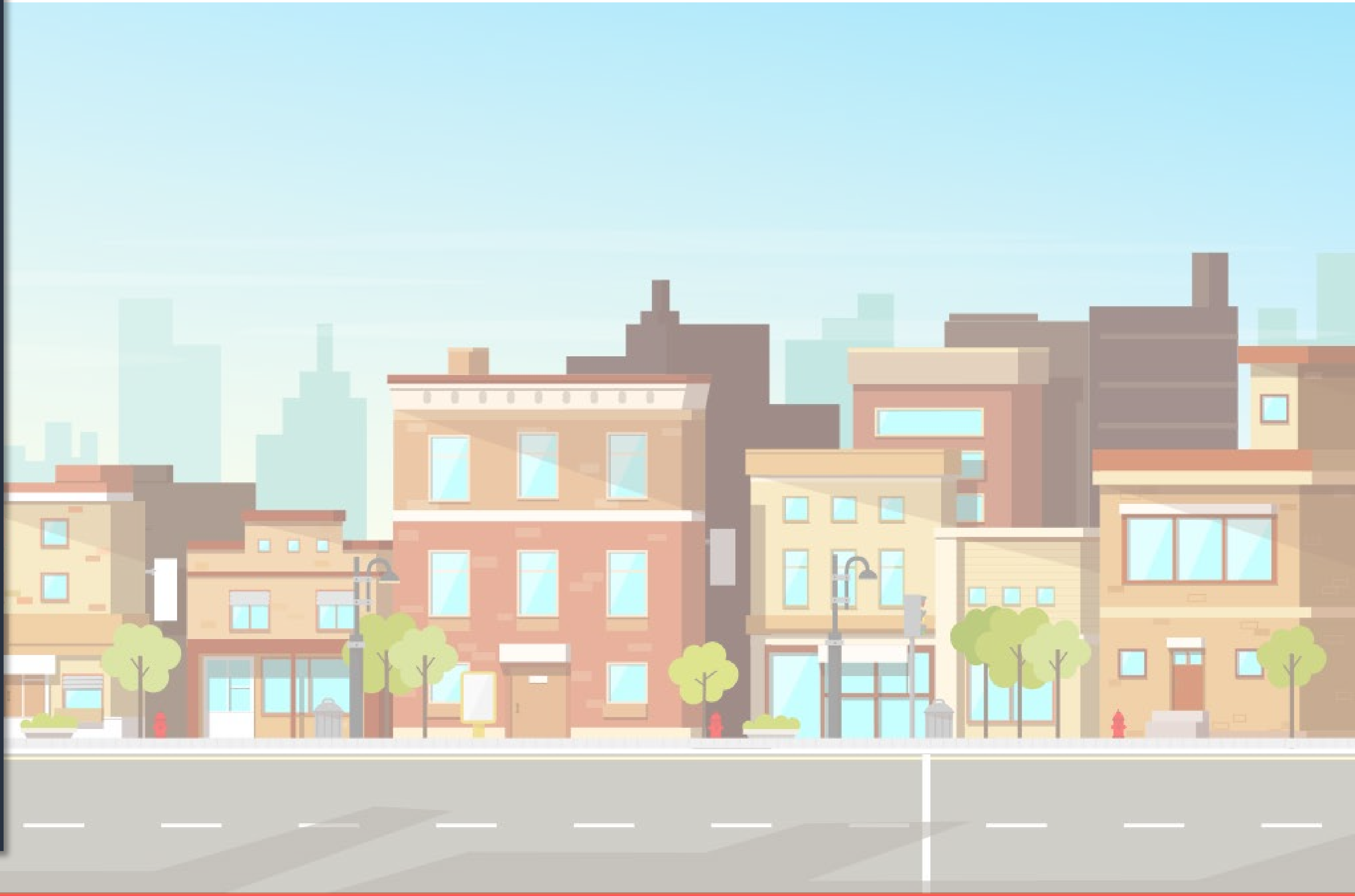
- Regional Market
- Population, Age, Race/Ethnicity
- Household Composition
- Income & Education
- Employment
- Housing Stock
- Housing Tenure
- Vacancy
- Home Values
- Rents
- Cost Burden

## Issues & Opportunities Analysis

- Housing Affordability
- Central City
- Creating Demand for Owner-Occupied Housing

## Strategies

- Supply
- Rehab & Preservation
- Homeownership
- Housing Assistance



# Key Findings



### JEFFERSON CITY HAS A STABLE POPULATION.

Jefferson City's population has remained stable for the last 20 years, growing between 2000 and 2010, then marked by a 0.34% increase over the last decade. Additionally, the city's household trend is also growing primarily driven by increases in single-person households.

### THE CITY'S POPULATION IS AGING.

Although total population has remained stable, the City has seen some significant shifts in the age composition of residents over the last ten years. Residents ages 65 and older increased 12% since 2011 which follows a similar trend to the larger 7-county region. Jefferson City also saw an increase in residents ages 18-24 which could be related to younger workers staying in the city, or maybe older children living with family members.

### YOUNGER & OLDER OWNER HOUSEHOLDERS ARE GROWING.

Like the population trends by age, owner householders in the city are increasingly headed by younger residents under the age of 24 and older residents over the age of 65. Renter households tend to be spread more evenly with increases in householders under 34 and over 65. It seems householders ages 35-64 are growing elsewhere in the region as they are comprising a smaller share of households in Jefferson City.

### JEFFERSON CITY'S POPULATION IS PRIMARILY WHITE, BUT DIVERSITY IS CONCENTRATED.

The Census block groups in and around central city Jefferson City are some of the most racially and ethnically diverse, yet these are also locations where home values are lowest, renter housing is highest, incomes are lowest, and the age of residential structures and units are the oldest. This is also the location where the 2019 tornado did the most damage and resulted in the demolition of housing.

### INCOMES AND EDUCATION LEVELS CONTINUE TO RISE.

Median household incomes and levels of educational attainment continue to rise in Jefferson City. With more household income comes the ability to pay more for housing, both ownership and rental units. This in turn can result in sale prices and rent rates rising, leaving behind our most vulnerable residents.

### SINGLE-FAMILY HOMES DOMINATE THE HOUSING STOCK, AND PRICES ARE RISING.

Single family homes comprise the largest share of the housing stock in the city and continues to be the dominant housing type for new construction too. Prices of single-family homes, particularly in 2020/2021, have risen considerable to a point where recent sale prices are likely above what many existing Jefferson City households could afford.

### RENTS ARE ALSO RISING IN THE CITY.

Alongside rising for-sale prices, median gross rent is also rising having increased 12% since 2011. The number of rental units priced above $500 a month increased by 21%, or 987 units in total. Renter households in Jefferson City experience higher levels of cost burdening compared to owners, which may continue to worsen as rents increase faster than incomes.

### LOWER-INCOME HOUSEHOLDS TEND TO BE RENTERS.

As of 2020, about 46% of all renter households in Jefferson City had incomes at or below 50% of AMI. That equals an annual income of not more than $30,700 a year, which means those households can afford a rent of around $768 a month. As rents continue to rise across the city, these renter households are most at risk for housing instability and cost burdening, limiting their ability to cover other expenses.

### HOUSING GAPS EXIST AT THE LOW- AND HIGH-INCOME RANGES.

Housing gaps exist for both low-income and high-income households in Jefferson City. The slow rates of new construction in the last 20 years has created pressure on middle market units with lower income households having to buy/rent units more expensive than they can afford, and higher income households buying/renting units less expensive than they can technically afford.

# Regional Market Overview

To place Jefferson City in the context of the broader market it lies within, this section of the study looks at market trends for a larger region which includes Osage County, Moniteau County, Miller County, Maries County, Cole County, Callaway County, and Boone County. These counties were used to describe the larger region as it most closely resembles the employment flows in and out of Jefferson City and comprises a potential area Jefferson City could capture housing demand from. This section presents information on the region covering population and employment, incomes, home values, and rents.

RKG ASSOCIATES INC

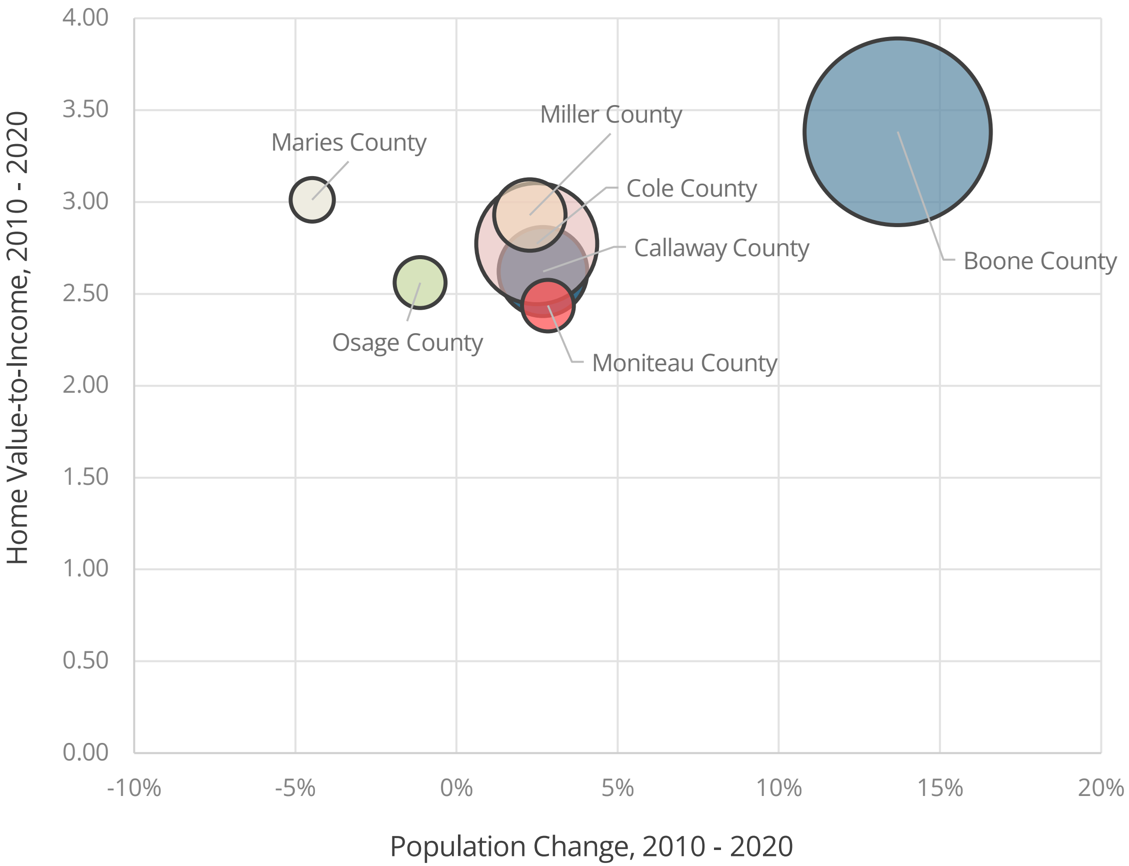
# Regional Market Overview

**Over the past decade, all counties in the region experienced population growth except for Maries and Osage County.**

Over the past decade, household incomes have increased across all counties. The most populous counties experienced the greatest population growth and have the highest housing costs to incomes. This reflects the rise in higher income households to these parts of the region. Interestingly the two counties to experience population losses, also have high housing costs to incomes coupled with an increasing gap in higher and lower income households, reflected by the concaves in income distribution (figure to the right). In terms of housing, one of the clear costs of this increasing dispersion is the shift from a high concentration of households at the median income level to the majority of households at either end of the spectrum. This creates a situation where lower-income households may have to pay more for housing and higher-income households buy or rent down in the market creating more competition for middle market housing.

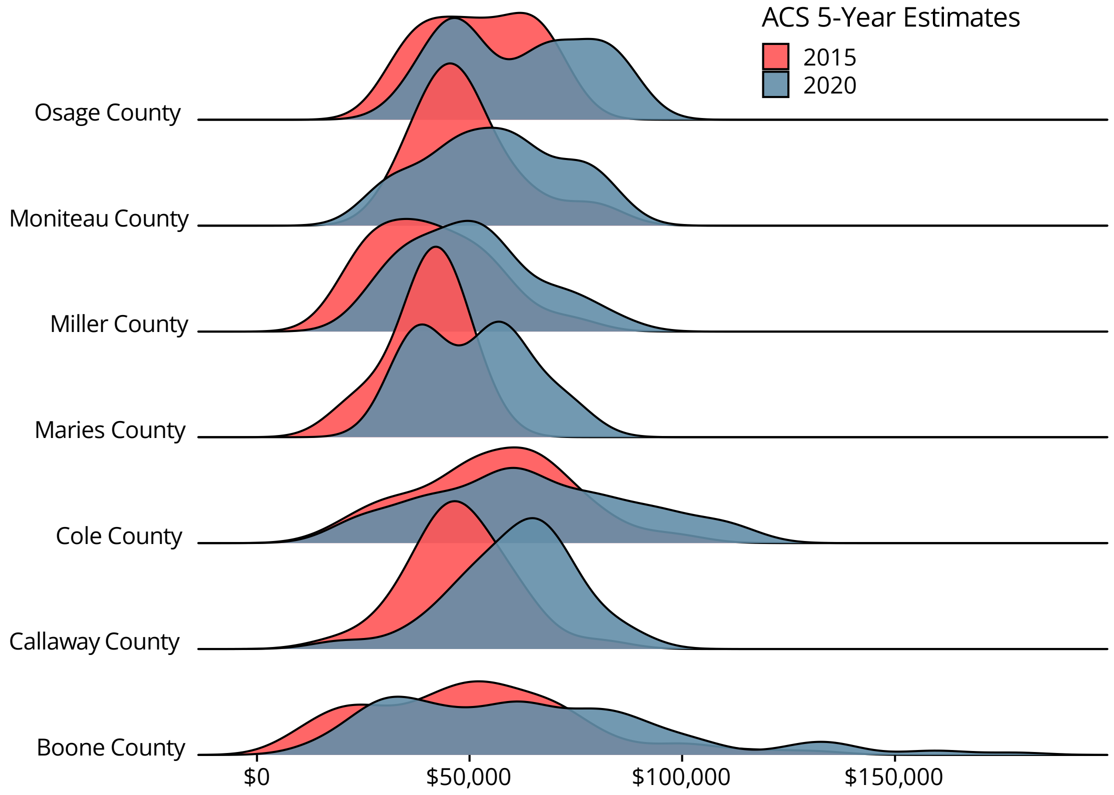
**Regional Housing Costs & Population Change**

Source: ACS 5-Year Estimates 2010 - 2020




**Regional Distribution of Median Household Income**

Source: ACS 5-Year Estimates 2011 - 2020



# Regional Market Overview

## Household Incomes

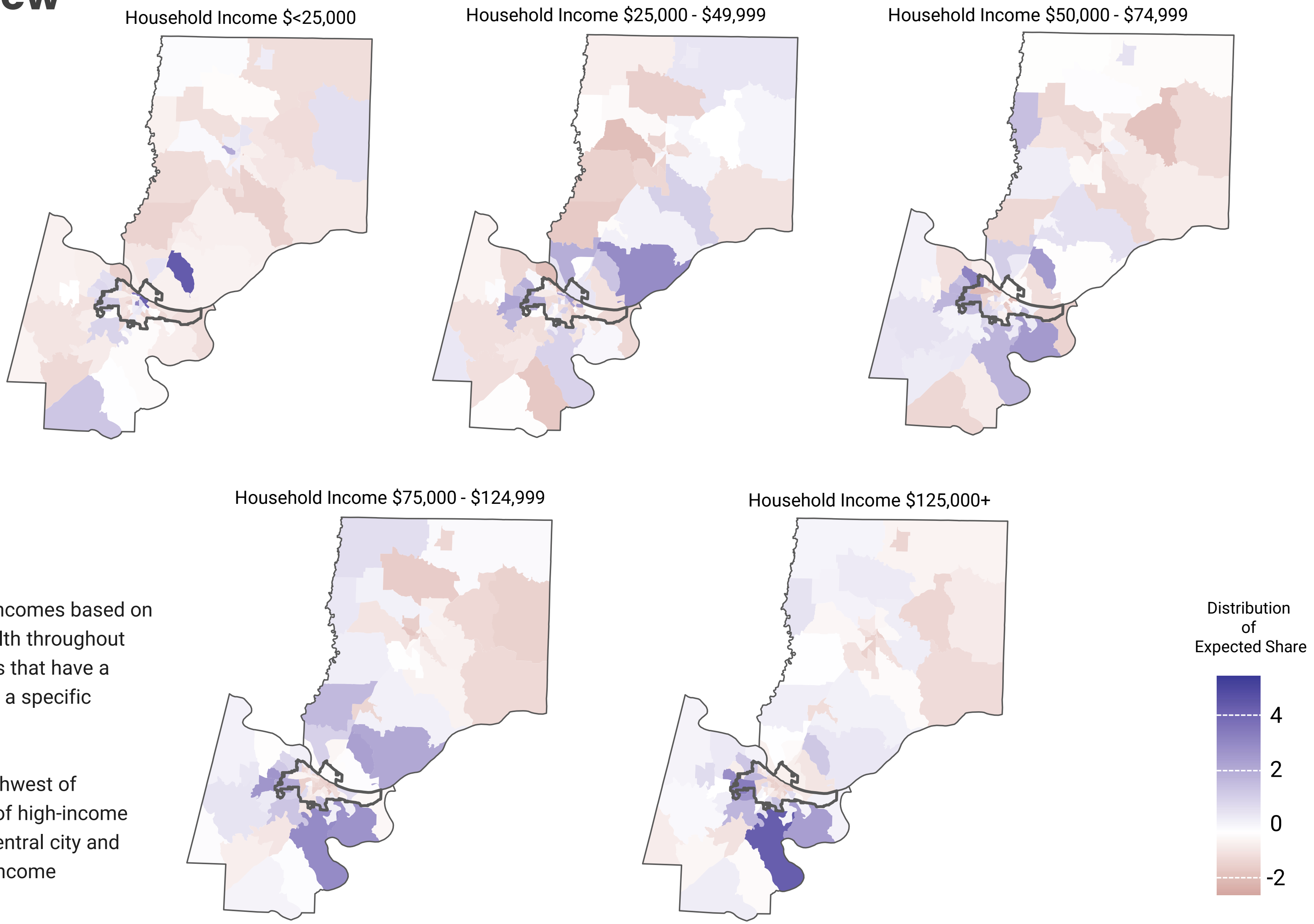
Regional indicators provide a good starting point for comparing the overall social and economic climate a relatively high level. Yet, a deeper look into the two counties that Jefferson City resides in offers further insight into the nuances and relationships of these factors across space within the two counties.

The maps to the right utilize an analytical method that compares the distribution of household incomes at each census block group against the distribution of county averages providing insight into how far above or below incomes are in a certain area compared to regional averages. This approach lends itself to the identification of areas where their may be specific challenges or growth opportunities.

The maps to the right show the distribution of household incomes based on income brackets to illustrate the relative dispersion of wealth throughout the region. Areas with darker colors represent block groups that have a higher-than-average portion of the population falling within a specific income level.

Based on the map results, areas to the Southeast and Northwest of Jefferson City have a higher-than-expected concentration of high-income households whereas census block groups located in the central city and Northeast have a particularly high concentration of lower-income households.

**Expected Share Household Income Levels: Cole & Callaway County**




Values above 0 mean higher than Regional Average
Source: 2019 5-year ACS, US Census Bureau

# Regional Market Overview

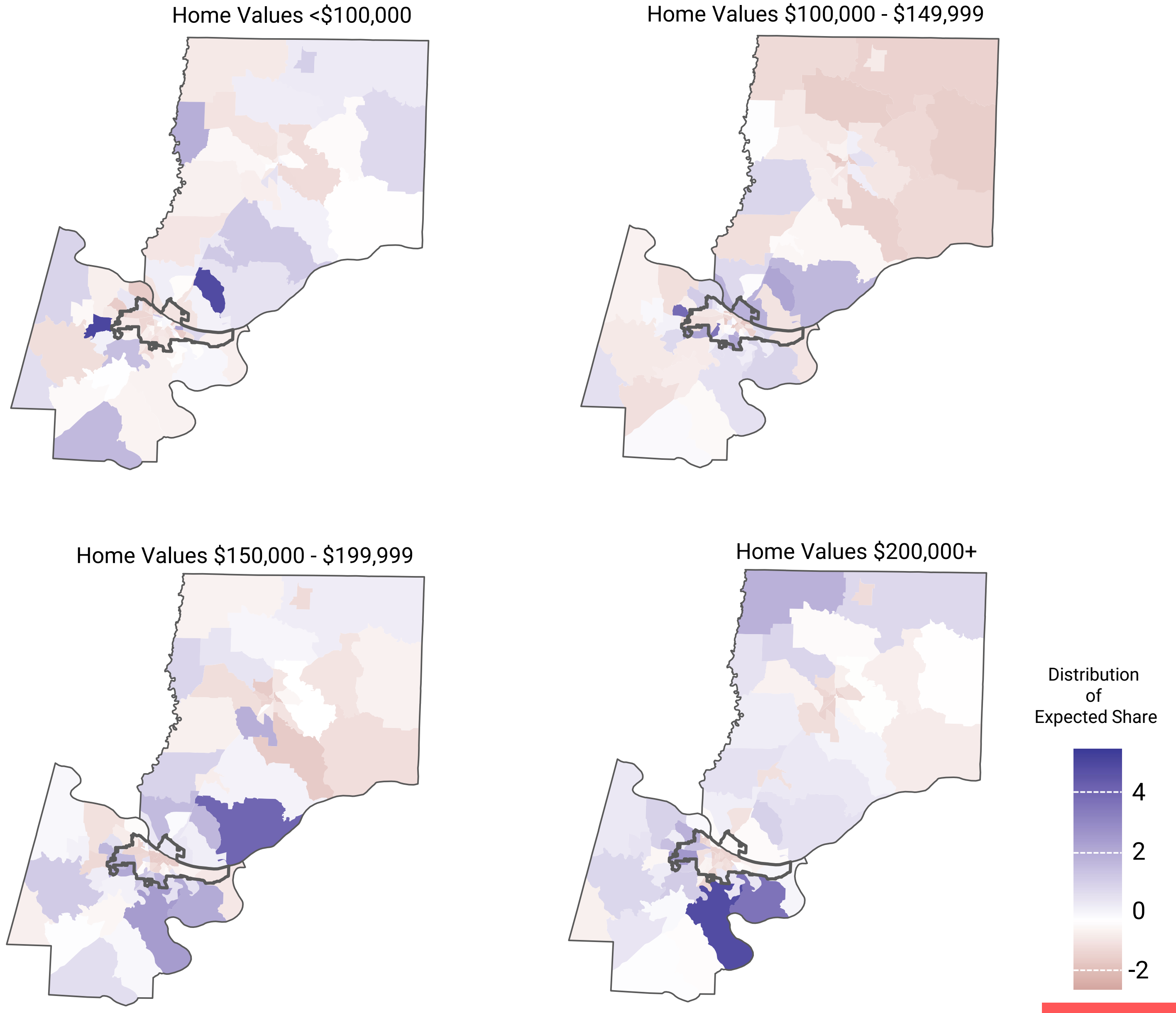
## Home Values

With all seven counties in the larger region having median home values under $200,000, there is a surplus in lower value homes distributed across Cole and Callaway Counties. Jefferson City has a proportionate share of lower value homes, but below average shares of higher value homes. Throughout the two-county area, many higher value homes concentrate in the Northwest and Southeast, which reflect the trends highlighted in the household incomes map.

The distribution of home values and household incomes suggest there is a gap in these two counties of higher value homes which may be creating a situation where higher income households are looking elsewhere for suitable housing.

This may also result in a situation where higher income households purchase and renovate lower value homes driving up prices for homes that would otherwise be affordable for low- or middle-income buyers. With this dynamic, the spatial distribution of this relationship reflects a concentration of lower income households residing in the central portion of Jefferson City where the housing market is tighter, with fewer housing types and cost flexibility.

**Expected Share of Home Values: Cole & Callaway County**




Values above 0 mean higher than Regional Average
Source: 2019 5-year ACS, US Census Bureau

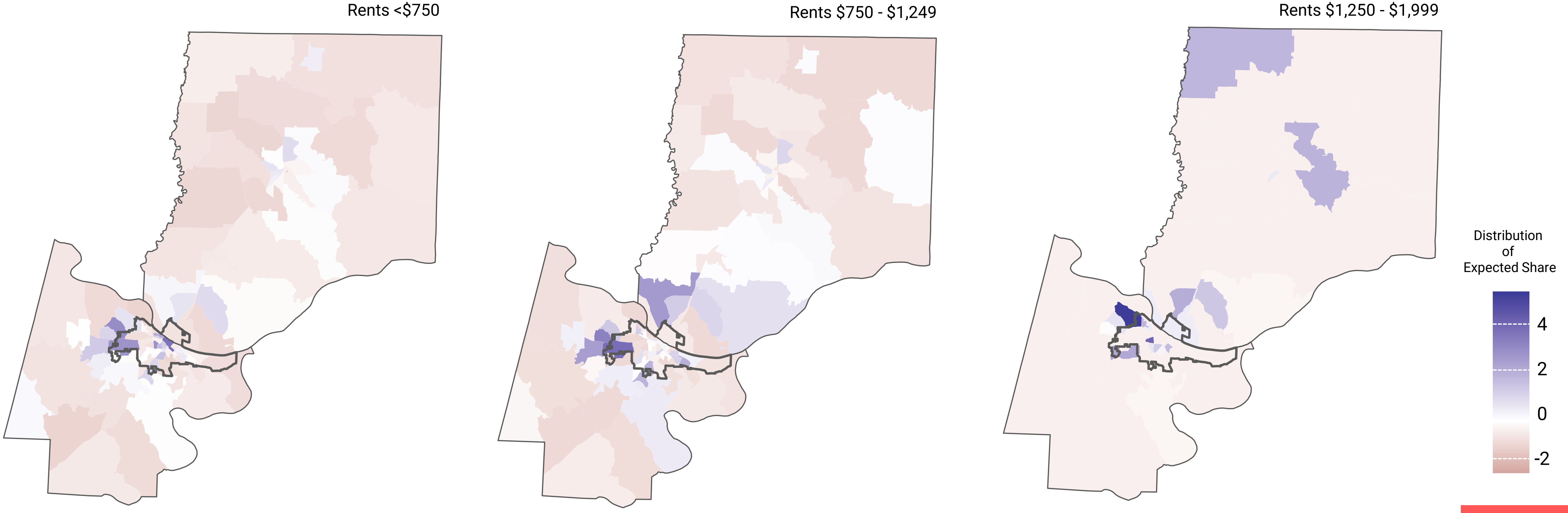
# Regional Market Overview

## Gross Rent

Despite the high concentration of lower cost rental units in Jefferson City, there is a significant deficit in the supply of rental units driving vacancy rates extremely low. In the aftermath of the 2019 tornado, which significantly damaged several large multifamily residential buildings in Jefferson City, the number of available rental units across the two-county area was reduced.

Central city Jefferson City has a higher concentration of rental units priced under $750 a month, while to the west of Jefferson City, there is a higher-than-expected share of higher priced single-family rentals, which are currently the fastest growing rental unit type nationally.

**Expected Share of Gross Rents: Cole & Callaway County**




Values above 0 mean higher than Regional Average
Source: 2019 5-year ACS, US Census Bureau

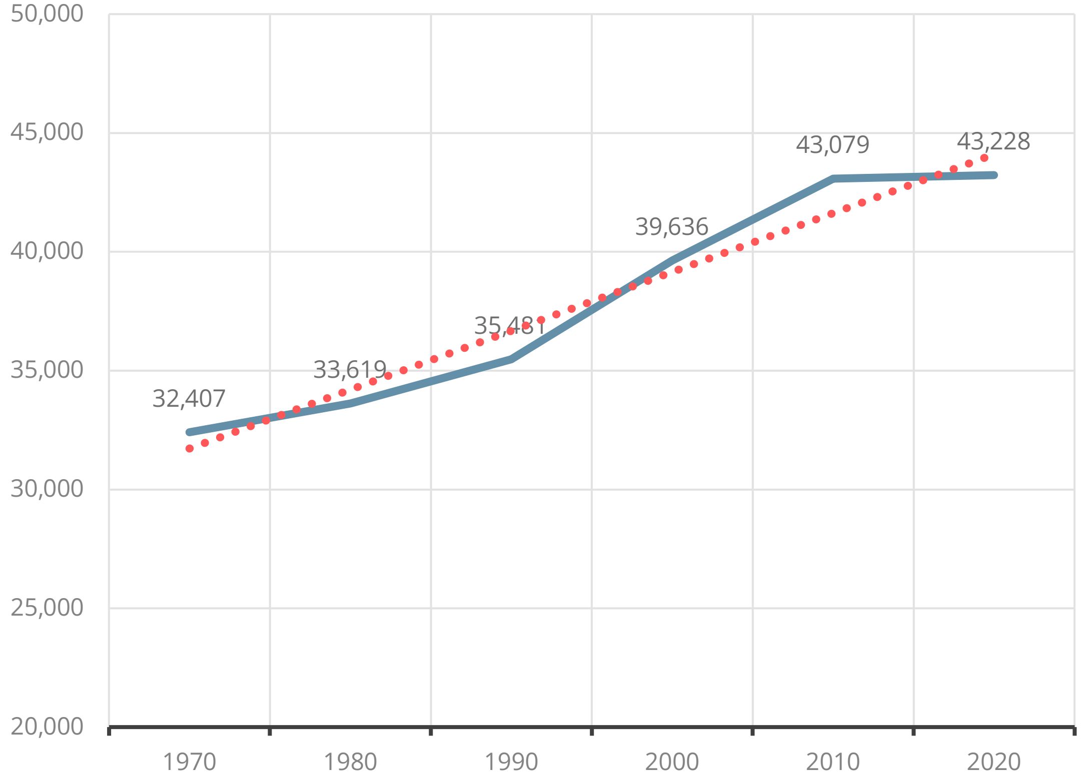
# Jefferson City Market Assessment

This section provides a detailed look at the metrics influencing Jefferson City's housing market today and into the future. Here we review demographic and employment trends, households, housing units, development trends, pricing, and housing affordability. This information is key to identifying issues and opportunities facing Jefferson City's housing market, and how best to steer strategies and resources to address issues and capitalize on opportunities.

## Population and Age

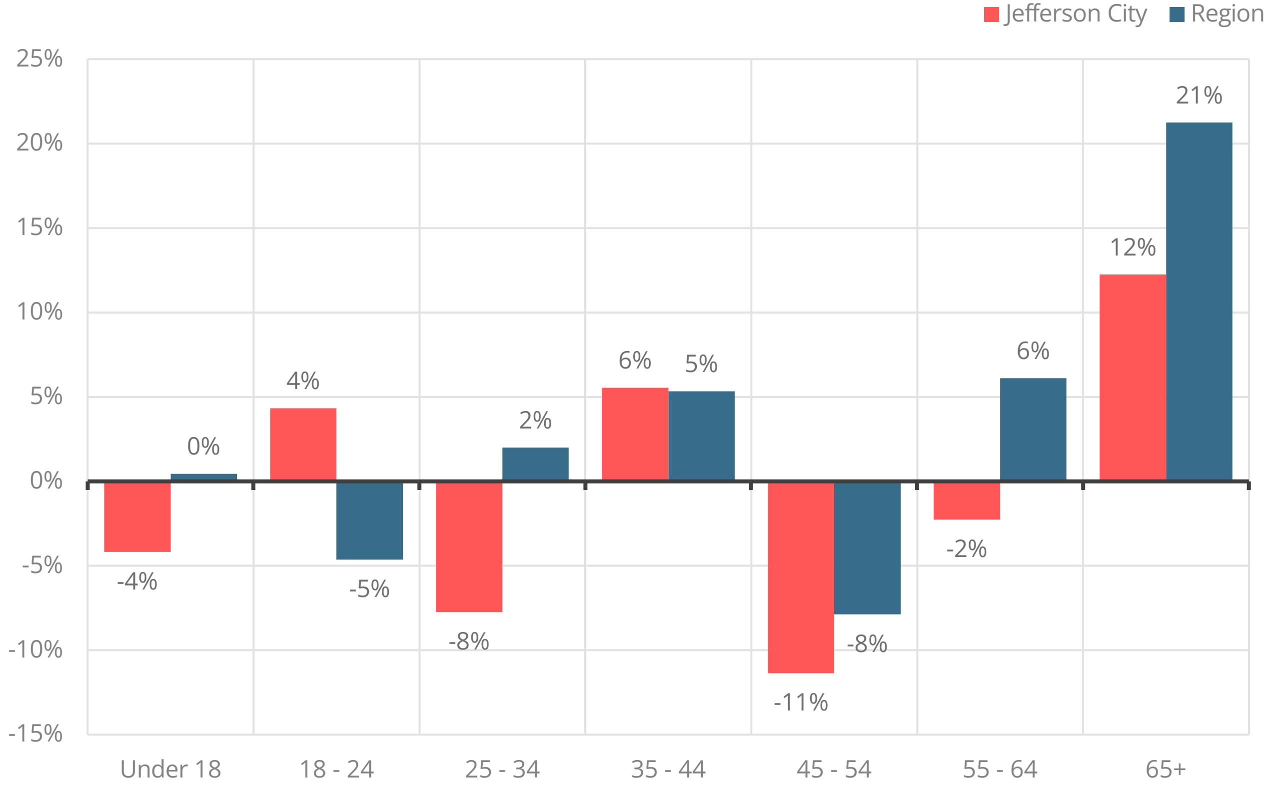
### Total Population Change 1970-2020, Jefferson City

Source: IPUMS NHGIS




### Change in Population by Age 2011 - 2020

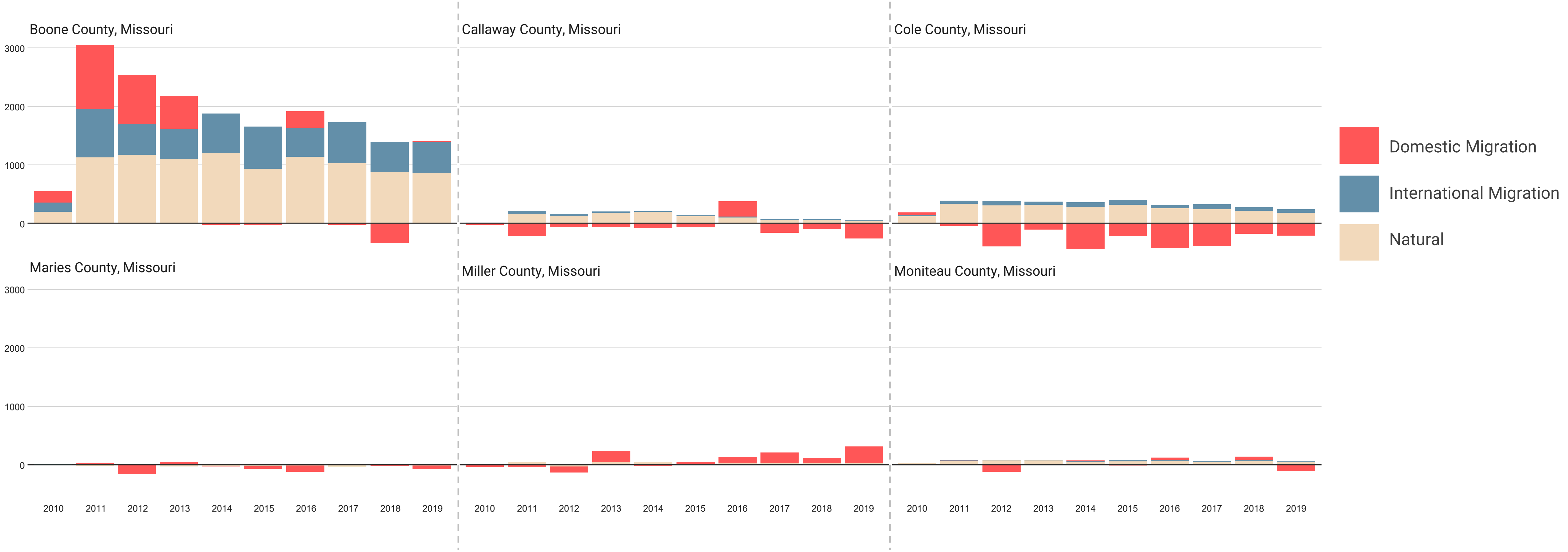
Source: ACS 5-Year Estimates




**JEFFERSON CITY HAS BEEN A STABLE AND SLOWLY GROWING CITY.**
Like Cole County, Jefferson City's population has gradually increased since 1970. Over the recent decade, Jefferson City saw continued growth at a rate lower than historical trends. With a very tight housing market and limited job opportunities in Jefferson City, population growth may be constrained by the availability of various housing types as well as limited job opportunities as the impacts of COVID-19 have shifted employment trends and spurred rapid increases in home prices.

**JEFFERSON CITY HAS AN INCREASINGLY AGING POPULATION.**
Jefferson City has experienced increases in its population over the age of 65, marked by a 12% increase over the last decade. Across all other age cohorts, the only other population increase was in residents ages 18 – 24 and 35 – 44. The city has experienced decreases in residents ages 25 – 34 (-8%) and 45 – 54 (-11%) suggesting that job opportunities, housing availability, and other quality of life measures may be pushing residents in these age cohorts to migrate to surrounding employment centers and growing housing markets. Locations between Jefferson City and Columbia, and locations closer to Columbia are attracting new residents and growing at a faster rate.

## Population Change by Component: Six Counties



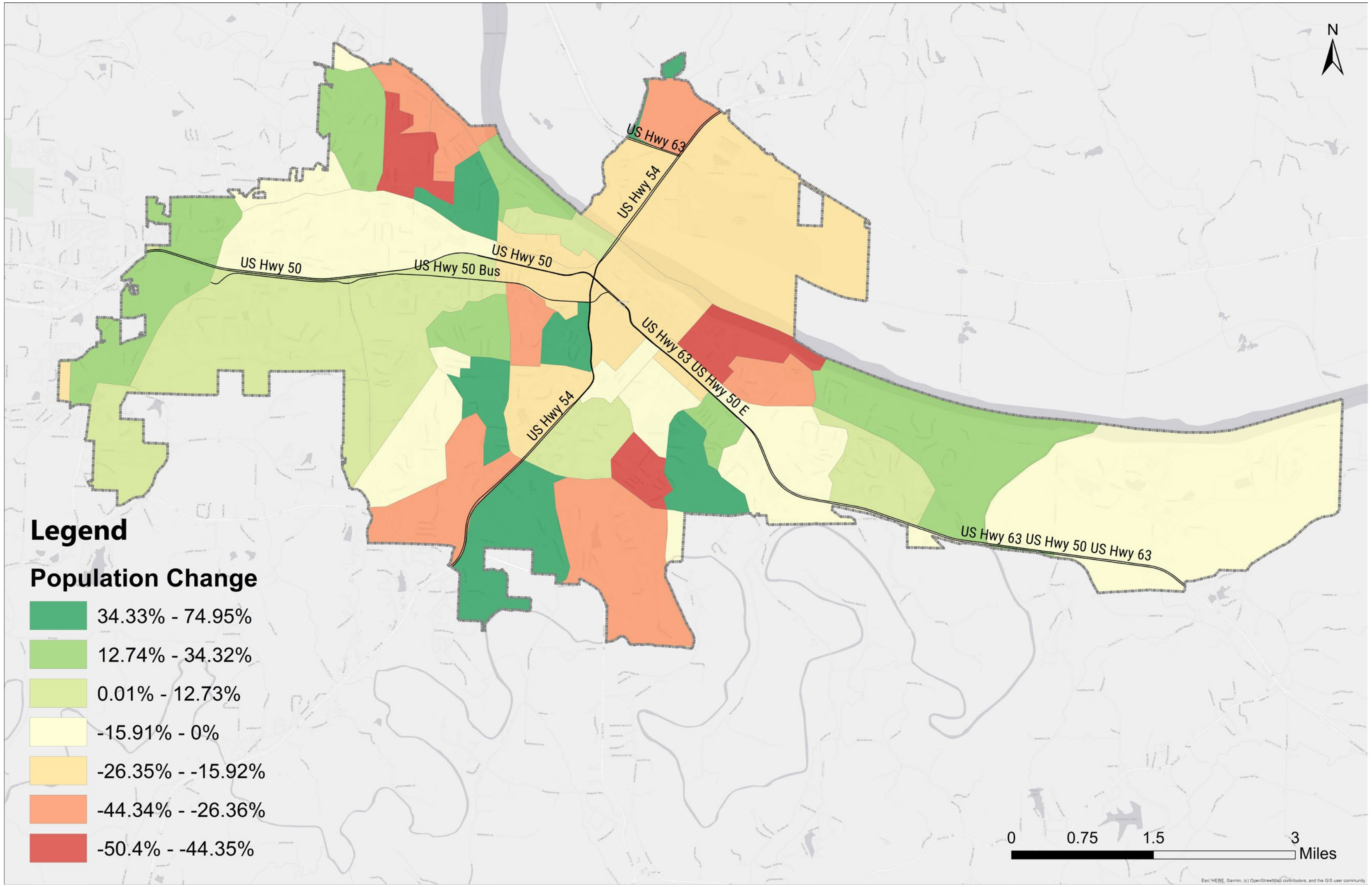

### GAINS IN POPULATION WERE LARGELY OFFSET BY NET DOMESTIC OUT-MIGRATION.

Jefferson City's gains in population were largely offset by net domestic out-migration, which can partially be attributed to changes in employment centers and housing availability for workers. Across the 7-county region, the only county to experience significant growth was Boone County, largely due to the growth in Columbia. With this slight decline in population, Jefferson City has experienced shifts in the age distribution of residents. Like the region, Jefferson City has experienced significant increases in residents 65 and older but has experienced declines in population 25 – 34 which differs from the region. These trends suggest Jefferson City may want to focus on housing types attractive to both older and younger residents.

As previously mentioned, domestic out-migration is largely driving the population decline in Jefferson City and the shift in resident age distribution with younger residents moving to other employment centers or commuting farther distances to work in Jefferson City. With these shifts, demand for housing unit types may change as more rural areas see population losses, they may not meet the demand for new international migrants and workers requiring public transit to get to work. Population changes across the city indicate that the downtown/central portion of Jefferson City has been experiencing population declines, while suburban neighborhoods at the city's limits experienced some modest growth. These trends can partially be attributed to the loss of housing in 2019 due to the tornado and the new construction of single-family homes in neighborhoods at the edge of the city.

## Percent Population Change (2011 – 2020)

Source: ACS 5-Year Estimates

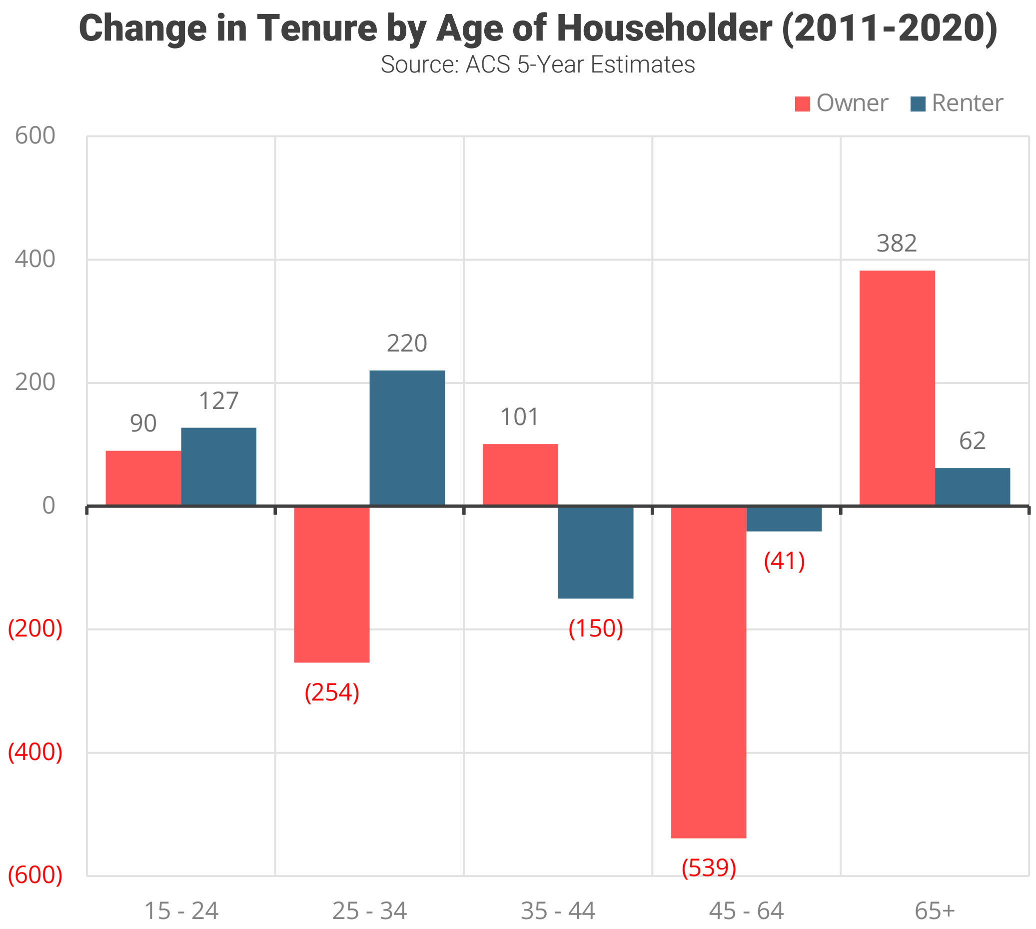


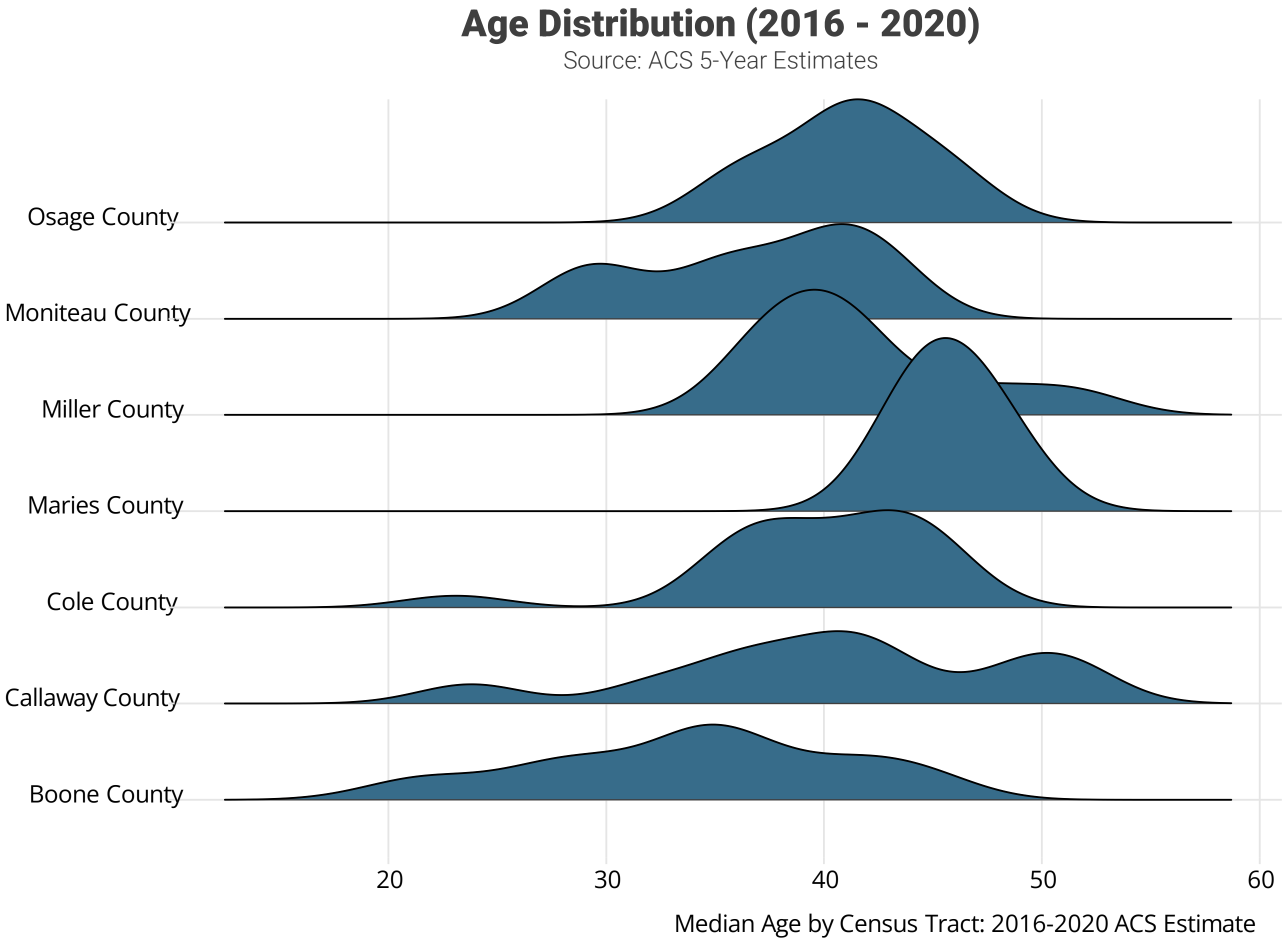

### JEFFERSON CITY HAS EXPERIENCED THE MAJORITY OF ITS POPULATION CHANGES IN ITS CENTRAL CITY.

For Jefferson City, most of the outmigration has been to the counties of Boone, Callaway, Taney, Osage, and Green. Jefferson City's economy is largely driven by the government sector meaning there is a stable supply of public sector jobs, but these jobs tend to pay lower than average wages.

With substantial growth in neighboring Boone County, younger workers are moving out of Jefferson City to find other employment opportunities and/or a location with more housing choices and amenities catering to their lifestyle.

The change in population within Jefferson City not only contributes to difficulties in supporting a more robust housing market, but also impacts the local economy with less expendable income being spent locally at retailers, restaurants, and other businesses in the city.




**AGING HOUSEHOLD COMPOSITION FOR OWNERS AND INCREASES IN RENTERS.**

Over the past decade, Jefferson City saw increases in renter households and decreases in owner households. The city saw increases in renters aged 15 – 34 and decreases in homeowners ages 25 – 34 and 45 – 64 which reflects the changes in total population. As previously mentioned, the senior population has grown by 12% over the past decade which will likely influence the demand on housing as older householders may seek to downsize or move into more affordable and accessible options.

**JEFFERSON CITY AND COLE COUNTY IS AGING FASTER THAN REGION.**

Based on the age distributions across counties within the region, Cole County has a high concentration of older residents compared to Boone and Callaway Counties, where both are experiencing increases in younger populations flattening out the age distribution curve. These trends will likely continue as anchor institutions continue to drive growth in these counties causing builders and developers to focus on creating housing for these new households.

RKG ASSOCIATES INC

## JEFFERSON CITY IS DIVERSIFYING.

Across race and ethnicity, Jefferson City is predominately white with only 25% of the population identifying as another race or ethnicity. Despite the large white population, in-migration from abroad and as well as domestically suggests that populations of color are increasing within the city despite the relative changes in total population.

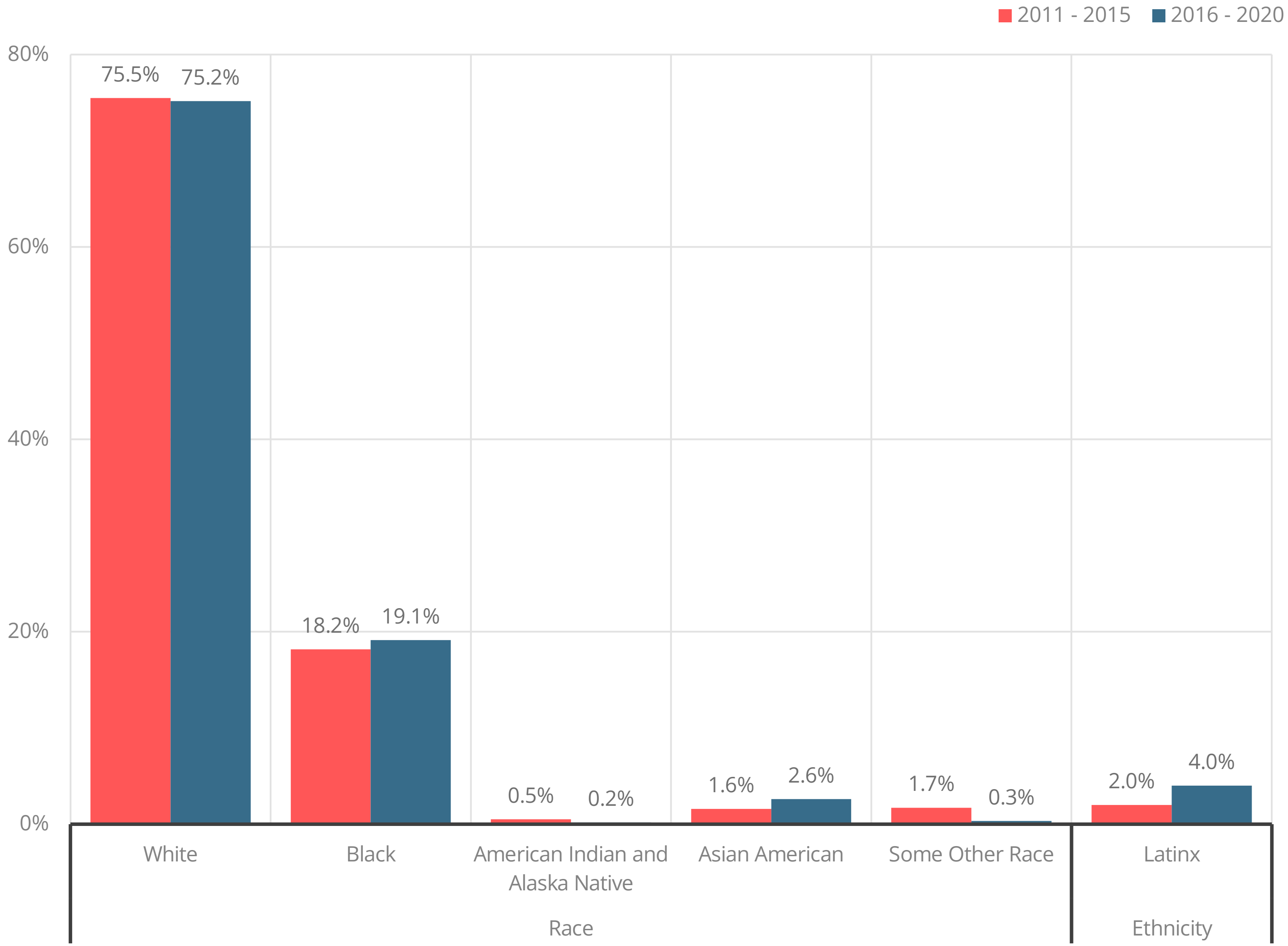
Furthermore, it tends to be younger residents in Jefferson City that are becoming more racially and ethnically diverse while older residents tend to largely be white.

Based on the spatial distribution of the population by race and ethnicity, most people of color reside in the central areas of the city which have some of the lowest incomes, lowest housing values, and experienced the greatest damage from the tornado.

These parts of the city are also experiencing the greatest losses in population over the last decade. This may suggest the city is becoming increasingly segregated which has impacts on investment in housing, concentrations of lower-income households, and home values and rents.

**Population by Race and Ethnicity, Jefferson City (2011 - 2020)**

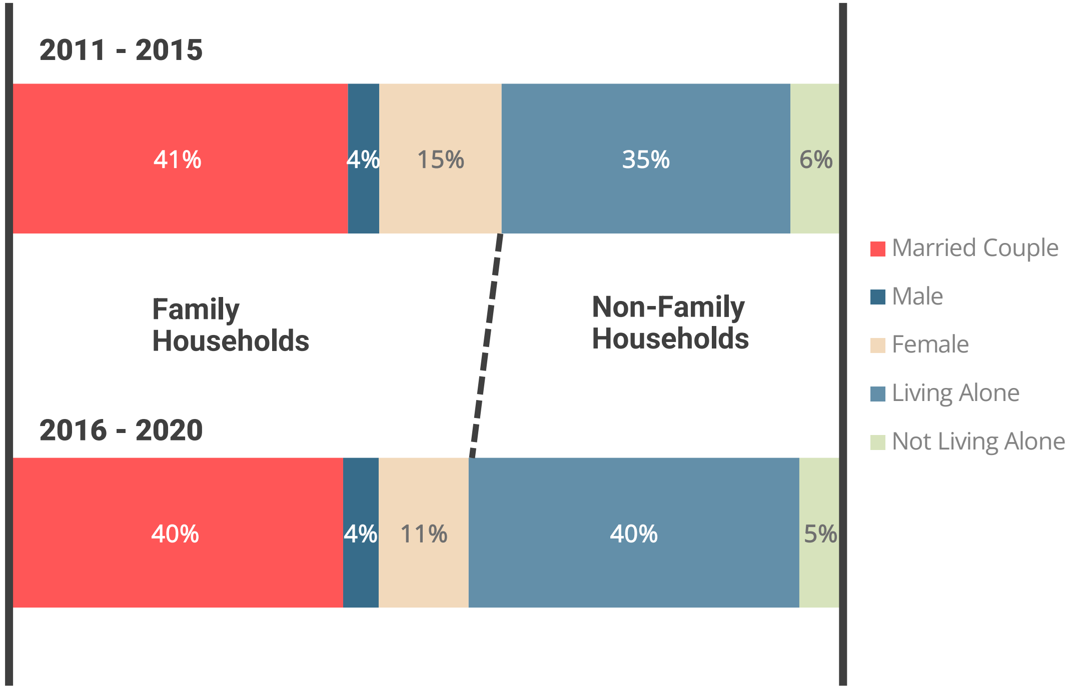
Source: ACS 5-Year Estimates



## Household Composition

### Change in Household Composition (2011 - 2020)

Source: ACS 5-Year Estimates

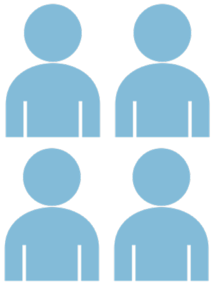



**NON-FAMILY HOUSEHOLDS ARE INCREASING.**

Over the last decade, Jefferson City has seen an increase in non-family households while the proportion of family households dropped by 5%. This trend is backed by the changes in population by age, with an increasing elderly population and shrinking populations of residents under 18 and 34 – 45 (whom are your typical family household). The increase in non-family households in Jefferson City was primarily driven by a jump in single-person households. Regionally there have been large increases in single-person households as well, due to seniors living alone and families migrating outside the region.

**Change in Households 2011-2020**

Source: ACS 5-Year Estimates

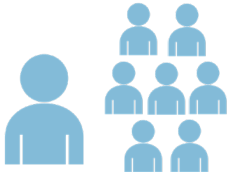


**HOUSEHOLDS REMAINED STABLE WHILE POPULATION INCREASED.**

Over the last decade, the number of households in Jefferson City have remained relatively the same despite the increases in population. This can be linked to the increase in renter households particularly households with 5 or more people, which increased by 47%.

**Households by Size and Tenure 2011-2020**

Source: ACS 5-Year Estimates

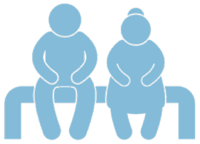


**GROWTH DRIVEN BY 1- AND 5- PERSON HOUSEHOLDS.**

Over the past decade, 1-person households increased by 13% (851) and 5 or more person households increased by 14% (175). Gains across these household sizes were largely driven by renter households.

**Households by Age of Householder 2011-2020**

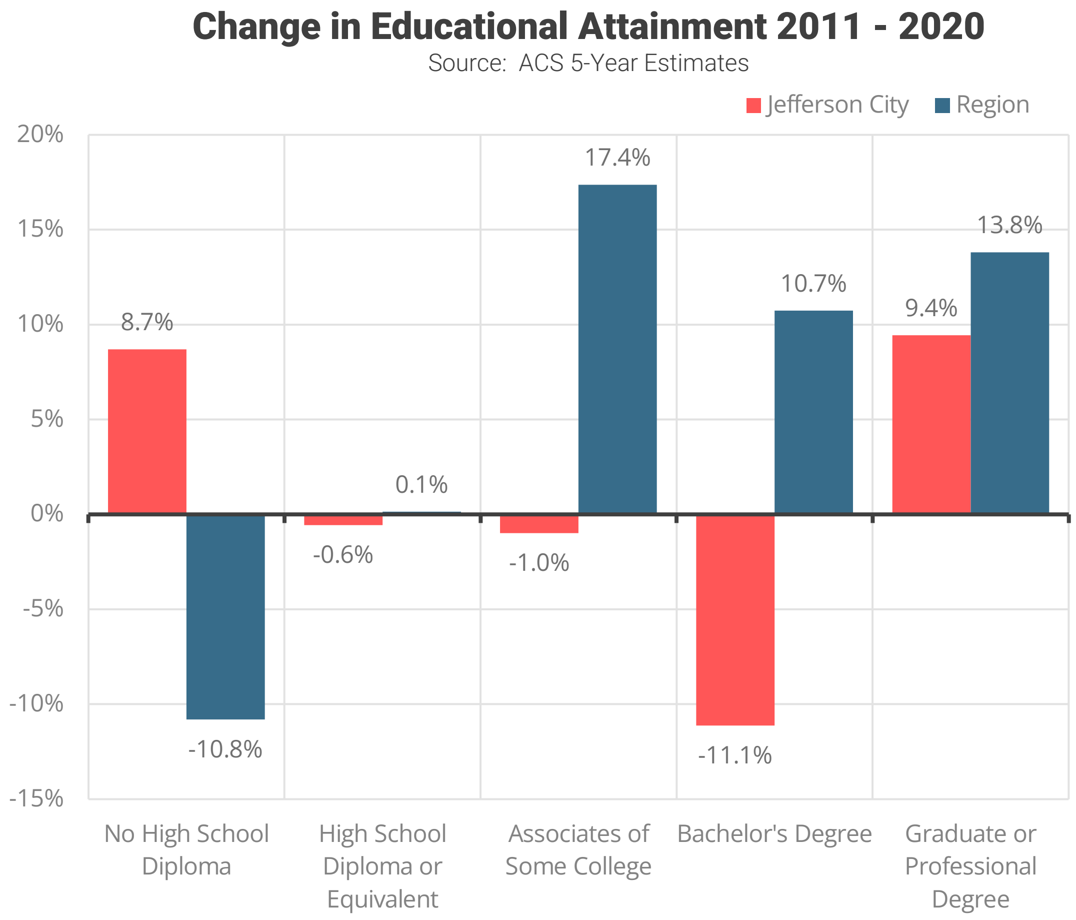
Source: ACS 5-Year Estimates

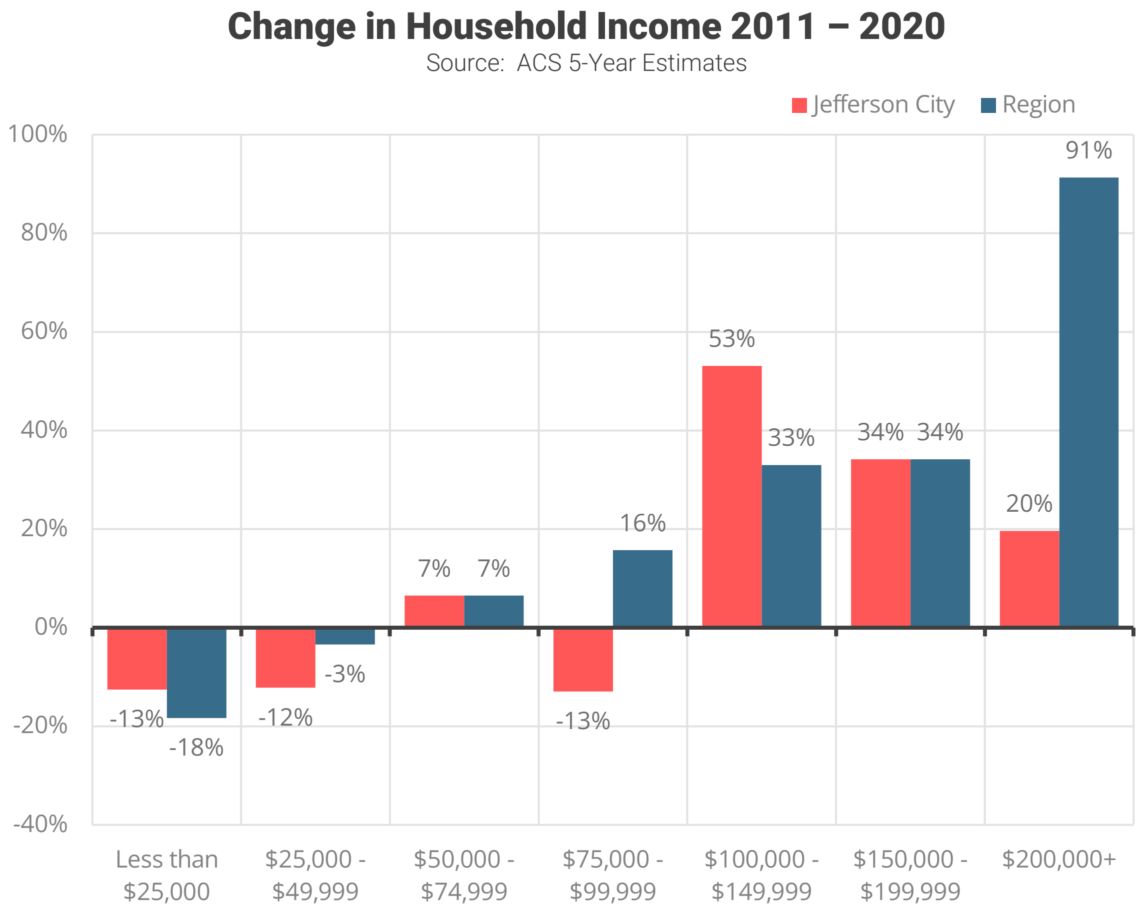


**ELDERLY OWNERS AND MILLENIAL RENTERS ARE DRIVING GROWTH.**

Owner households headed by a resident 65+ increased by 14% over the past decade while renter households headed by those aged 25 to 34 increased by 12%. Increases in renters ages 15 to 24 could be driving the growth in 5+ person renter households, as younger residents tend to live together to share the costs of housing.

## Education and Income




### JEFFERSON CITY IS LOSING COLLEGE EDUCATED RESIDENTS.

Over the last decade, the number of residents with a bachelor's degree decreased by 11.1% and residents with a graduate degree increased by 9.4%. This can be linked to the decrease in residents aged 25 – 34 and increase in residents 35 – 44, who are more likely to have a graduate or professional degree. Residents with no high school diploma increased over the past decade as well. There is also a strong correlation between the increase in educated residents and the increase in household incomes since 2011.

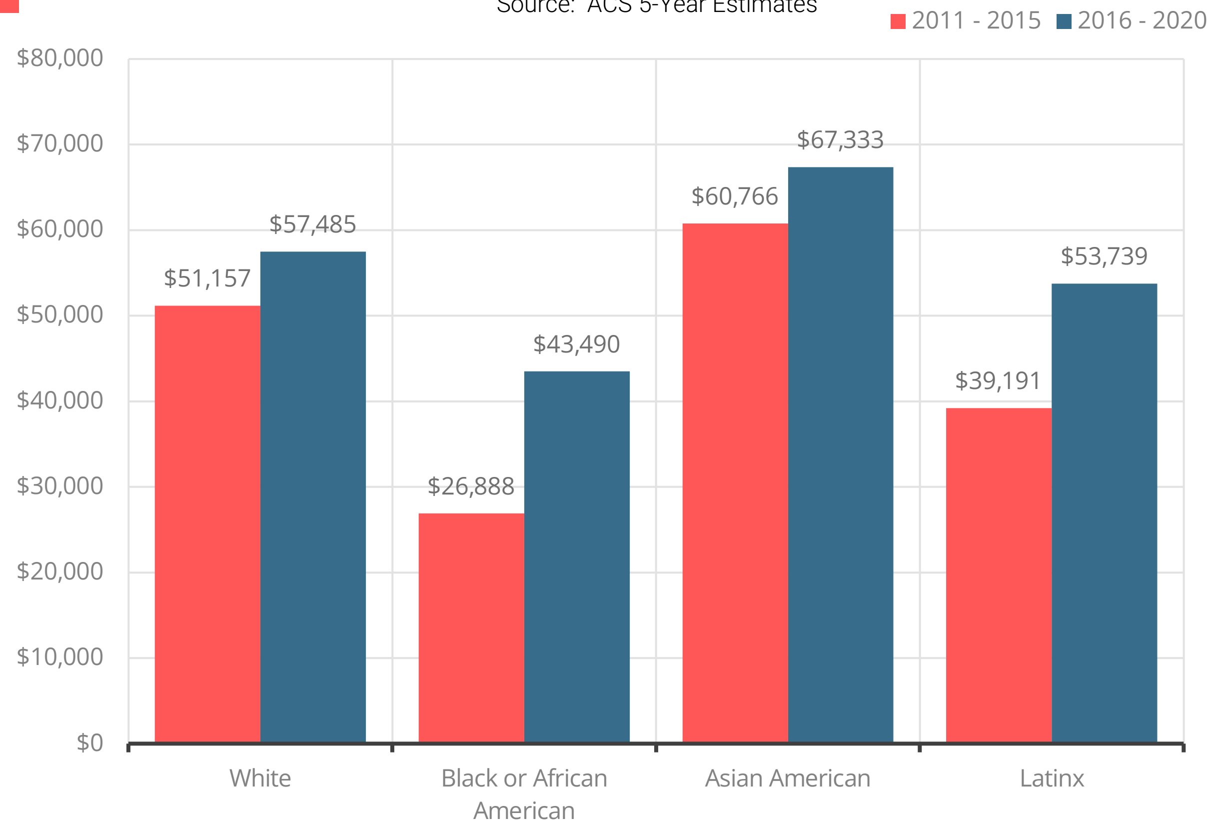
### LOWER INCOME HOUSEHOLDS ARE LEAVING JEFFERSON CITY.

Over the past decade, Jefferson City lost a total of 1,079 households earning <$50,000. The city has also lost an additional 588 owner households earning $75k - $99k, which may suggest that residents are having a harder time finding affordable and available housing and higher earning job opportunities in other counties are driving out-migration. Jefferson City has experienced an influx in households earning $100k or more, which reflects larger regional trends.

## Income

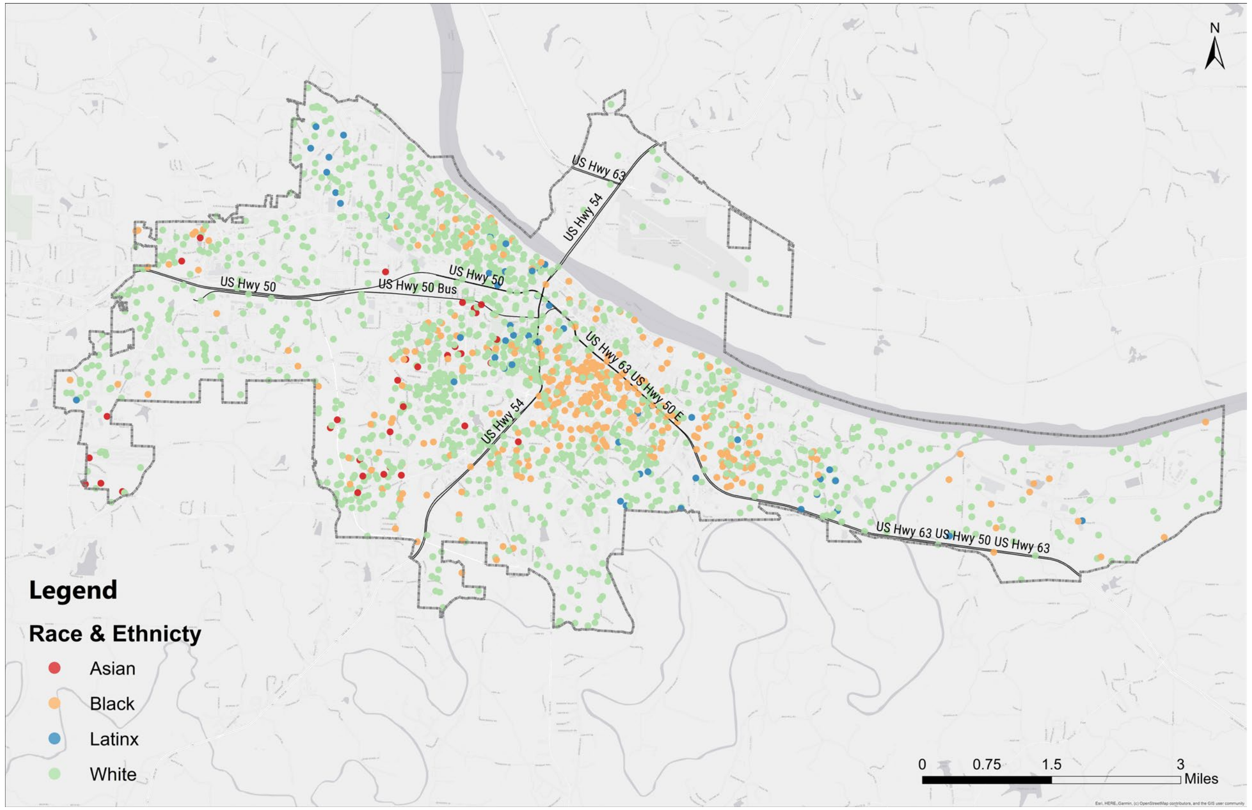
### Median Household Income by Race/Ethnicity

Source: ACS 5-Year Estimates




### Jefferson City Demographic Dot Density

Source: ACS 2020 5-Year Estimates (1 Dot ~ 20 People)




**INCOME GROWTH FOR BLACK OR AFRICAN AMERICAN HOUSEHOLDS LAG BEHIND ALL OTHERS.**

Across all races and ethnicities, median household incomes have increased over the last ten years. Yet, Black and African American households saw the lowest increases in household income over the same period. This income gap greatly impacts the ability for these households to find affordable rents and mortgages, ease housing cost burdening as prices escalate, and have money left for other monthly expenses beyond housing costs. These income gaps may also limit these households' ability to enter the homeownership market as prices continue to rise and availability of homes diminishes.

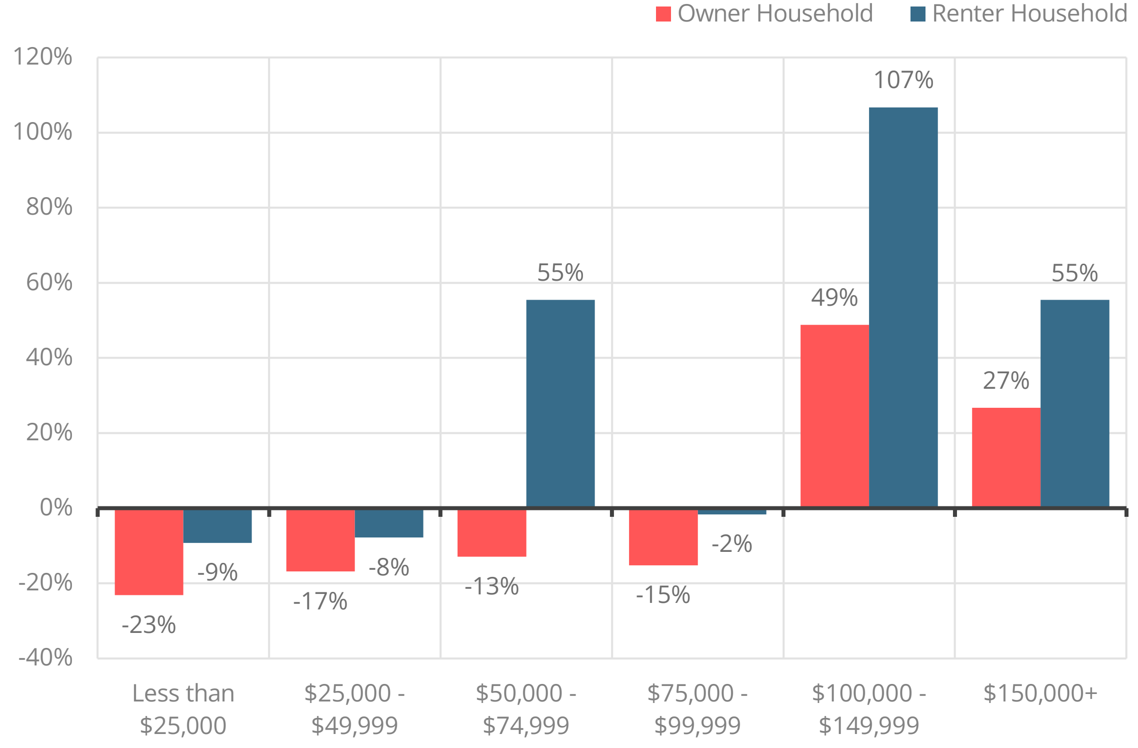
**HOUSEHOLDS OF COLOR WERE MOST IMPACTED BY THE TORNADO.**

Looking at the spatial distribution of Jefferson City's population by race and ethnicity, households of color primarily concentrate in the central part of the city. This corridor was most impacted by tornado in 2019, which destroyed numerous homes and severely damaged large multifamily developments leading to a reduction in available rental options.

## Income

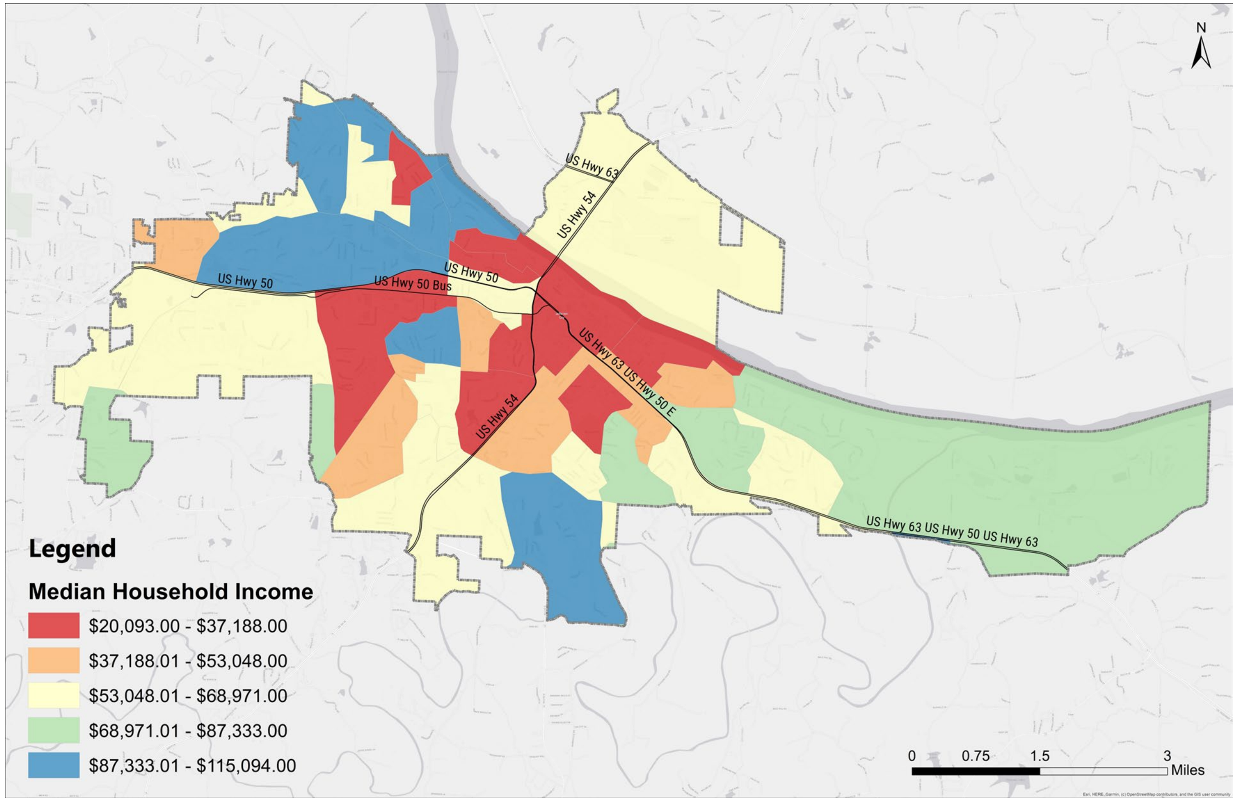
### Change in Household Income by Tenure 2011-2020

Source: ACS 5-Year Estimates




### Median Household Income

Source: ACS 2020 5-Year Estimates



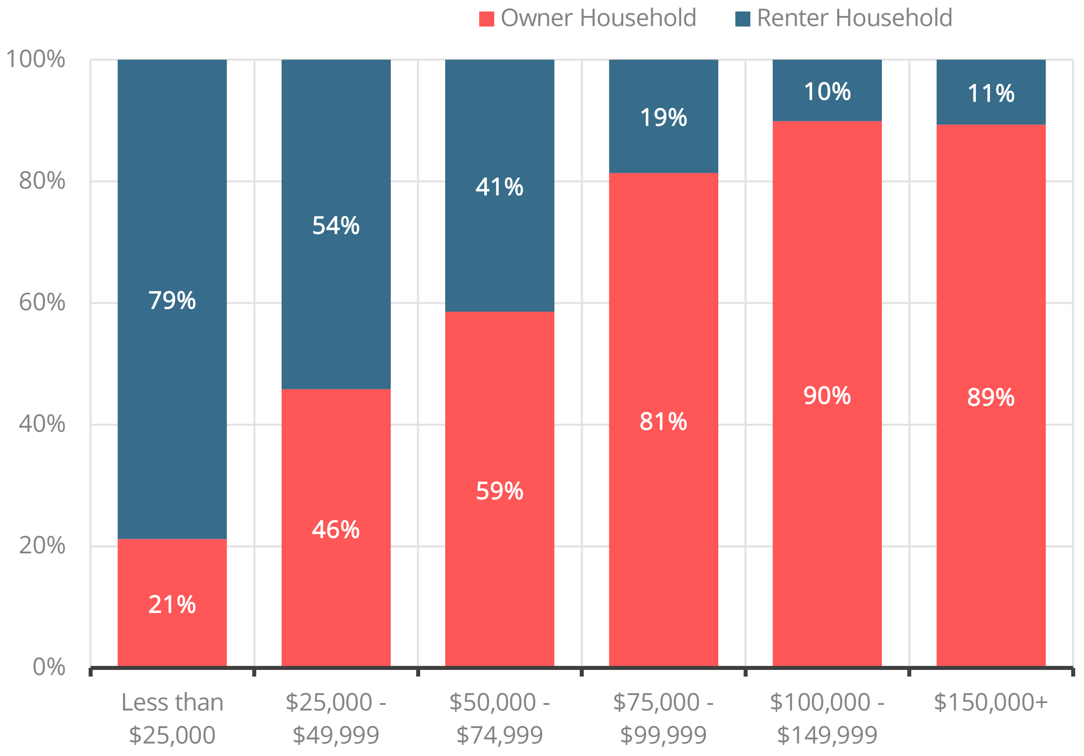

**JEFFERSON CITY IS SEEING AN INCREASE IN MIDDLE- AND HIGHER-INCOME RENTERS.**

Jefferson City has seen increases in renter households specifically those earning between $50,000 - $74,999. Households falling in this income band increased by 520. The city has also seen large percentage increases in renter households earning $100,000 or more with a total increase of 178 households. On the owner side, there was a notable increase in high income households ($100,000 or more) which saw an increase of 973. Across tenure, the city experienced a loss of 1,079 households earning less than $50,000 a year.

Across Jefferson City many higher-income households concentrate in suburban neighborhoods where home values tend to be highest, while lower-income households concentrate in the central part of the city and downtown. Data on new construction indicate that although new construction starts have been low, much of that new development is in market rate single family homes in the suburban neighborhoods while lower-income households reside in areas with higher rental housing, lower values, and an aging housing stock.

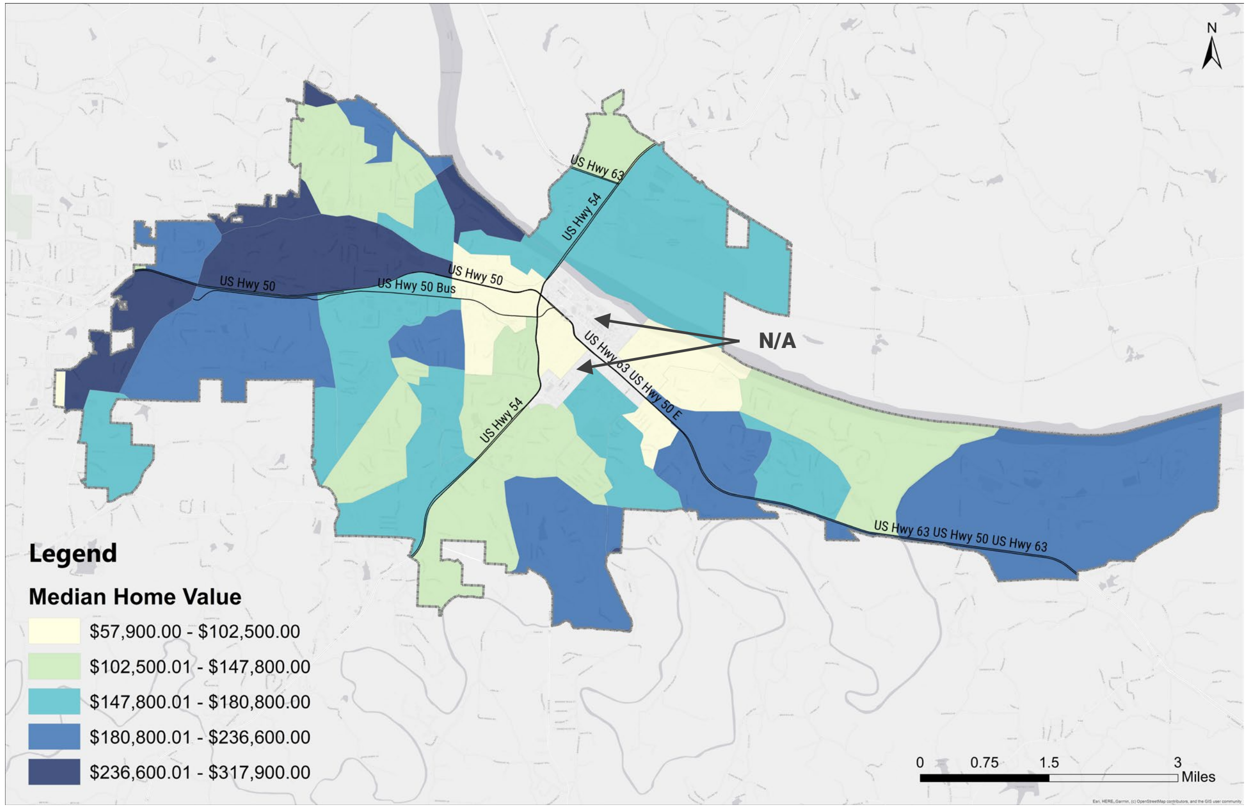
## Share of Households by Tenure & Income 2016 - 2020

Source: ACS 5-Year Estimates




## Median Home Value

Source: ACS 2020 5-Year Estimates




**RENTERS COMPOSE OF A HIGHER SHARE OF LOWER-INCOME HOUSEHOLDS.** Most renter households fall within the three lowest income brackets, or those earning under $75,000 per year. Of all households earning below $25,000 a year, 79% are renters, while 89% of households earning over $150,000 a year are owners. This highlights the disparities in income facing renters versus owners. As incomes increase, the share of renter households decreases. This creates numerous challenges ranging from paying rent, containing cost burdening, and finding affordable housing options in an increasingly expensive market.

Across Jefferson City, the highest home values concentrate in the suburban neighborhoods of the city in neighborhoods built after the 1980s. As is the case with most communities, the oldest housing stock tends to be in the downtown or central core of the communities with waves of newer housing emanating out. Jefferson City is no different, and values of homes in the core are half as high as those on the edges of the city. Percentages of renter households also falls considerably as one moves from the center of Jefferson City to the periphery.

## TOTAL EMPLOYMENT IN JEFFERSON CITY FELL BY 1.1% OVER THE PAST DECADE.

In addition to population and household change, employment change can be a driver for housing demand particularly in city locations. As the state capital and hub of state government for Missouri, Jefferson City has a unique economic draw and opportunity to capture employees looking to live near their place of work. Interviews with local brokers indicated an opportunity to capture younger workers in the downtown area if housing options were available and offered at affordable price points to their income.

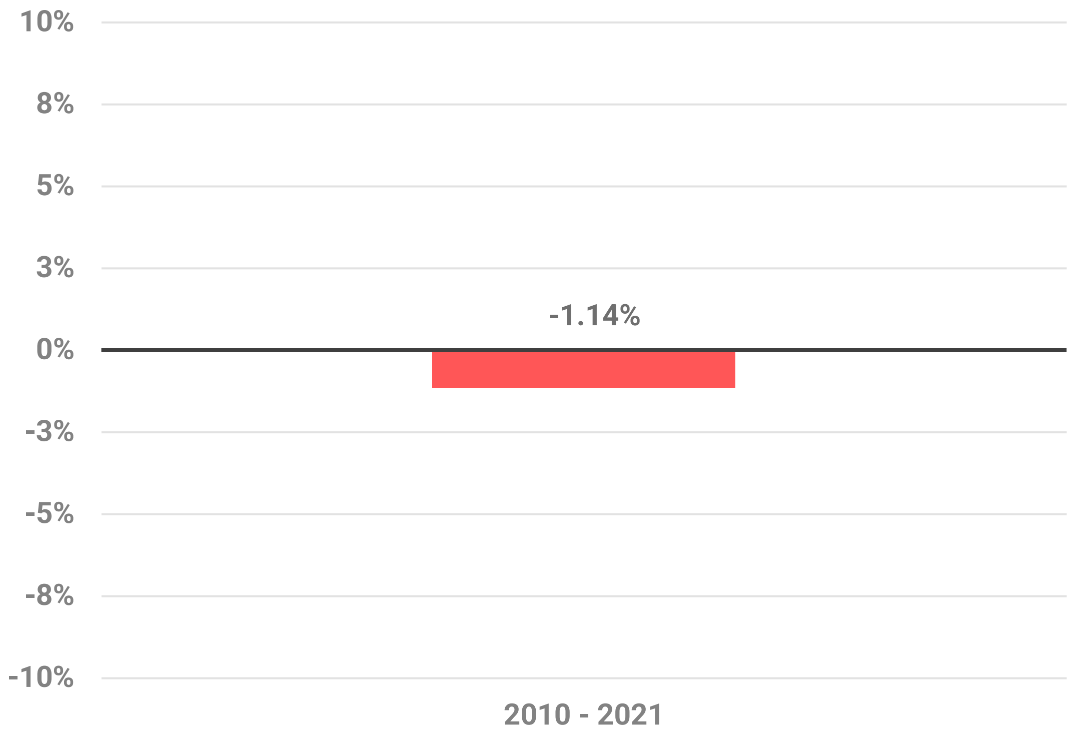
One continuing challenge in Jefferson City is the declining trend in jobs. Between 2010 and 2021, the city experienced a 1% decrease in total employment netting a total loss of 560 jobs (largely in the government sector).

Across industry sectors, the largest increases in employment were in health care, and food services with increases over 10%. Within occupational categories, the two largest increases (in absolute terms) were in healthcare support jobs (576) and in food preparation and service (352).

One major challenge to providing enough housing in Jefferson City has been finding enough construction workers, particularly specialty subcontractors, to complete work on homes. Due to the impacts of COVID-19 and local economic contractions, the costs of building materials and supplies have increased dramatically. When combined with shortages in construction labor, the costs of building new housing has increased which has caused a pause in some building activity in Jefferson City. Labor and materials have continued to flow to parts of surrounding counties where sale and rent prices can justify the cost of building new housing.

**Change in Total Employment 2010-2021**

Source: EMSI 2010-2021- QECW Employees



## GROWTH IN LOWER WAGE SECTORS PRESENTS NEED FOR AFFORDABLY PRICED HOUSING.

Although Jefferson City's total employment did decline over the last decade, there were some industry sectors which added jobs to the local economy. Both the healthcare sector and accommodations and food services sector added a combined 1,075 jobs, each growing by over 11%. These are also sectors that follow national growth trends over the same period of time, although its important to recognize the impacts of COVID on the accommodations and food service sector and the recovery those businesses continue to face.

While job growth in these sectors is positive, it is important to recognize the occupations within these industry sectors which are growing tend to earn low wages. For example, healthcare support is the dominant growth occupation with the healthcare industry. This occupation has an average earning of about $31,000 a year. Food prep workers within the accommodations and food services sector earn an average of $23,000 per year. These earnings may make it difficult to find price appropriate housing in Jefferson City.

### Top Five Employment Growth Sectors 2010-2021

Source: EMSI 2010-2021- QCEW Employees

| Industry Sector | 2010-2021 Jobs | % Change |
|---|---|---|
| Health Care and Social Assistance | 566 | 11% |
| Accommodation and Food Services | 509 | 17% |
| Administrative and Support and Waste Management and Remediation Services | 469 | 23% |
| Information | 228 | 27% |
| Manufacturing | 224 | 10% |

### Top Five Employment Growth by Occupation 2010-2021

Source: EMSI 2010-2021 – QCEW Employees

| Occupation Category | 2010-2021 Jobs | % Change |
|---|---|---|
| Healthcare Support | 576 | 33% |
| Food Preparation and Service | 352 | 12% |
| Sales and Related | 214 | 6% |
| Transportation and Material Moving | 160 | 6% |
| Arts, Design, Entertainment, Sports, and Media | 140 | 19% |

# FOUR OF TOP FIVE OCCUPATIONS PAY UNDER $35,000 PER YEAR.

While the government and health care industry sectors in Jefferson City comprise the backbone of the local economy and present higher than average earnings, many of the top occupations have earnings under $35,000 a year. This includes occupations like Sales, Healthcare Support, and Food Preparation that comprise the growing industry sectors of Accommodations and Food Services and Health care.

It is worth noting though there are jobs and occupations in higher paying categories such as healthcare practitioners (doctors, nurses), management of businesses and companies, and business and financial operations.

The industry sectors of manufacturing, finance and insurance, and professional, scientific, and technical services also offer higher salaries than the average for the city and a potential opportunity to grow those jobs over time.

## Top Ten Largest Employment Sectors 2021

Source: EMSI 2021.4 – QCEW Employees

| Industry Sector | 2021 Jobs | 2021 Avg. Earning |
|---|---|---|
| Government | 15,834 | $66,761 |
| Health Care and Social Assistance | 5,853 | $64,803 |
| Retail Trade | 5,586 | $34,878 |
| Accommodation and Food Services | 3,497 | $20,343 |
| Administrative and Support and Waste Management and Remediation Services | 2,536 | $38,437 |
| Manufacturing | 2,530 | $63,275 |
| Construction | 2,367 | $71,215 |
| Finance and Insurance | 1,774 | $80,534 |
| Professional, Scientific, and Technical Services | 1,707 | $82,350 |
| Other Services (except Public Administration) | 1,490 | $61,090 |

## Top Ten Largest Occupation Categories 2021

Source: EMSI 2021.4 – QCEW Employees

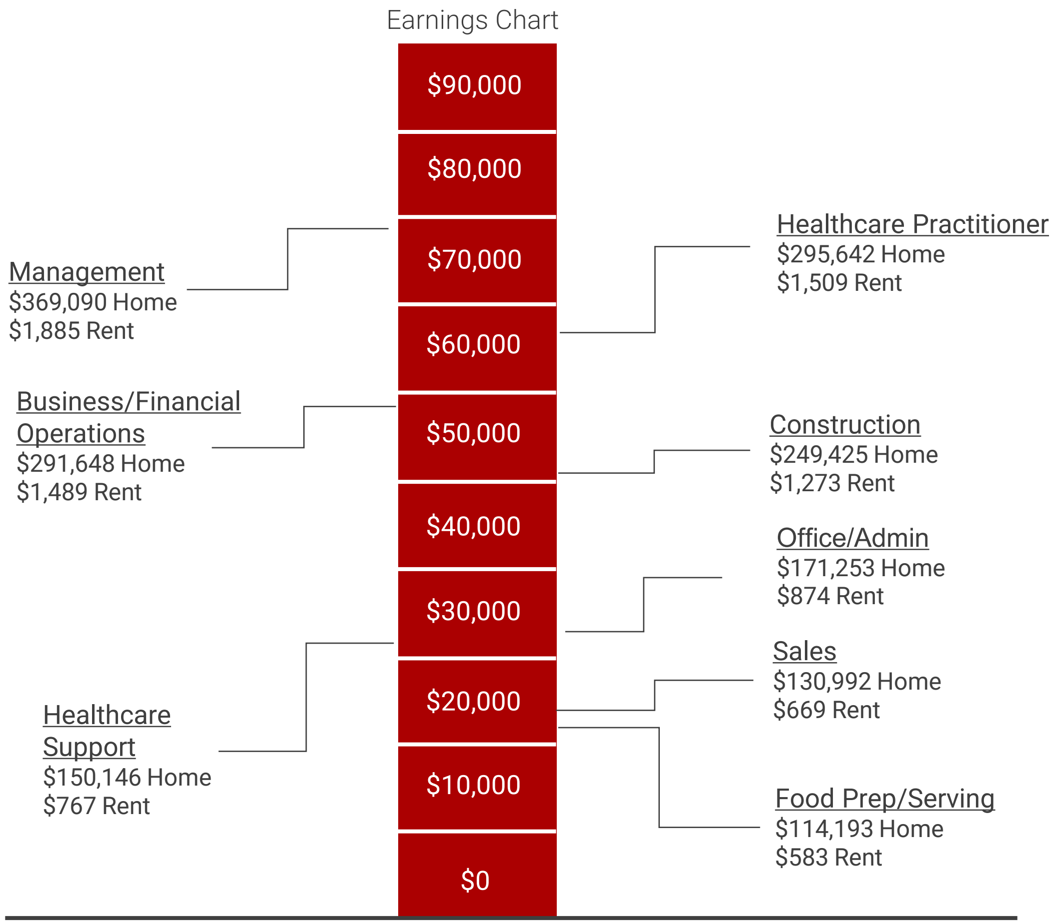
| Occupation Category | 2021 Jobs | 2021 Avg. Earning |
|---|---|---|
| Office and Administrative Support | 8,614 | $34,986 |
| Sales and Related | 3,999 | $26,761 |
| Business and Financial Operations | 3,601 | $59,582 |
| Food Preparation and Serving Related | 3,377 | $23,329 |
| Transportation and Material Moving | 2,932 | $31,402 |
| Healthcare Practitioners and Technical | 2,743 | $60,398 |
| Management | 2,648 | $75,403 |
| Healthcare Support | 2,299 | $30,674 |
| Computer and Mathematical | 2,069 | $54,541 |
| Construction and Extraction | 1,948 | $50,956 |

## LOWEST PAYING JOBS IN JEFFERSON CITY CANNOT AFFORD HOME PURCHASES AT JEFFERSON CITY'S MEDIAN PRICES.

With a median home value of $191,150 , approximately 62% of employees in Jefferson City's top ten largest occupations can't afford units at those prices. With growth in lower paying industry sectors and occupations projected, it is likely Jefferson City will need to focus on providing housing for both owners and renters at a mix of price points to ensure housing remains affordable to those who want to work and live in the city.

### What Can Different Jobs/Earnings Afford in Jefferson City?

Source: EMSI 2021, HUD, RKG Associates

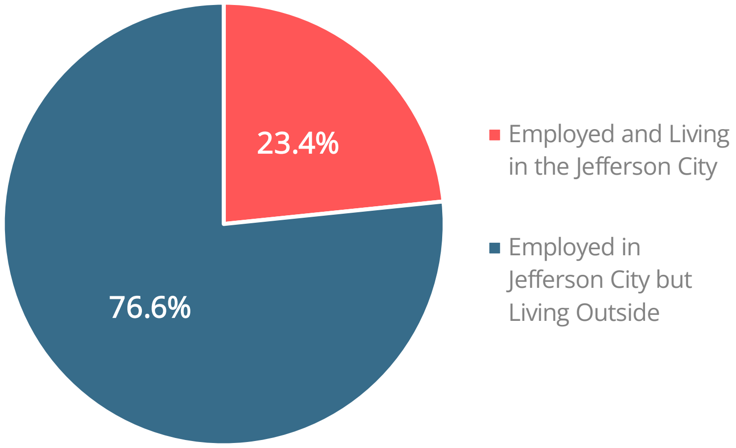


## JEFFERSON CITY'S LABOR MARKET IS LARGELY DRIVEN BY COMMUTERS COMING INTO THE CITY.

Each day, Jefferson City sees about 32,000 additional workers come into the community for jobs. Only 23% of the jobs in Jefferson City are filled by people who actually live in the city, meaning 77% of the jobs are being filled by those who commute in each day. Interestingly though, of all employed residents in Jefferson City, about 60% of them live and work in the city meaning only 40% commute elsewhere for employment. So, of the employed residents in Jefferson City, many remain in the community for work. This should be viewed as a positive indicator of the potential Jefferson City has to capture a larger share of those 32,000 workers who are commuting in for work each day. With the right mix of housing, price points, and city environment, Jefferson City could begin to recapture households and workers who had been leaving to live in other nearby towns and counties.

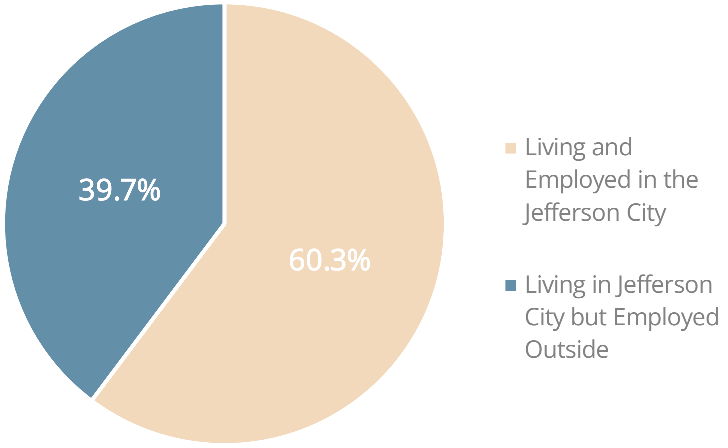
### Employment Efficiency (All Jobs) Among People Employed in Jefferson City

Source: OnTheMap 2019



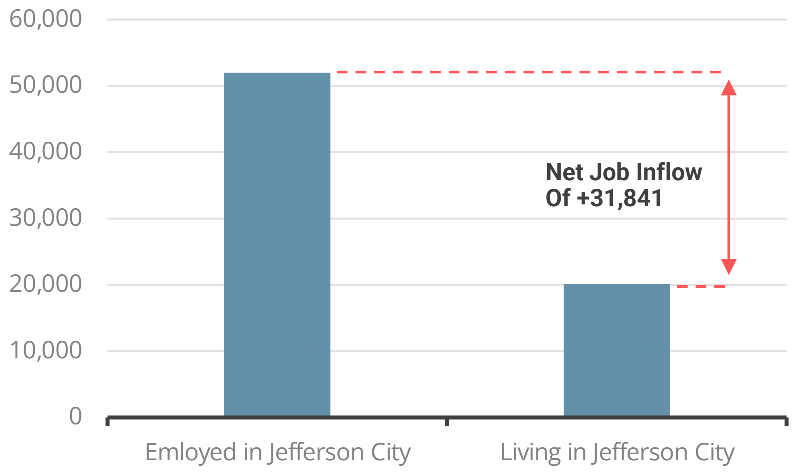

### Labor Force Efficiency (All Jobs) Among People Living in Jefferson City

Source: OnTheMap 2019




### Labor Market Size (Employed in Jefferson City)

Source: OnTheMap 2019



## JEFFERSON CITY'S LABOR MARKET IS LARGELY DRIVEN BY COMMUTERS THROUGHOUT THE REGION.

While working residents of Jefferson City comprise the majority of workers occupying jobs in the city compared to all other single locations, about 77% of all jobs in the city are filled by employees coming from elsewhere.

The tables on the right show the top ten locations employees are traveling from each day for jobs in Jefferson City. Columbia is a strong exporter of employment to Jefferson City, but as the table on the bottom right shows, it's also a strong importer of Jefferson City's working residents too. This aligns closely with feedback from interviews with brokers on job locations and commute distances.

Locations in nearby counties such as Fulton, Holts Summit, California, Wardsville, and Ashland are all sending workers to Jefferson City each day and could represent opportunities to capture those workers to live locally in the city.

A similar set of locations are importing Jefferson City residents for work each day, showing the strong regional ties for both employment and residence in nearby counties.

### Top Ten Places of Residence for People Employed in Jefferson City, 2019

Source: OnTheMap 2019

| County | Job Count | Share |
|---|---|---|
| Jefferson City (Cole, MO) | 12,154 | 23.4% |
| Columbia (Boone, MO) | 2,150 | 4.1% |
| Holts Summit (Callaway, MO) | 873 | 1.7% |
| California (Moniteau, MO) | 567 | 1.1% |
| Kansas City (Jackson, MO) | 512 | 1.0% |
| Wardsville (Cole, MO) | 476 | 0.9% |
| St. Louis (St. Louis, MO) | 392 | 0.8% |
| Fulton (Callaway, MO) | 390 | 0.8% |
| Ashland (Boone, MO) | 357 | 0.7% |
| Eldon (Miller, MO) | 314 | 0.6% |

### Top Ten Work Destinations of Jefferson City Residents, 2019

Source: OnTheMap 2019

| County | Job Count | Share |
|---|---|---|
| Jefferson City (Cole, MO) | 12,154 | 60.3% |
| Columbia (Boone, MO) | 1,744 | 8.7% |
| Fulton (Callaway, MO) | 430 | 2.1% |
| Kansas City (Jackson, MO) | 249 | 1.2% |
| Springfield (Greene, MO) | 181 | 0.9% |
| St. Louis (St. Louis, MO) | 160 | 0.8% |
| Holts Summit (Callaway, MO) | 137 | 0.7% |
| Sedalia (Pettis, MO) | 121 | 0.6% |
| Osage Beach (Camden, MO) | 99 | 0.5% |
| Maryland Heights (St. Louis, MO) | 87 | 0.4% |

## HOUSING UNITS IN JEFFERSON CITY INCREASED LARGELY DRIVEN BY 2-4 UNIT STRUCTURES.

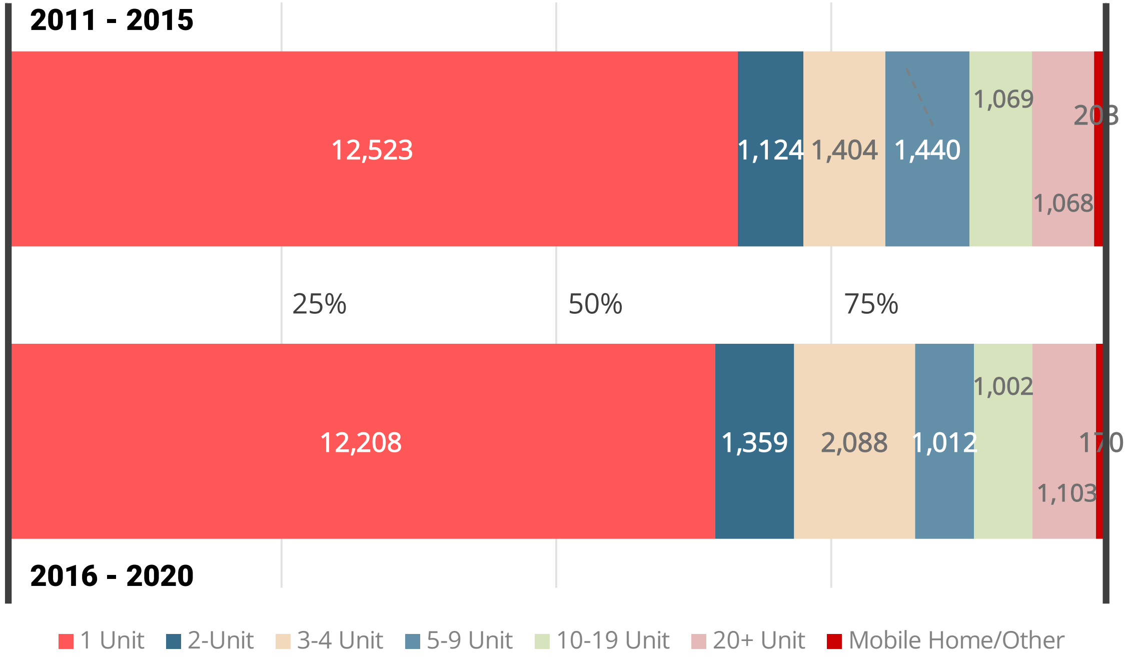
The number of total housing units increased by 1% over the past decade, largely driven by 2-4 unit structures which saw a 21% increase (235) in 2-unit structures and a 49% increase in 3–4-unit structures (684).




Examples of housing types in Jefferson City.

### Units in Structure 2011 - 2020

Source: ACS 5-Year Estimates




**JEFFERSON CITY'S HOUSING STOCK IS LARGELY SINGLE FAMILY.**
Jefferson City's housing stock is largely comprised of single-family homes although that proportion dropped by 3% over the past decade. Following the impacts of the 2019 tornado, Jefferson City's already limited multifamily housing stock was further reduced tightening the number of available units. This contraction in availability has led to increases in unit price and constrained the mobility of residents both into and within the city. It has also led to the conversion of single-family homes into rental units throughout the city.

## Single-Family Home Typology

Source: Cole County Assessor Data

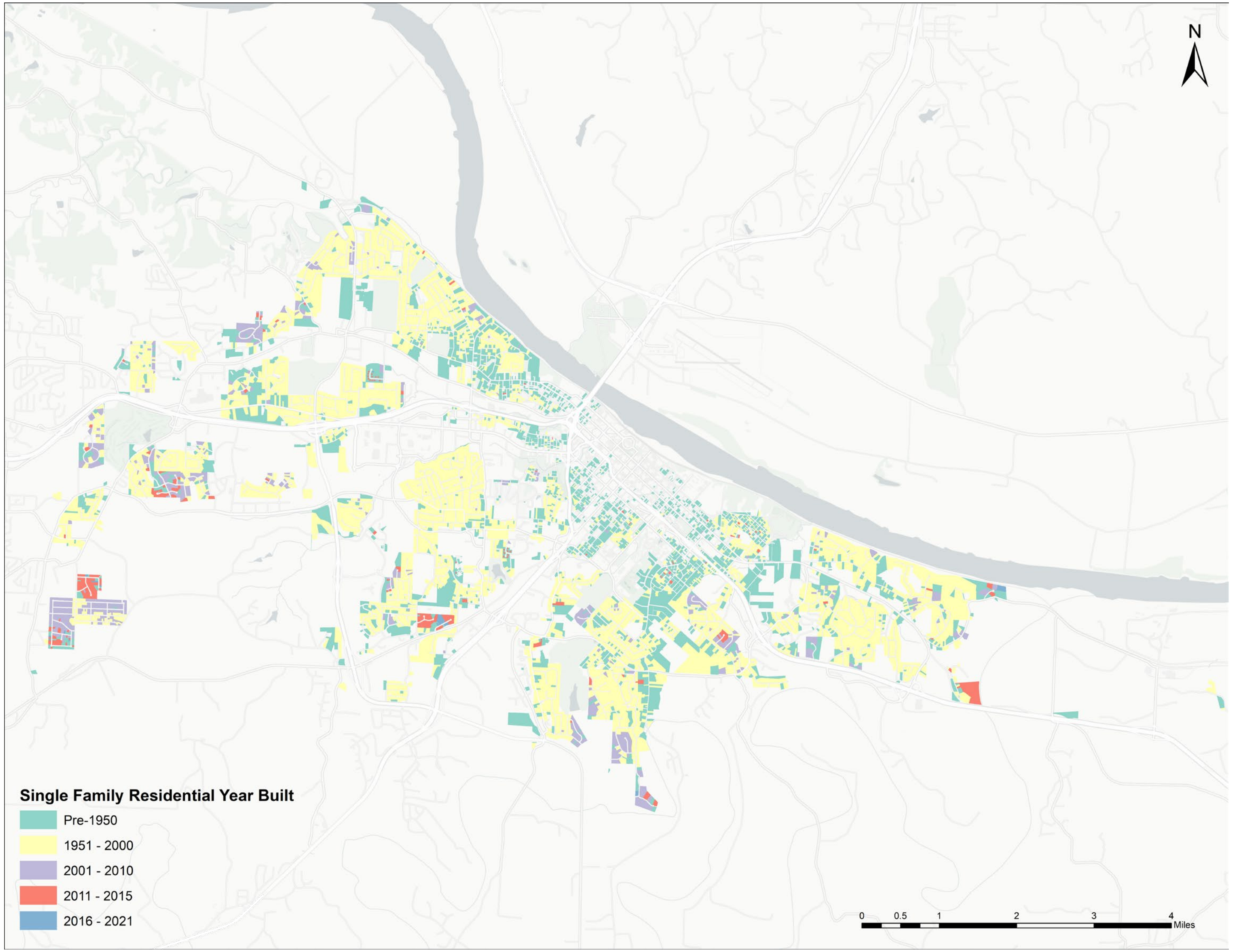
| Structure Type | % of Single-Family Home |
|---|---|
| Bungalow | 6% |
| Colonial | 2% |
| Old Style | 18% |
| Ranch | 54% |
| Split Foyer | 7% |
| Split Level | 3% |
| Traditional | 10% |
| Other | 1% |

Despite the percentage decreases in single family homes, they still remain the largest share of the housing stock at 64%. Across the city, over 90% of single-family homes were built prior to 2000. Interviews noted the lack of available land, infrastructure costs, and building costs are all limiting factors constraining the development of new housing units within the city.

Across building typologies, the most common single-family structure style is ranch followed by old style. As high-income populations move towards the periphery of the city, the only new single-family construction can be found in surrounding cul-de-sac communities such as in the area located to the southwest of the central city.

## Single-Family Homes by Year Built

Source: Cole County Assessor Data



## Residential Units by Year Built

Source: Cole County Assessor Database, RKG Associates

| Year Built | Unit Count | % of Total |
|---|---|---|
| Pre – 2000 | 12,037 | 86.8% |
| 2000 – 2010 | 1,314 | 9.5% |
| 2011 – 2015 | 293 | 2.1% |
| 2016 – 2021 | 223 | 1.6% |

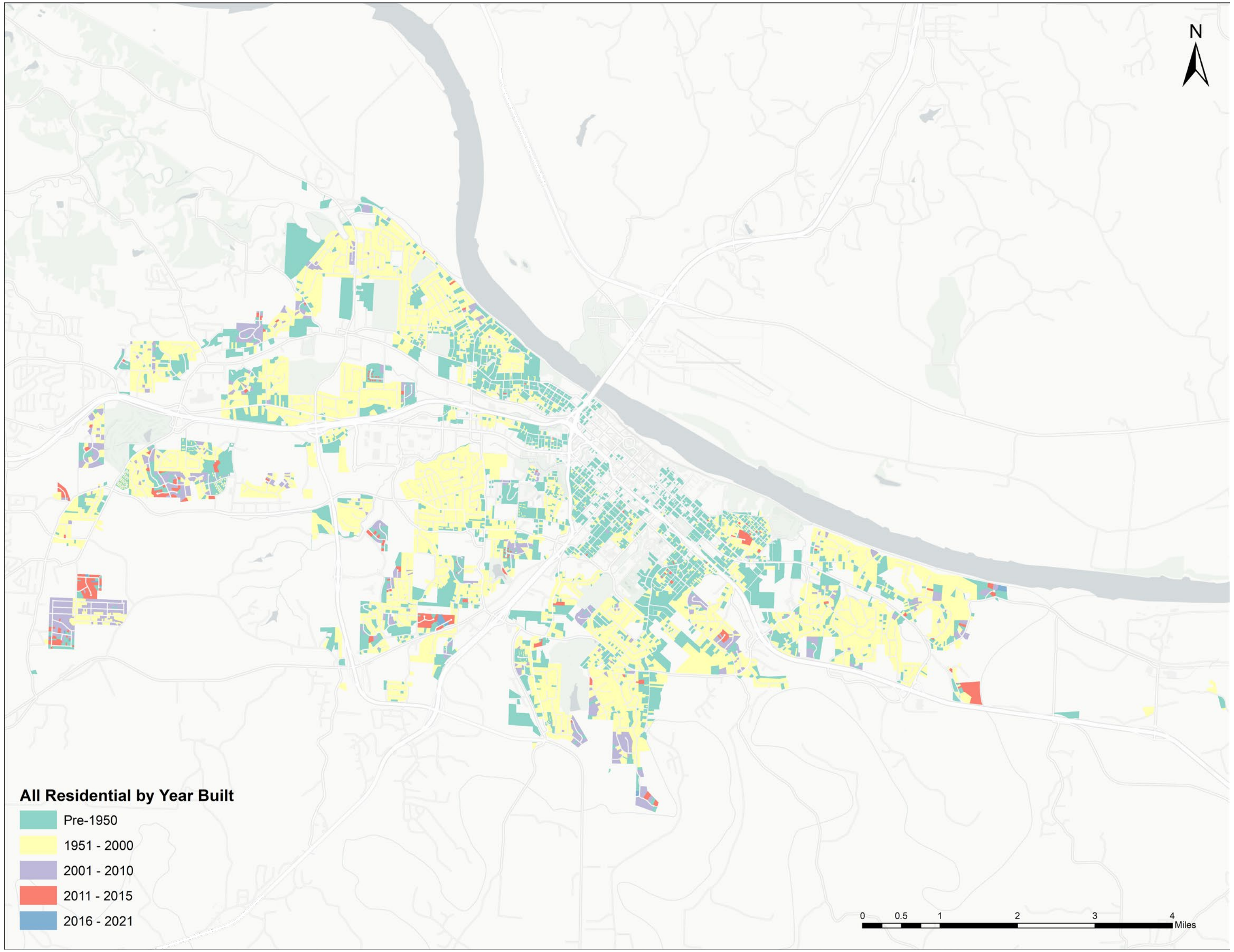
Most of Jefferson City's residential developments have been concentrated along the Missouri River in the central portion of the city. The oldest portion of the city surrounds the state government buildings and Lincoln University.

Approximately 87% of the city's residential units were built prior to 2000. Over the past 5 years, 223 new housing units have been constructed mainly in the suburban neighborhoods of the city. This growth in new housing units aligns with the population growth occurring in the suburban parts of the city.

In contrast, the impacts of tornado damage and demolitions in several central city neighborhoods such as those along Missouri Boulevard, and adjacent to US 50/63 have experienced a decline in housing stock due to advanced age of the structure.

## Year Built of Structure

Source: Cole County Assessor Data



RKG ASSOCIATES INC

## Housing Tenure 2016 - 2020

Source: ACS 5-Year Estimates

**57% Owner Occupied**

**43% Renter Occupied**

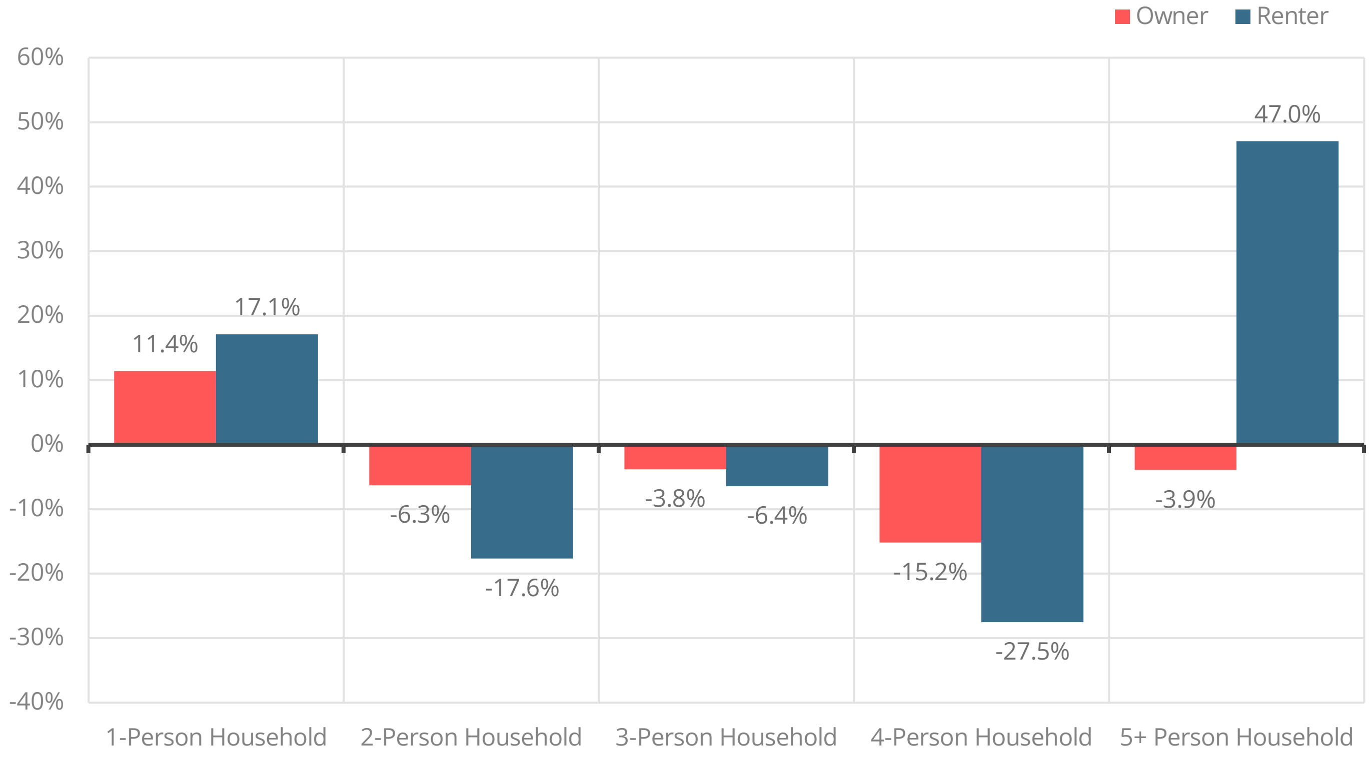
### THE SHARE OF OWNER-OCCUPIED HOUSING IN JEFFERSON CITY HAS DECREASED.

Over the past decade, the number of total owner-occupied households fell by 2% (220 households) and the number of renter-occupied households increased by 3% (218 households).

Among this influx in renter household, the majority were higher income. The increase in total households discussed earlier in the report matches with the increase in single-person households for both owners and renters.

## Change in Households by Tenure and Size 2011 - 2020

Source: ACS 5-Year Estimates




### ONE AND FIVE+ PERSON HOUSEHOLDS ARE DRIVING CHANGE.

Despite the changes in tenure composition, household growth was largely driven by single-person households and households with five or more people. This trend was true for both owner and renter households. For single-person households, owners saw an increase of 11.4% (295) while renters saw a 17.1% increase (556). For 5+ person households owners saw a decline of 3.9%% (24) but renters saw a 47% (199) gain. These changes are being largely driven by older single-person households and larger student and family households. This may signify the need for more smaller units for single-person households and new larger family-sized units, particularly on the owner-occupied side.

## BLOCK GROUPS WITH HIGHER PERCENTAGES OF RENTERS ALSO HAVE LOWER MEDIAN INCOMES.

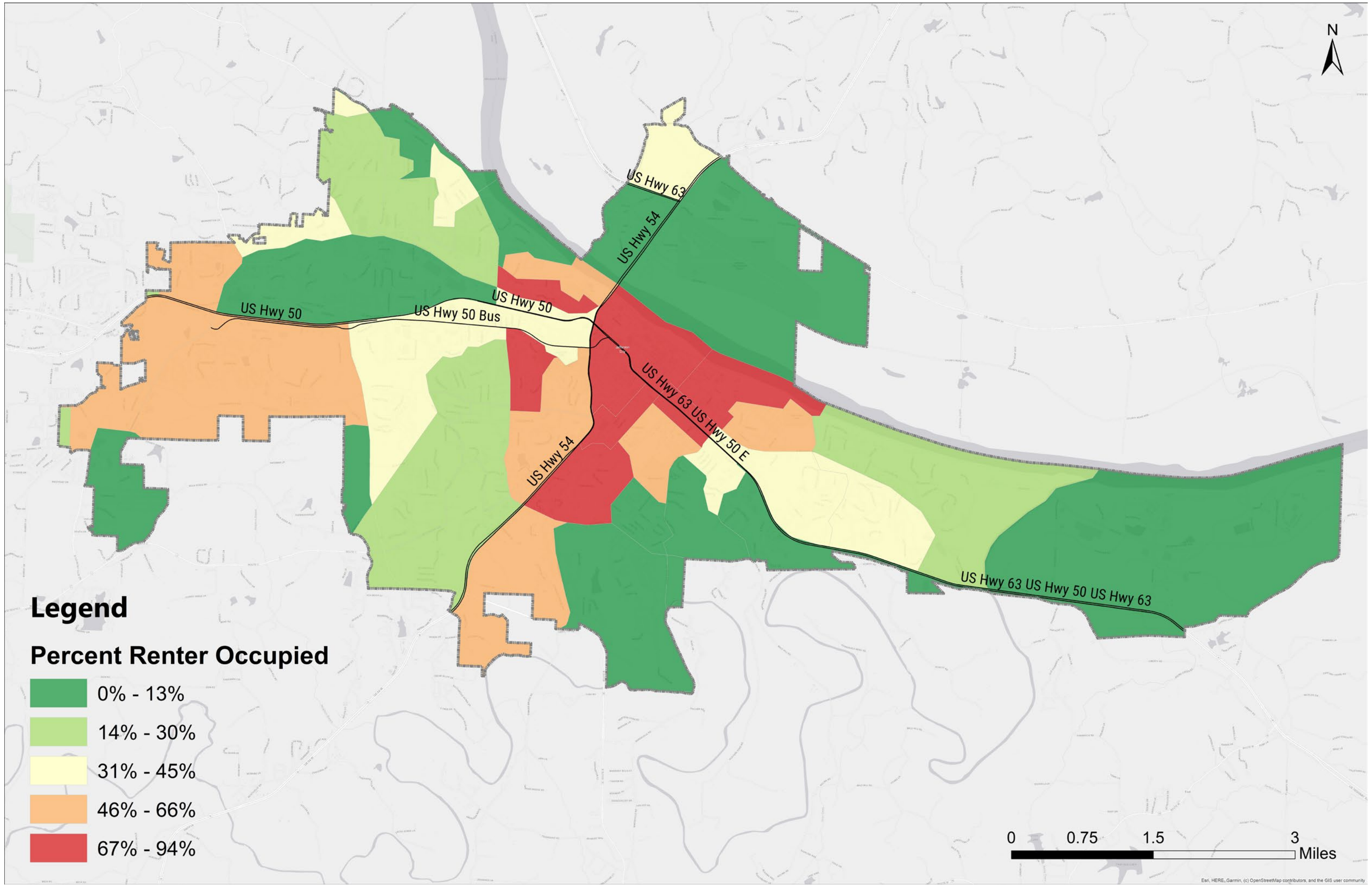
Throughout Jefferson City, the areas with the highest concentrations of renters (>70%) have some of the lowest median incomes (>$36,000). In addition, these block groups, which tend to be in the central part of the city, have some of the oldest housing stock and experienced some of the greatest impacts from the 2019 tornado.

Many households that fall within these block groups earn incomes that would prevent them from affording a home at Jefferson City's current median value of ~$190,000. We also know these block groups are some of the most racially and ethnically diverse in the city. Additional affordable homeownership options in these block groups could offer the opportunity to own a home and begin to accumulate equity and wealth generation.

The percentage of renter households by block group begins to decrease as one moves from the central part of the city toward the periphery with the exception of the west side of Jefferson City. Here we see a higher percentage of renter households, but both rents and incomes are much higher here limiting the ability of lower-income households to live in some of these locations.

### Percent of Renter Households

Source: ACS 2020 5-Year Estimates



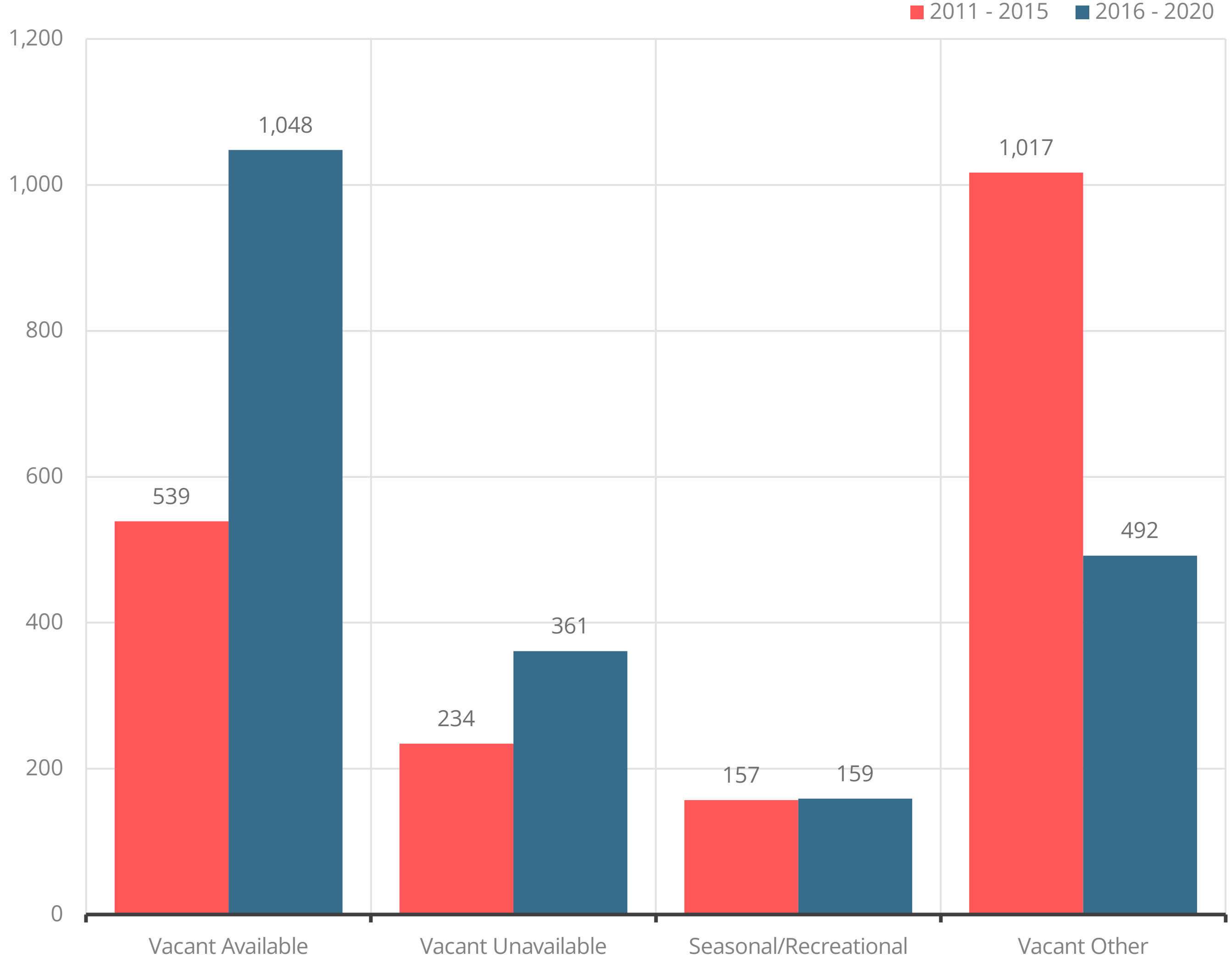
## JEFFERSON CITY HAS LOW HOUSING AVAILABILITY

In 2020, 11% of Jefferson City's housing stock was classified as vacant. This was a 1 percentage point increase from the vacancy estimates in the 2011 – 2015 ACS. However, Jefferson City's vacancy rate for units actively for rent or for sale was much lower at 5.54%. This represent units that are actively on the market either for sale or for rent. Historically, vacancy rates in Jefferson City have fell below 4% over the past decade. Typically, a healthy vacancy rate is between 4% and 6%. Despite Jefferson City's 5.54% vacancy rate, the majority share of those vacant units are rentals indicating little opportunity for households to move into or within Jefferson City through ownership options.

Approximately 24% of all vacant units are classified as "vacant other" which refers to units that are not available for rent or sale and are off the market for different reasons. These include undergoing substantial rehabilitation, uninhabitable units, foreclosure, among others. It should be noted that the Census estimates to not include the roughly 200 parcels that were demolished or designated blighted vacant as a results of the 2019 Tornado damage.

Jefferson City's tight housing market is gaining a national reputation. The National Association of Realtors recently named the city as the 12th tightest housing market regardless of community size. Jefferson City's Board of Realtors shows days on market for ownership units dropped by half from November 2020 to November 2021 with units now staying on the market 24 days on average. Most homes are selling in 1-2 days according to interviews with local brokers. Typical offers are coming in $10,000 over asking, no inspections, and closing in 30-days.

**Vacant Housing Units by Category 2011 - 2020**
Source: ACS 5-Year Estimates



## CONSEQUENCES OF VACANCY

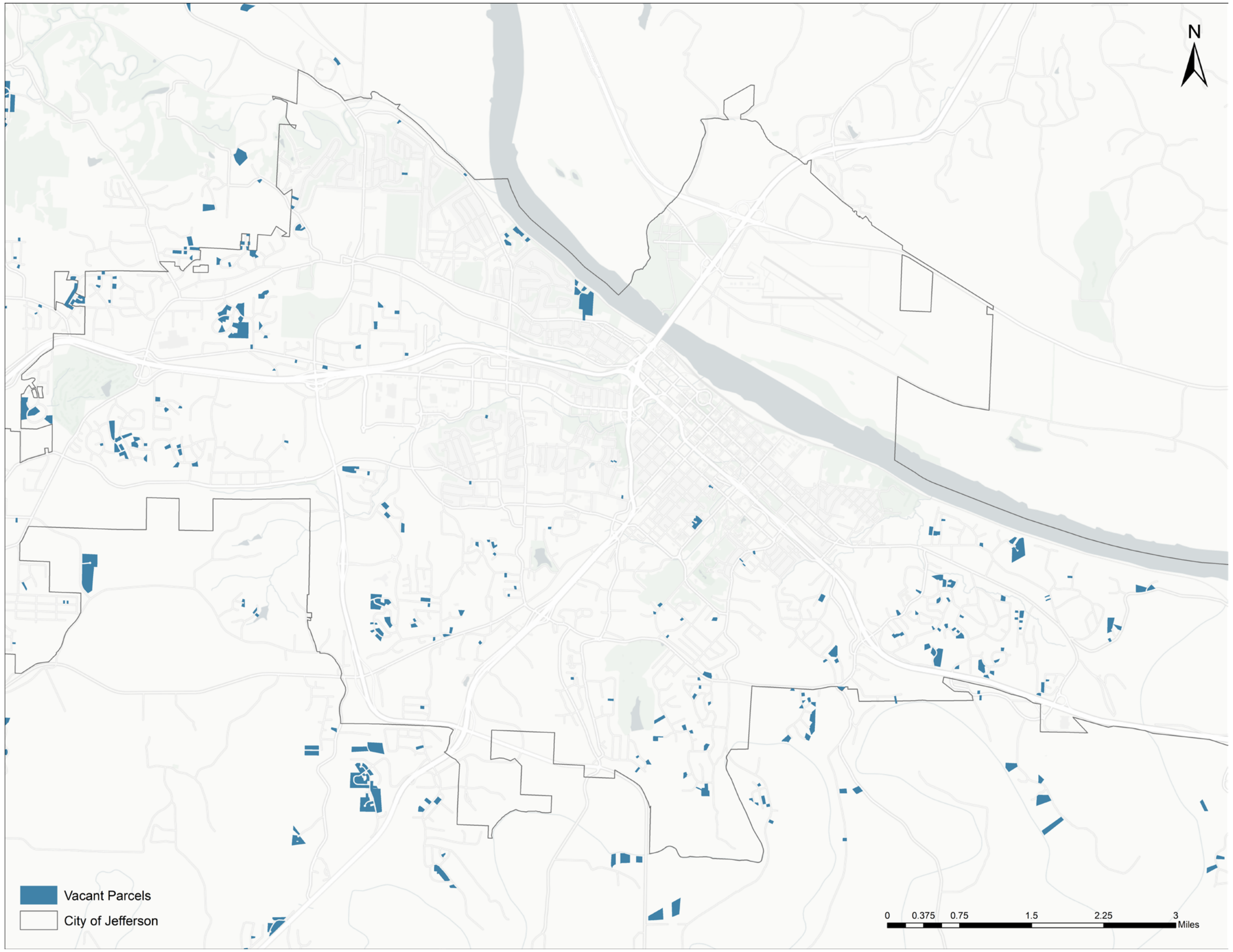
As previously mentioned, Jefferson City has relatively low vacancy for both owner and renter units and that issue was exacerbated by the 2019 tornado that damaged several larger-scale multi-family complexes. While some housing has been rebuilt in the area of the storm, some have not, causing residents to have to find housing elsewhere in the city or move out. Interviews with city officials suggested that some owners sold during the pandemic to cash in on high sale prices, became renters, but were then unable to find other living options forcing them to remain in what was initially a temporary rental arrangement. This bottleneck of owner households becoming renters has also had impacts on available housing and pricing.

The map on the right shows existing undeveloped parcels in and around Jefferson City. While there are some opportunities, these parcels may be more difficult to develop due to terrain, lack of infrastructure, or marketability of the site. Sites outside the City's boundaries may require infrastructure investments which can bring development costs beyond what returns on investment can bear.


Undeveloped Land Parcels for Sale in Jefferson City, Zillow.com

## Undeveloped Parcels 2021

Source: Jefferson City



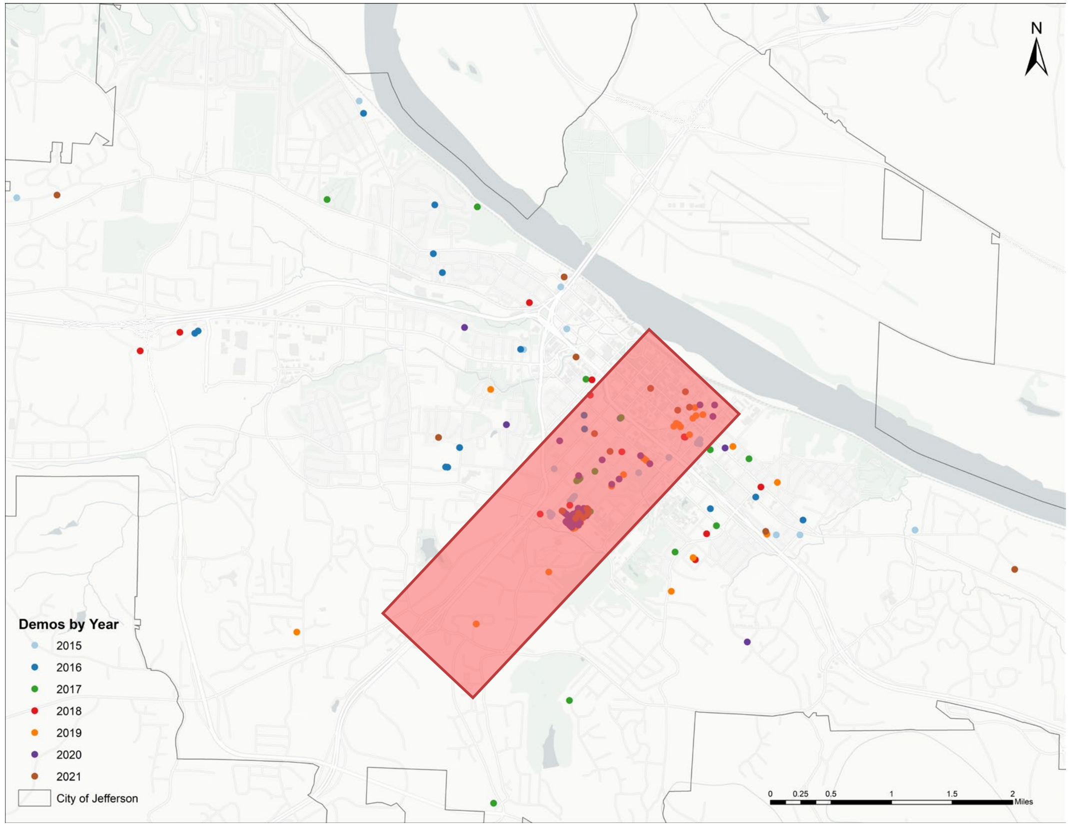
## Demolitions & Blighted Structures

Between 2015 and 2021, the City issued over 180 demolition permits for residential structures. According to demolition tracking information provided by the City, about 110 demolitions (60%) were issued between 2019 and 2021. Several of these were related to the impacts of the tornado. The map below shows an approximate outline of the path of the tornado (red box) and the demolitions that occurred in that area over the last six years. There are clusters in 2019, 2020, and 2021 all within the path.

Jefferson City staff also provided a data set showing their most recent survey of blighted and vacant structures. The map below shows just how many are in the central area of the city, and also how many fall within the path of the 2019 tornado. These blighted structures also correspond to block groups with low median home values, high renter populations, low incomes, and the city's most diverse resident populations. These blighted structures may also represent a swath of the housing stock that is not livable but could be returned to good condition with interventions by the City and/or property owners.

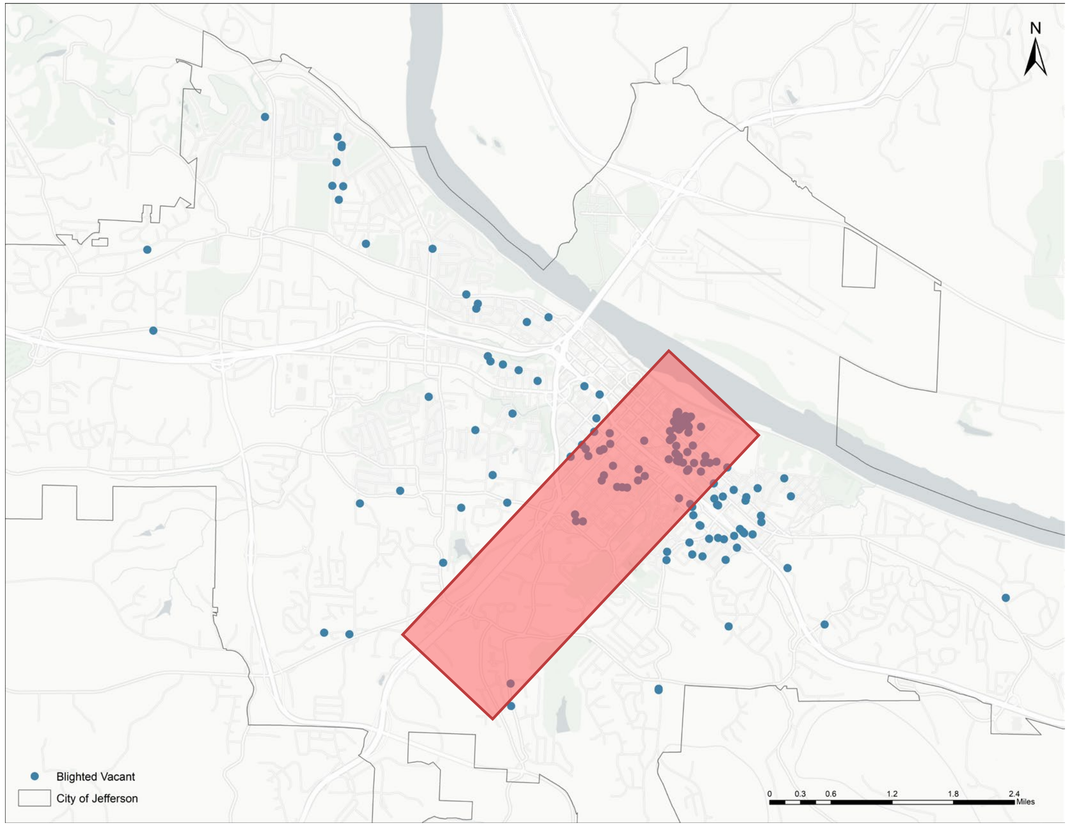
### Demolitions by Year (2015 – 2021)

Source: Jefferson City




### Blighted Vacant as of 2021

Source: Jefferson City



RKG ASSOCIATES INC

## MULTIFAMILY DEVELOPMENT HAS SLOWED SINCE 2010.

RKG worked with the Cole County Assessor to analyze development trends for all residentially-coded parcels in the city. This analysis looks at the year built of different residential structures, how many units were built in each time period, the acreage of land consumed, and average building size. The goal of this analysis is to look at when and how residential structures were built and what may have changed over time.

**Based on the data, key takeaways include:**

- Single-family homes dominate Jefferson City's residential landscape in every time period.
- 86.8% of all housing in the city was built before the year 2000.
- Few buildings have been constructed with five or more units since 2000.
- Single-family residential densities have averaged about 2 units per acre, or one single-family home per half-acre of land.
- The size of single-family homes built in the last five years are about 300 square feet larger than the average for all single-family homes city-wide.

## Jefferson City Development Trends: Built Environment

Source: Cole County Assessor Data, 2022

| | Number of Properties | Percent of All Properties | Number of Units | Acreage | Percent of All Land Area | Land (Square Feet) | Total building (Square Feet) | Percent of All Properties | Average Building SF/Property |
|---|---|---|---|---|---|---|---|---|---|
| **Pre 2000** | | | | | | | | | |
| Single Family | 10,268 | 85.3% | 10,268 | 4,456 | 55.5% | 194,090,950 | 16,536,558 | 85.6% | 1,610 |
| Duplex | 433 | 3.6% | 860 | 328 | 4.1% | 14,305,172 | 845,278 | 4.4% | 1,952 |
| Multi-Family 3 - 4 | 183 | 1.5% | 690 | 78 | 1.0% | 3,415,831 | 548,179 | 2.8% | 2,996 |
| Multi-Family 5+ | 346 | 2.9% | 5,789 | 552 | 6.9% | 24,042,325 | 85,872 | 0.4% | 248 |
| Condominium | 303 | 2.5% | 303 | 12 | 0.2% | 530,647 | 443,235 | 2.3% | 1,463 |
| Mobile Home/Other | 504 | 4.2% | 1,030 | 2,608 | 32.5% | 113,607,181 | 862,354 | 4.5% | 1,711 |
| **TOTAL/% TOTAL** | **12,037** | **86.8%** | **18,940** | **8,034.7** | **89.1%** | **349,992,106** | **19,321,476** | **84.5%** | **1,605** |
| **2000-2010** | | | | | | | | | |
| Single Family | 1,008 | 76.7% | 1,008 | 492 | 78.5% | 21,426,303 | 1,906,546 | 74.9% | 1,891 |
| Duplex | 67 | 5.1% | 133 | 64 | 10.3% | 2,803,038 | 183,442 | 7.2% | 2,738 |
| Multi-Family 3 - 4 | 41 | 3.1% | 131 | 39 | 6.2% | 1,690,132 | 124,927 | 4.9% | 3,047 |
| Multi-Family 5+ | 3 | 0.2% | 12 | 13 | 2.1% | 584,418 | 8,448 | 0.3% | 2,816 |
| Condominium | 194 | 14.8% | 194 | 12 | 1.9% | 529,790 | 320,130 | 12.6% | 1,650 |
| Mobile Home/Other | 1 | 0.1% | 0 | 6 | 1.0% | 269,536 | 2,703 | 0.1% | 2,703 |
| **TOTAL/% TOTAL** | **1,314** | **9.5%** | **1,478** | **626.8** | **7.0%** | **27,303,217** | **2,546,196** | **11.1%** | **1,938** |
| **2011-2015** | | | | | | | | | |
| Single Family | 201 | 68.6% | 201 | 94 | 50.9% | 4,077,188 | 356,410 | 61.5% | 1,773 |
| Duplex | 38 | 13.0% | 76 | 14 | 7.6% | 605,386 | 100,698 | 17.4% | 2,650 |
| Multi-Family 3 - 4 | 26 | 8.9% | 83 | 53 | 28.7% | 2,303,598 | 72,942 | 12.6% | 2,805 |
| Multi-Family 5+ | 0 | 0.0% | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 |
| Condominium | 27 | 9.2% | 27 | 2 | 1.4% | 108,803 | 48,446 | 8.4% | 1,794 |
| Mobile Home/Other | 1 | 0.3% | 1 | 21 | 11.5% | 921,447 | 1,375 | 0.2% | 1,375 |
| **TOTAL/% TOTAL** | **293** | **2.1%** | **388** | **184.0** | **2.0%** | **8,016,421** | **579,871** | **2.5%** | **1,979** |
| **2016-2021** | | | | | | | | | |
| Single Family | 205 | 91.9% | 205 | 99 | 57.7% | 4,293,997 | 376,396 | 89.2% | 1,836 |
| Duplex | 6 | 2.7% | 12 | 4 | 2.5% | 182,796 | 15,388 | 3.6% | 2,565 |
| Multi-Family 3 - 4 | 2 | 0.9% | 7 | 5 | 2.7% | 198,131 | 7,010 | 1.7% | 3,505 |
| Multi-Family 5+ | 0 | 0.0% | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 |
| Condominium | 8 | 3.6% | 8 | 1 | 0.4% | 29,128 | 14,222 | 3.4% | 1,778 |
| Mobile Home/Other | 2 | 0.9% | 2 | 63 | 36.8% | 2,737,227 | 8,733 | 2.1% | 4,367 |
| **TOTAL/% TOTAL** | **223** | **1.6%** | **234** | **170.8** | **1.9%** | **7,441,279** | **421,749** | **1.8%** | **1,891** |
| **CITY TOTAL** | **13,867** | **100.0%** | **21,040** | **9,016.4** | **100.0%** | **392,753,024** | **22,869,292** | **100.0%** | **1,649** |

**Development trends does not include condominiums or mobile homes as data provided was incomplete.*

RKG ASSOCIATES INC

## DEVELOPMENT DENSITY HAS FALLEN OVER TIME.

RKG used the same property assessment database to look at valuation and development intensity trends for different types of housing across the city. Not surprisingly, the appraised values of the older residential structures in Jefferson City are less than those constructed after the year 2000. Multi-family structures with 3-4 units (likely townhomes) are seeing the highest assessed values when comparing pre- and post-2000 construction.

RKG also looked at development intensity using floor area ratio (the ratio of built square feet to parcel size) to measure differences in density for different types of residential buildings. Not surprisingly, multi-family structures with five or more units are the densest form of development in the city with an FAR of 0.16. Single-family homes have the lowest FARs averaging around 0.09.

With limited land available within the City's current boundaries and a need for more smaller units to support the growing renter population and single-person households, the City may want to think about how to encourage a denser pattern of development where existing infrastructure and services exist today.

## Jefferson City Development Trends: Residential Valuation

Source: Cole County Assessor Data, 2022

| | Total Land Appraised Value | Total Building Appraised Value | Total Appraised Value | Average Land Appraised Value (per Acreage) | Average Building Appraised Value (per SF) | FAR |
|---|---|---|---|---|---|---|
| **Pre 2000** | | | | | | |
| Single Family | $178,222,100 | $1,148,225,954 | $1,326,448,054 | $39,999 | $69.44 | 0.09 |
| Duplex | $13,815,400 | $83,782,800 | $97,598,200 | $42,069 | $99.12 | 0.06 |
| Multi-Family 3 - 4 | $3,772,100 | $26,457,000 | $30,229,100 | $48,103 | $48.26 | 0.16 |
| Multi-Family 5+ | $24,004,400 | $183,833,700 | $207,838,100 | $43,491 | $2,140.79 | 0.00 |
| Condominium | $0 | $38,854,525 | $38,854,525 | $0 | $87.66 | 0.84 |
| Mobile Home/Other | $10,503,300 | $40,174,600 | $50,677,900 | $4,027 | $46.59 | 0.01 |
| **TOTAL/% TOTAL** | **$230,317,300** | **$1,521,328,579** | **$1,751,645,879** | **$28,665** | **$78.74** | **0.06** |
| **2000-2010** | | | | | | |
| Single Family | $28,969,300 | $195,706,900 | $224,676,200 | $58,895 | $102.65 | 0.09 |
| Duplex | $2,634,900 | $17,698,100 | $20,333,000 | $40,947 | $96.48 | 0.07 |
| Multi-Family 3 - 4 | $2,059,500 | $15,869,300 | $17,928,800 | $53,080 | $127.03 | 0.07 |
| Multi-Family 5+ | $889,200 | $6,499,200 | $7,388,400 | $66,277 | $769.32 | 0.01 |
| Condominium | $0 | $39,291,900 | $39,291,900 | $0 | $122.74 | 0.60 |
| Mobile Home/Other | $45,000 | $319,000 | $364,000 | $7,273 | $118.02 | 0.01 |
| **TOTAL/% TOTAL** | **$34,597,900** | **$275,384,400** | **$309,982,300** | **$55,198** | **$108.16** | **0.09** |
| **2011-2015** | | | | | | |
| Single Family | $6,015,900 | $38,665,830 | $44,681,730 | $64,273 | $108.49 | 0.09 |
| Duplex | $1,064,000 | $7,213,200 | $8,277,200 | $76,559 | $71.63 | 0.17 |
| Multi-Family 3 - 4 | $2,018,000 | $12,892,900 | $14,910,900 | $38,159 | $176.76 | 0.03 |
| Multi-Family 5+ | $0 | $0 | $0 | $0 | $0.00 | 0.00 |
| Condominium | $78,000 | $6,620,600 | $6,698,600 | $31,228 | $136.66 | 0.45 |
| Mobile Home/Other | $15,000 | $115,300 | $130,300 | $709 | $83.85 | 0.00 |
| **TOTAL/% TOTAL** | **$9,190,900** | **$65,507,830** | **$74,698,730** | **$49,942** | **$112.97** | **0.07** |
| **2016-2021** | | | | | | |
| Single Family | $6,152,700 | $42,851,229 | $49,003,929 | $62,415 | $113.85 | 0.09 |
| Duplex | $531,000 | $2,048,100 | $2,579,100 | $126,536 | $133.10 | 0.08 |
| Multi-Family 3 - 4 | $300,000 | $3,289,400 | $3,589,400 | $65,956 | $469.24 | 0.04 |
| Multi-Family 5+ | $0 | $0 | $0 | $0 | $0.00 | 0.00 |
| Condominium | $0 | $2,195,200 | $2,195,200 | $0 | $154.35 | 0.49 |
| Mobile Home/Other | $80,000 | $1,702,900 | $1,782,900 | $1,273 | $195.00 | 0.00 |
| **TOTAL/% TOTAL** | **$7,063,700** | **$52,086,829** | **$59,150,529** | **$41,350** | **$123.50** | **0.06** |
| **CITY TOTAL** | **$281,169,800** | **$1,914,307,638** | **$2,195,477,438** | **$31,184** | **$83.71** | **0.06** |

**Development trends does not include condominiums or mobile homes as data provided was incomplete.*

RKG ASSOCIATES INC

## Ownership Units by Age of Structure

Source: ACS 2020 5-Year Estimates

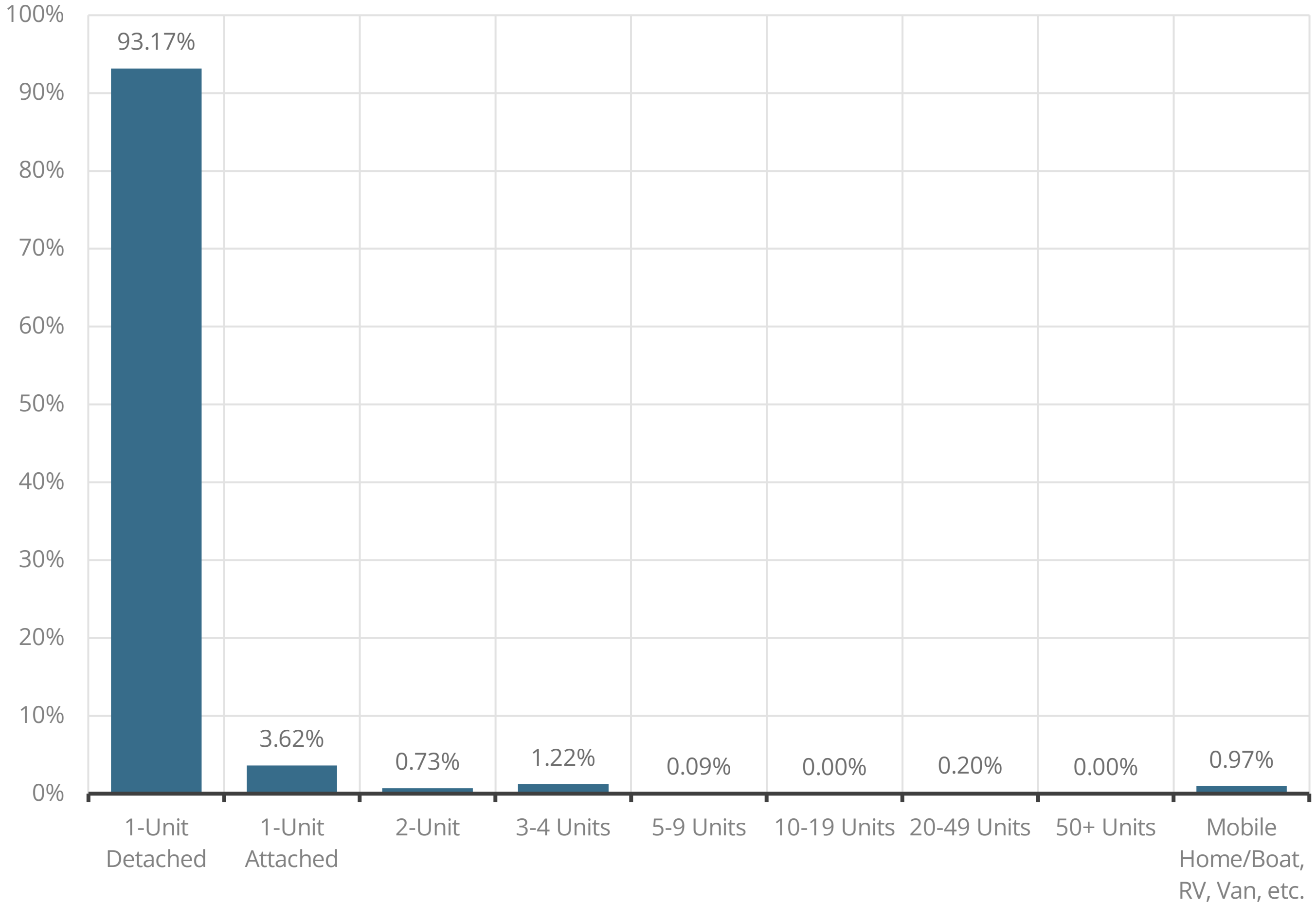
| Age | Units | % of Total |
|---|---|---|
| Built 2000 or later | 1,413 | 15% |
| Built Between 1980 and 1999 | 3,097 | 32% |
| Built Between 1960 and 1979 | 2,594 | 27% |
| Built 1959 or earlier | 2,542 | 26% |

## MOST OWNERSHIP UNITS WERE CONSTRUCTED BEFORE 1980.

In Jefferson City, the majority of owner-occupied units were constructed before 1980. Of those homes built prior to 1980, 26% of them were constructed prior to 1960. Only 15% of all owner-occupied housing units are less than 20 years old. One of the challenges with an older housing stock is rehabilitation, weatherization, and on-going maintenance in older homes. Households coming with higher incomes and more borrowing power can afford to purchase a home and renovate it, lower-income homeowners may have difficulty keeping up with maintenance over time.

## Ownership Units by Structure Type

Source: ACS 2020 5-Year Estimates




## OWNERSHIP UNITS ARE PRIMARILY SINGLE FAMILY

Unsurprisingly, most owner-occupied units are found in single unit structures (96.79%). There is a very small fraction of units in structures with two or more units, suggesting a lack of housing choices for any household that would like to own anything other than a single-family home, or attached townhome.

RKG ASSOCIATES INC

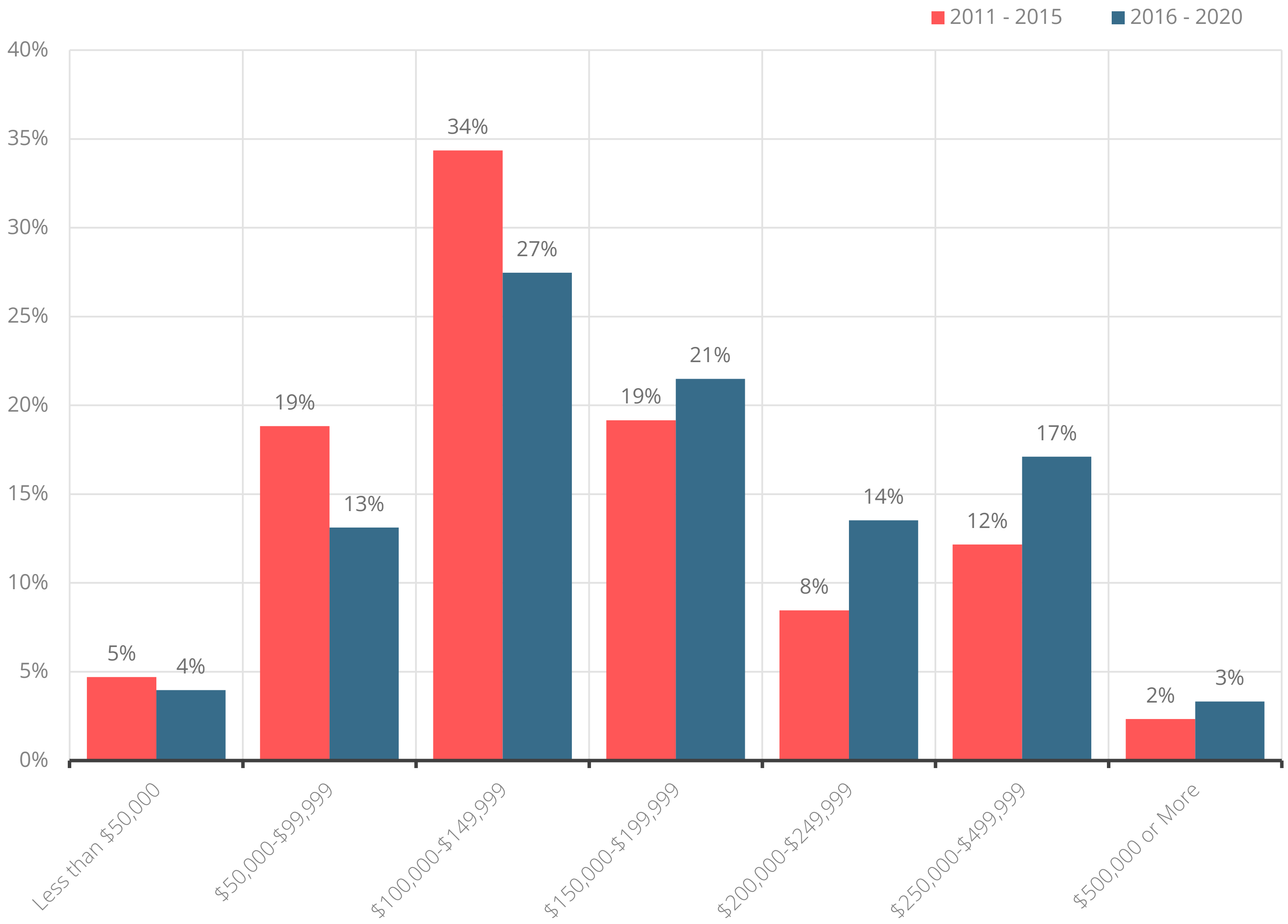
## MEDIAN HOME VALUE HAS INCREASED IN JEFFERSON CITY.

Approximately 34% of homes in Jefferson City are valued above $200,000, which is a 12% increase from 2015. In contrast, all home values below $200,000 have experienced relative declines suggesting a widening gap between lower value homes and high value homes. The declines in lower value homes have brought the median value city-wide to a high of $161,400. The lack of new construction and very low vacancy in the ownership market continue to drive home prices up across the city.

A home in Jefferson City with a listed sales price of around $154,900 on Zillow.com

### Change in Home Value Distribution 2011-2020

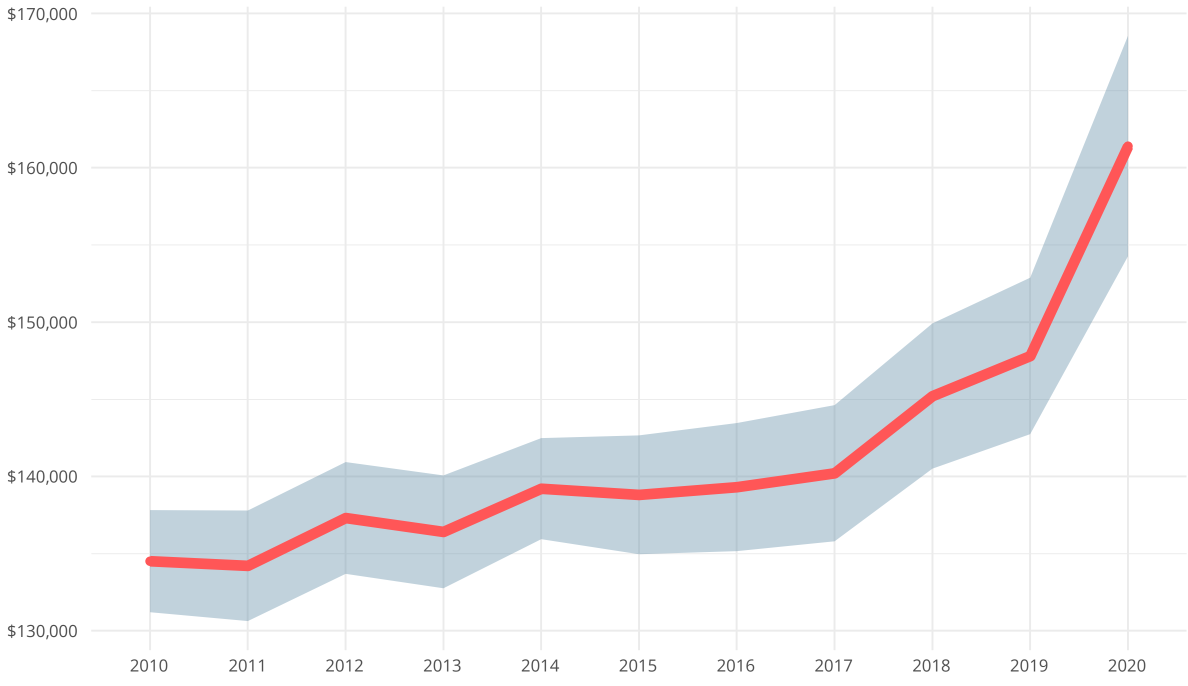
Source: ACS 5-Year Estimates



## Home Values & Sales

### Change in Median Home Value, Jefferson City (2010-2020)

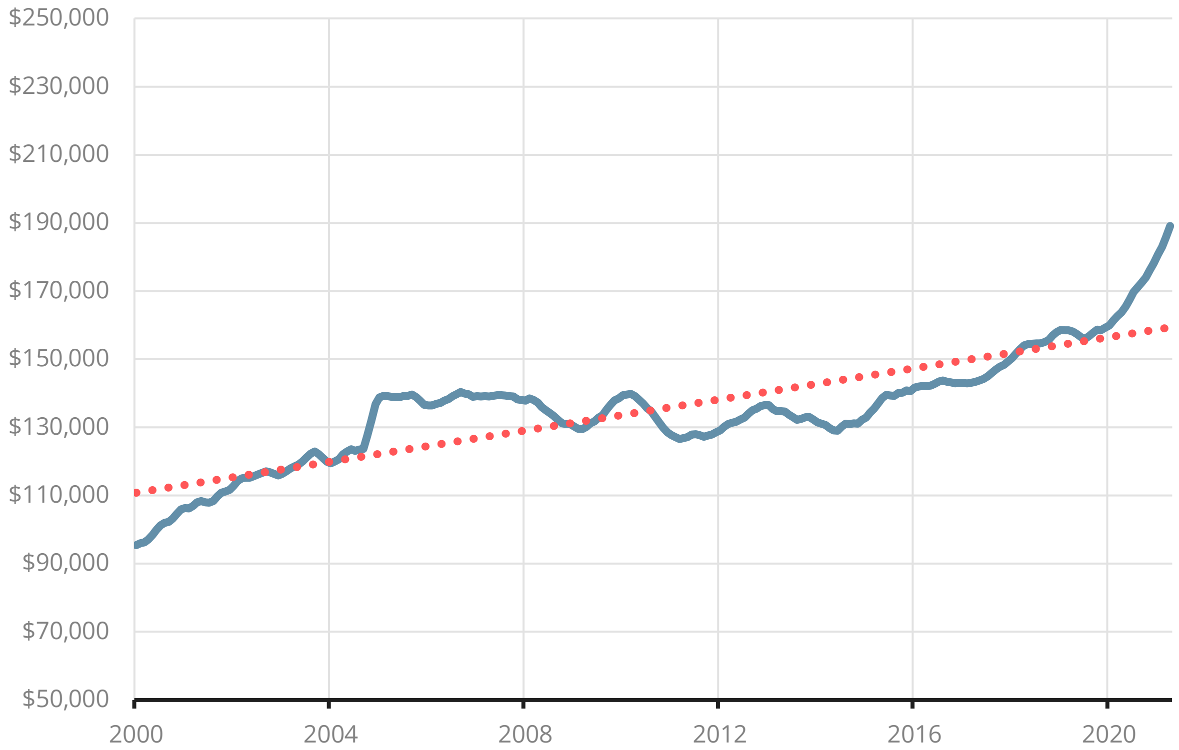
Source: ACS 5-Year Estimates




Shaded area represents margin of error around the ACS estimate

### Zillow Home Value Index, Jefferson City

Source: Zillow Housing Market Research




### JEFFERSON CITY AND COLE COUNTY ARE BECOMING INCREASINGLY UNAFFORDABLE.

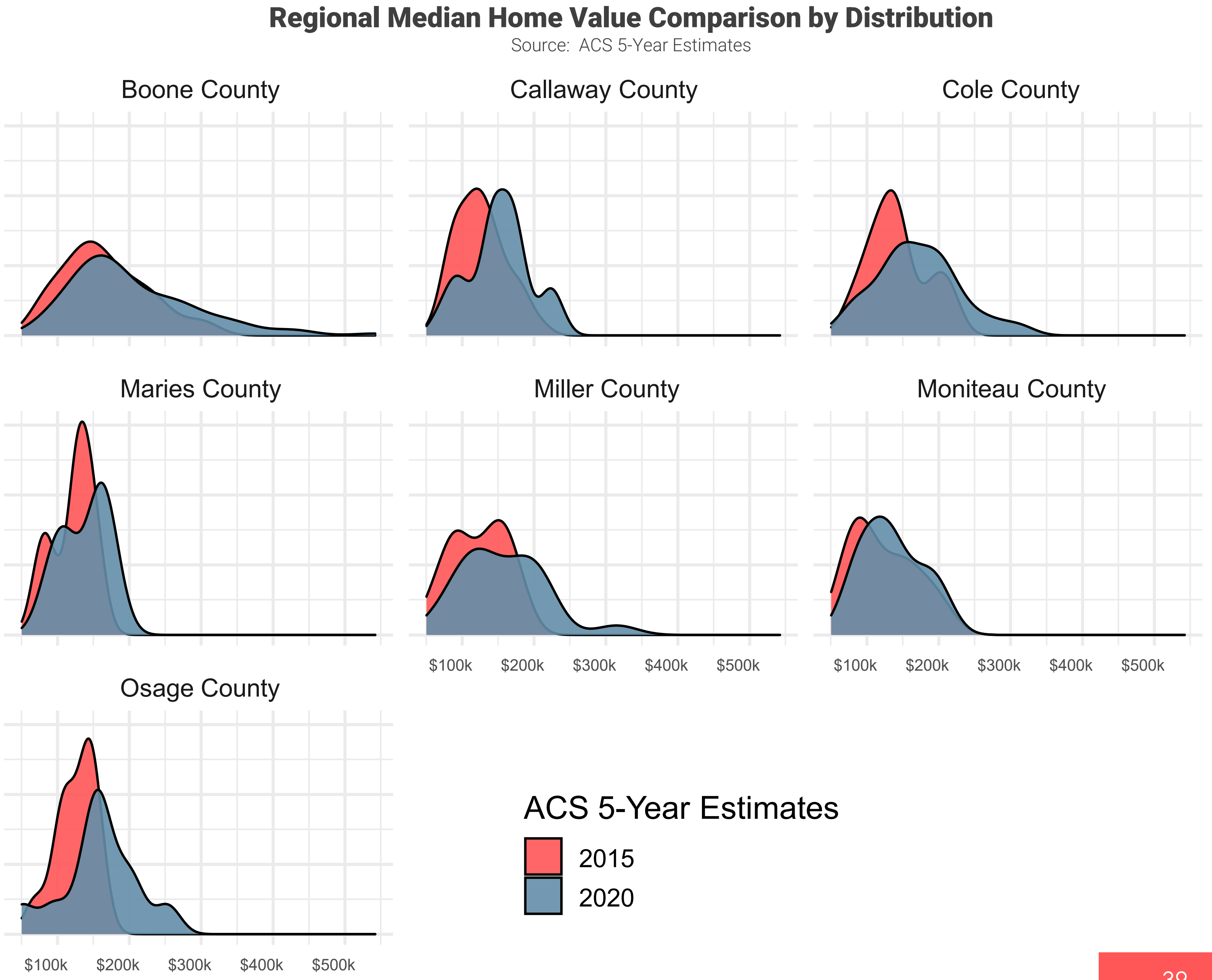
Roughly 57% of Jefferson City residents own their own home. This proportion is 10% lower than in Cole County. Home ownership offers housing stability as well as a path towards wealth building and economic self-sufficiency. Although some households may prefer to rent based on social and economic circumstance, households in Jefferson City seeking to purchase a home face numerous challenges ranging from inability to obtain mortgage financing to earning enough income to save for an initial down payment. Median home value prices in Jefferson City have been increasing year-on-year since 2000, which reflects the county-wide trends.

Across Cole County, Jefferson City has a higher share of lower income households who may struggle to afford the costs of a down payment, especially given that home values in Jefferson City are rising just as fast as the county. This upward trend in housing prices continues to place pressure on low to moderate income households who wish to enter the homeownership market but are unable to find affordably priced housing options. This has resulted in more households being driven to markets outside Jefferson City where land is available between the employment hubs of Columbia and Jefferson City.

## RISE IN REGIONAL HOME VALUES.

Over the past decade, median home values for all seven counties increased. This would suggest that there is an increasing demand for owner-occupied housing, most likely connected to a mix of changing demographic composition and a reduction in available housing stock particularly in places like Jefferson City, where the tornado and subsequent demolitions have taken homes off the market.

Despite these broader level increases in home value, the distribution of home values across the seven counties varies rather significantly. In Boone, Cole, Miller, and Moniteau Counties, the distribution of home values is getting flatter meaning there is a larger variance in home values ranging from relatively low cost ~$60,000 to around $300,000. In contrast, home values in Callaway, Maries, and Osage Counties are increasingly clustering around the median value (~$150,000) meaning there is a reduced supply of available homes falling within the low and high-cost bands of the market.



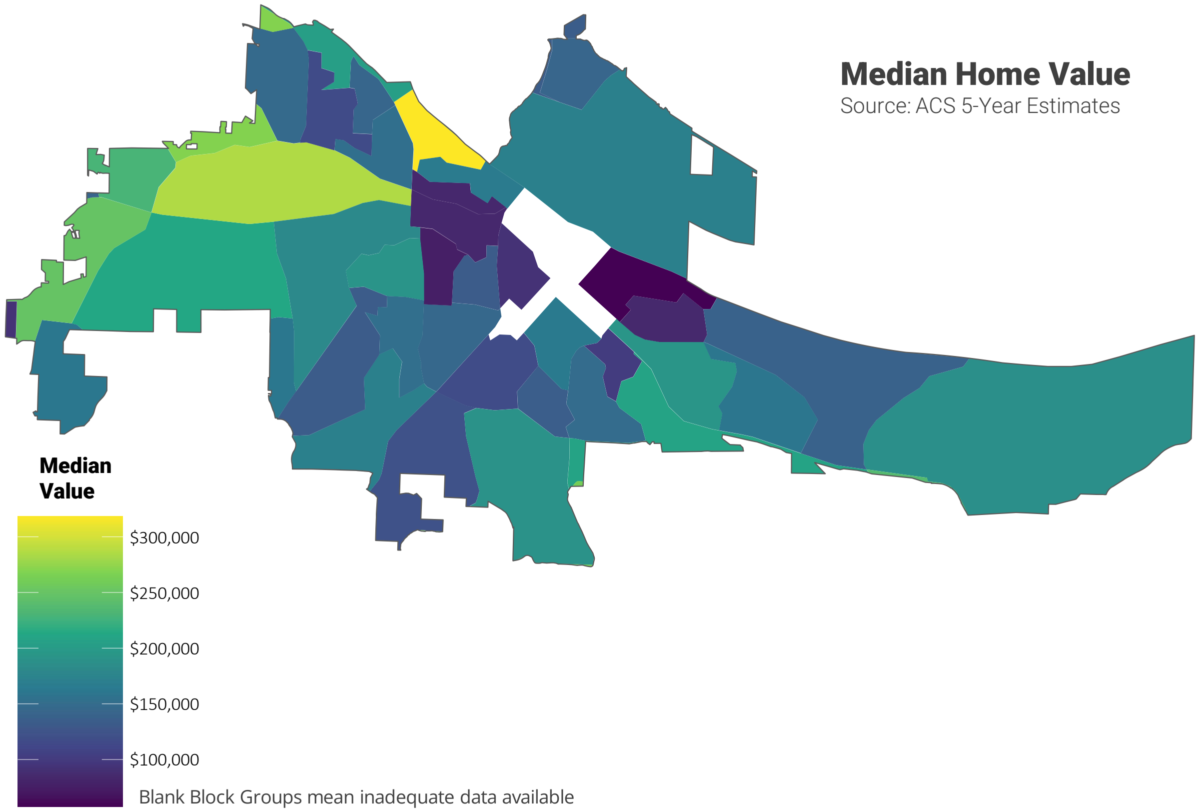
## MEDIAN HOME VALUES VARY ACROSS JEFFERSON CITY.

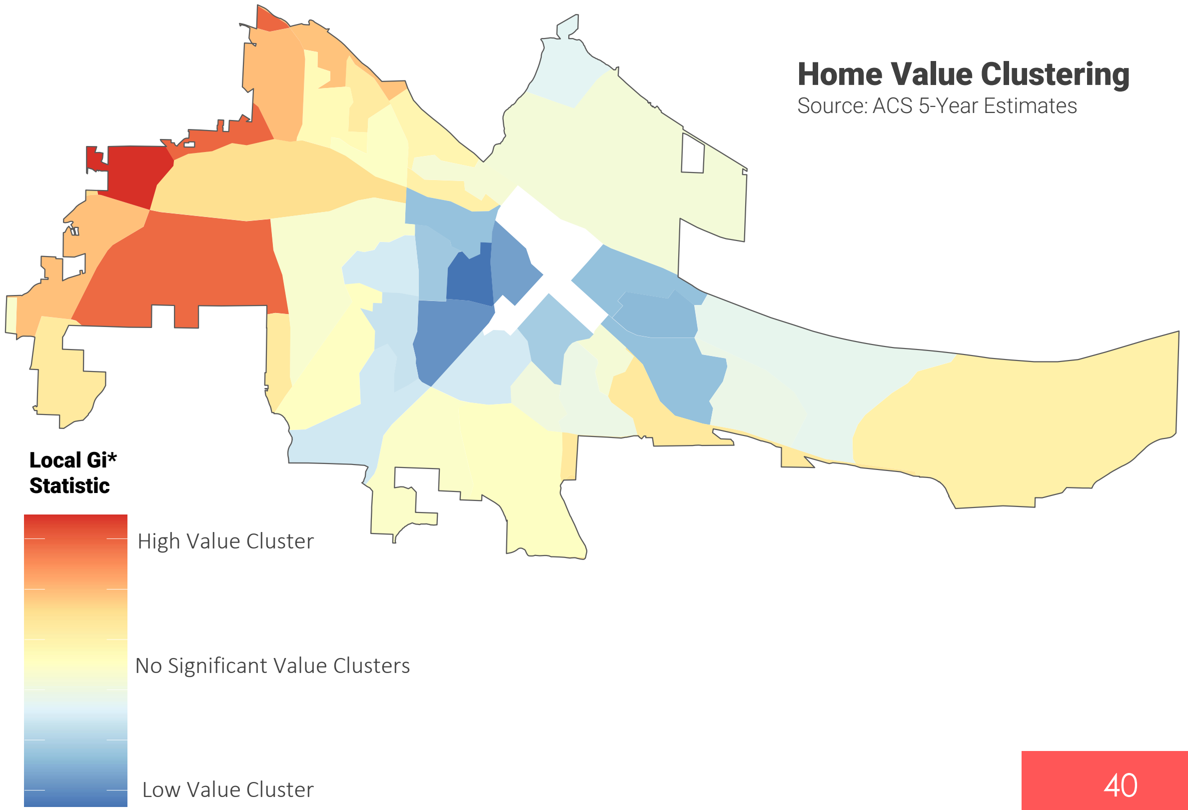
A closer look into the distribution of median home values across Jefferson City highlights clear concentrations or clustering of high and low value homes in specific parts of the city. In Jefferson City's central city area, there is a statistically significant cluster of lower value homes.

The estimates used for this analysis were from the 2020 5-Year ACS, meaning they do not account for the tornado damage that occurred in 2019. That damage most likely contributed to a further reduction in home values in the area and subsequent demolitions. In contrast, areas to the west of the city center have a statistically significant clustering of higher values homes. These areas have newer homes corresponding to higher value.

As housing prices continue to rise across the seven-county region, affordability continues to worsen in Jefferson City due to downward pressure in its housing market. Home values in the city center have been declining, while prices on the city's periphery continue to rise suggesting a divergence in wealth distribution across the city. Jefferson City's limited supply of housing means that even marginal increases in demand could result in increased housing costs, which disproportionately impact lower-income households.

The rental stock remains very tight and with homeowners selling their homes in a hot housing market and moving to temporary rental arrangements, rents are also rising placing additional burden on lower-income renter households. These challenges could become further strained as mortgage and rental assistance programs expire and elevated levels of inflation threaten higher interest rates for home mortgages.



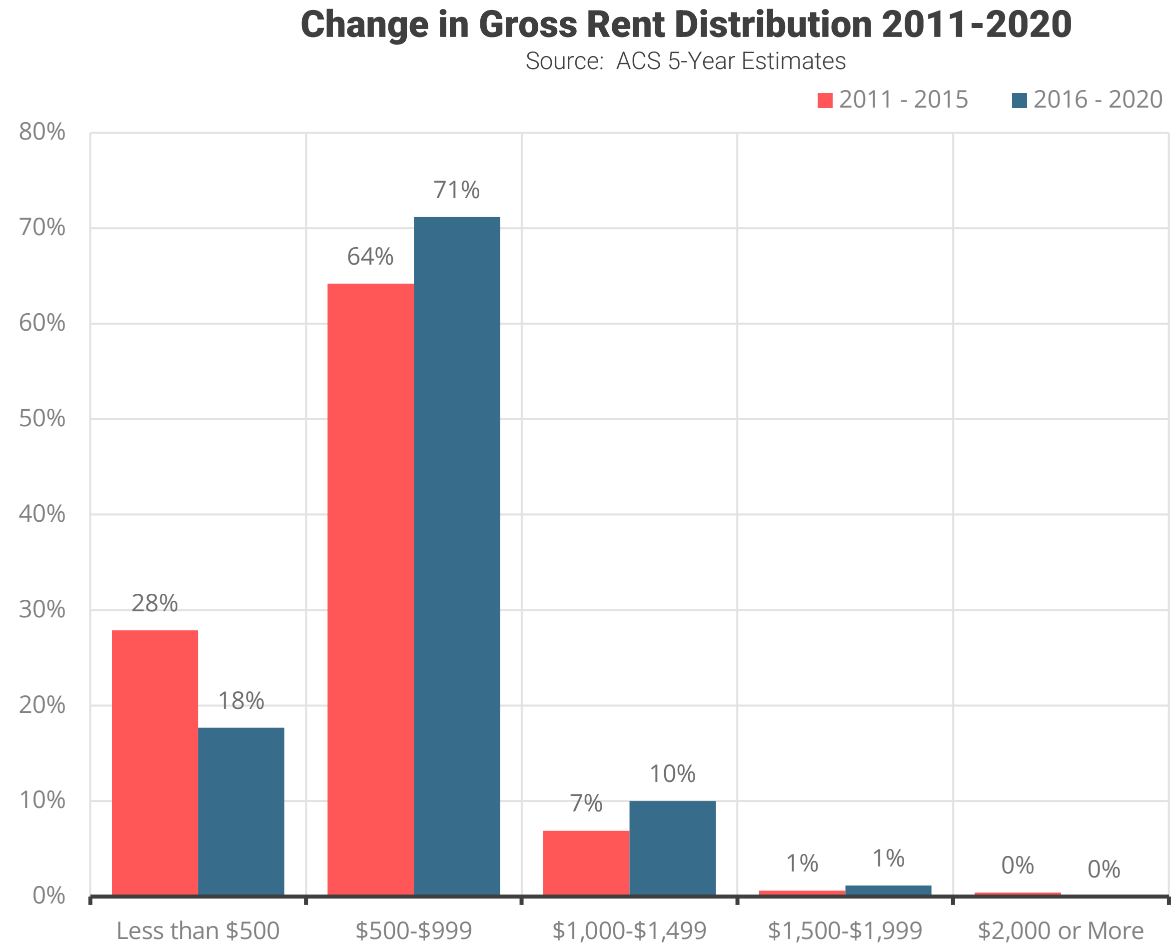



## RENTS ARE INCREASING IN JEFFERSON CITY.

Gross rent, which is rent plus utilities, has increased 12% over the last decade to a high of $653 per month.

**2020:**
**Median Gross Rent**
$653 per Month

Multifamily property in Jefferson City.




## RENTS ABOVE $500 HAVE INCREASED.

In Jefferson City, rental units priced between $500 and $999 comprise 71% of the rental stock. Over the last decade, the number of rental units priced above $500 increased by 21% or 987 units. Available rental units priced under $500 fell by 33%, or 614 units. With the price of rental units in Jefferson City & Cole County increasing, the supply of affordable units is decreasing. The lack of higher priced rental are also forcing households across all income brackets to vie for a limited number of rental units clustered under $1,000 a month.

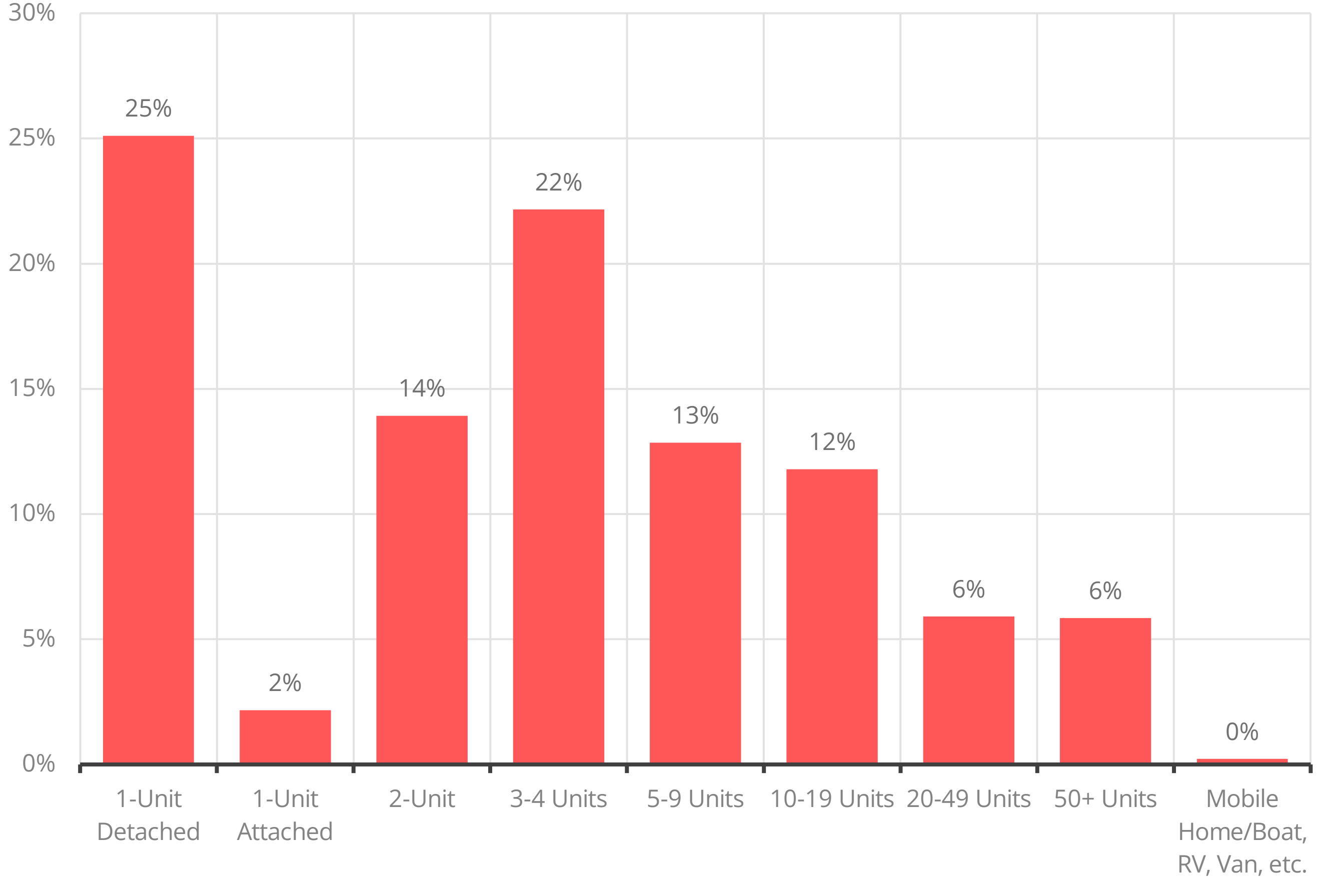
### Rental Units by Age of Structure
Source: ACS 2020 5-Year Estimates

| Age | Units | % of Total |
|---|---|---|
| Built 2000 or later | 1,072 | 15% |
| Built Between 1980 and 1999 | 1,896 | 26% |
| Built Between 1960 and 1979 | 2,161 | 30% |
| Built 1959 or earlier | 2,107 | 29% |

### MOST RENTAL UNITS ARE IN BUILDINGS BUILT BEFORE 1980.

In Jefferson City, 59% of all rental units are in structures built prior to 1980; 29% of which were constructed before 1960. While these older buildings can be a key component of the naturally-occurring affordable rental stock in the city, they may have some long-term maintenance challenges and potentially interior and exterior finishes not appealing to today's renters. Many of the newer rental options in Jefferson City are single-family homes located in peripheral neighborhoods and priced to higher-income renters. The relative lack of new multi-family construction, coupled with the impacts of the 2019 tornado and the pandemic's effect on the housing market combine to create an increased demand for rental units across the city.

### Rental Units by Structure Type
Source: ACS 2020 5-Year Estimates




### RENTAL UNITS IN JEFFERSON CITY ARE SPREAD ACROSS A WIDE RANGE OF BUILDING TYPES.

Jefferson City has rental units in a wide variety of building types, although interestingly single-family units comprise the highest percentage. This is followed by rental units in 3- to 4- unit structures. The city also has a smaller portion of units in larger buildings, although these numbers do not reflect the multi-family structures that were impacted by the tornado. This number is likely lower now than it was prior to 2020 when these estimates were completed.

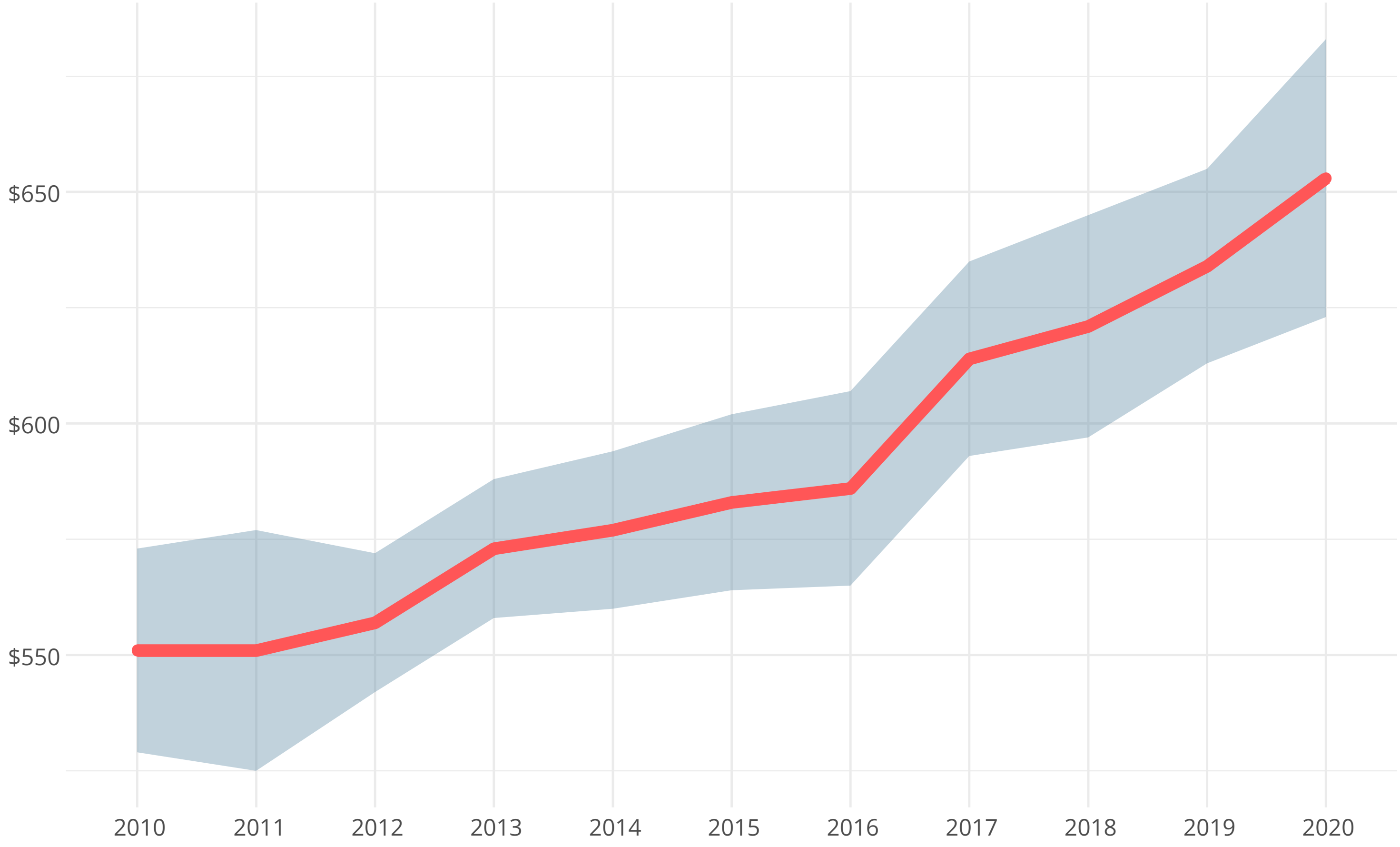
## RENTS FOR ALL UNIT TYPES ARE ON THE RISE.

Over the past decade, rent prices continued to rise in Jefferson City. Demand for rental units is coming from several different sources including an increase in smaller single-person households, an aging population that may be looking to downsize or have limited property maintenance responsibilities, a lack of for-sale product driving more households to rent, and a pandemic that pushed many owners to sell at the top of the market but providing little to no options for purchasing a new home in Jefferson City.


Rental property in Jefferson City.

**Change in Gross Rent, Jefferson City (2010 - 2020)**

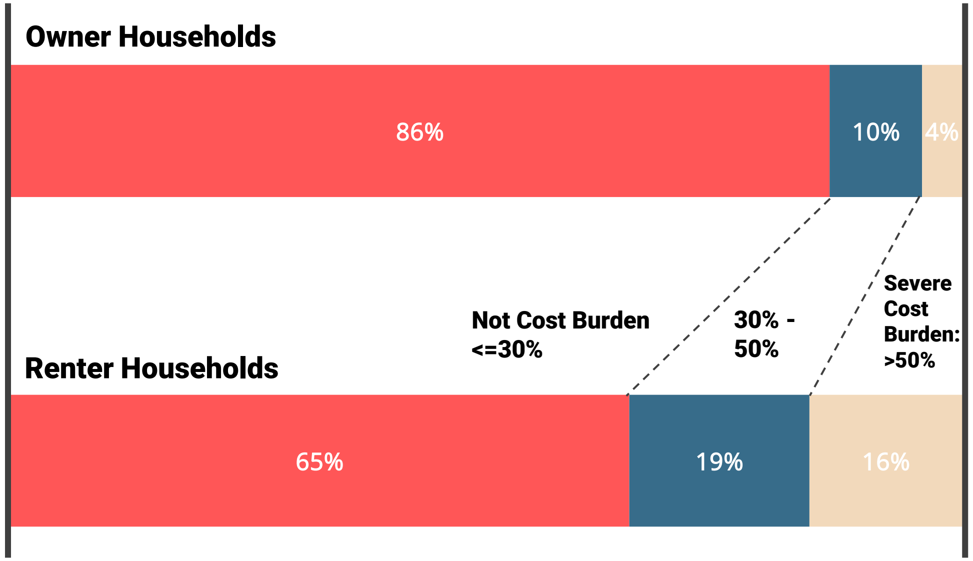
Source: ACS 5-Year Estimates




Shaded area represents margin of error around the ACS estimate

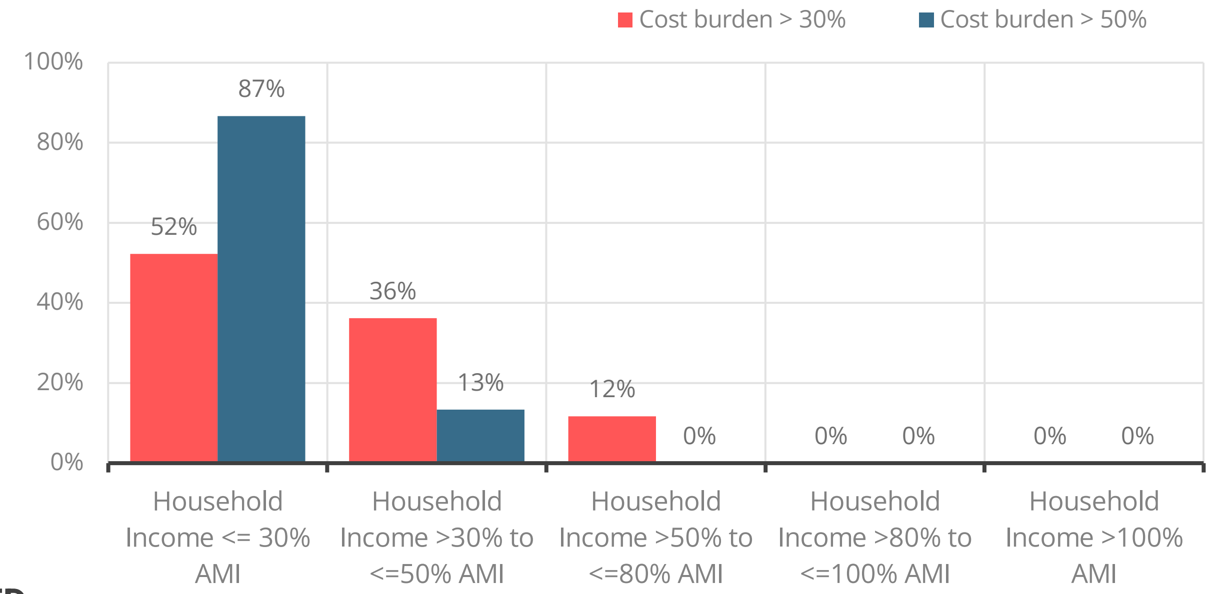
## Cost Burdened Households by Tenure

Source: CHAS 2018




## Income by Cost Burden Renter Households

Source: CHAS 2018




### RENTERS IN JEFFERSON CITY ARE MORE LIKELY TO BE COST BURDENED COMPARED TO OWNERS.

According to data from 2018, 35% of renters were spending more than 30% of their income on housing costs compared to only 14% of homeowners. Nationally, we find more renters are cost burdened than owners and that trend follows here in Jefferson City. For renters though, 16% were spending more than 50% of the income compared to only 4% of homeowners. The need for deed restricted affordable housing and housing programs are more pronounced for renter households in Jefferson City than owners.

Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

### LOW- AND EXTREMELY-LOW-INCOME RENTERS ARE COST BURDENED IN JEFFERSON CITY.

The US Department of Housing and Urban Development (HUD) considers a household to be cost burdened if they are spending more than 30% of their monthly income on housing costs. In Jefferson City, about 35% of all renter households are cost burdened which is slightly below state averages. Of all renter households who are cost burdened, the greatest impact comes to those households at or below 50% of Area Median Income (AMI).These are often our most vulnerable households experiencing housing instability, unaffordable rents, housing prices that increase faster than wages, and often struggle to pay for other necessities such as food, transportation, education, healthcare, and childcare.

Issues, Opportunities and Gaps

# Affordability Gap and the Lack of New Housing Production

## JEFFERSON CITY HAS VERY DISTINCT BREAKS FOR HOUSEHOLD INCOME AND HOME PURCHASING POWER.

In Jefferson City, it appears there are three distinct groups of home buyers and renters: upper income, moderate income, and lower income. The upper-income group accounts for 41% of all households, while moderate or middle-income households comprise about 31%, with the lower-income households accounting for 28%.

The **purchasing power of the top 41% of households is over $230,000 greater than the bottom 28% of households**. These households can afford purchase prices starting at $338,000 which is a higher price point than what most homes in Jefferson City sell for. **This means there are higher income households purchasing or renting units at prices below what they *could* afford, should they choose to do so.**

To put this in perspective, the median sales price of a home sold in Jefferson City was $199,000 while the median gross rent was $653 in 2020.

Conversely, **households in the moderate- and lower-income brackets must compete with greater numbers of households that are looking for rental and for-sale product given the dearth of units priced to upper-income households.**

### Renting and Purchasing Capacity of Jefferson City Households, 2020

Source: ACS 2020, RKG Associates

| | Household Income | Households % | Households # | Maximum Affordable Rent Range | Home Purchasing Power |
|---|---|---|---|---|---|
| Upper | $82,922+ | 31% | 5,300 | $1,842+ | $405,886+ |
| Upper | $69,101 – 82,921 | 10% | 1,703 | $1,536 - $1,842 | $338,240 - $405,885 |
| Moderate | $55,251 – 69,100 | 11% | 1,883 | $1,229 - $1,535 | $270,444 - $338,239 |
| Moderate | $34,551 – 55,250 | 20% | 3,415 | $769 - $1,228 | $169,120 - $270,443 |
| Lower | $21,960 – 34,550 | 13% | 2,131 | $461 - $768 | $107,493 - $169,119 |
| Lower | $0 - $21,960 | 15% | 2,448 | $0 - $460 | $0 - $107,492 |

RKG ASSOCIATES INC

## THERE IS A GREATER NEED FOR AFFORDABLE RENTAL HOUSING IN JEFFERSON CITY.

In Jefferson City, about **46% of the renter households and 13% of the owner households earn less than 50% of the area median income (AMI), totaling 4,579 households.** These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

There are more than 3,000 renter households at or below 50% of AMI than there are owners, creating real affordability challenges for low- and extremely-low income renters. These units should be priced below $768 a month to be considered affordable to these households which is below what a new rental unit would need to charge to be profitable to the owner. Units charging below $768 a month would need some form of subsidy coming with the unit or the provision of a housing voucher to cover the difference between market rents and what the household can afford to pay based on their income.

Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

### Housing Affordability for Jefferson City Households, 2020

Source: HUD 2021, ACS 2020, RKG Associates

| Area Median Income Threshold | Income | Owner Households # | Owner Households % | Affordable Home Purchase Price: FHA Single Family | FHA Condo | Conventional Single Family | Conventional Condo |
|---|---|---|---|---|---|---|---|
| 30% AMI (Extremely Low Income) | $21,960 | 557 | 5.8% | $84,940 | $66,267 | $107,492 | $83,057 |
| 50% AMI (Very Low Income) | $34,550 | 684 | 7.1% | $133,637 | $114,964 | $169,119 | $144,684 |
| 80% AMI (Low Income) | $55,250 | 1,804 | 18.7% | $213,703 | $195,030 | $270,443 | $246,008 |
| 100% AMI (Moderate Income) | $69,100 | 1,139 | 11.8% | $267,274 | $248,601 | $338,238 | $313,803 |
| 120% AMI (Moderate Income) | $82,920 | 987 | 10.2% | $320,728 | $302,055 | $405,885 | $381,450 |
| Above 120% AMI (Middle Income +) | $82,921+ | 4,473 | 46.4% | $320,729+ | $302,056+ | $405,886+ | $381,451+ |

| Area Median Income Threshold | Income | Renter Households # | Renter Households % | Affordable Monthly Rent |
|---|---|---|---|---|
| 30% AMI (Extremely Low Income) | $18,400 | 1,891 | 26.1% | $460 |
| 50% AMI (Very Low Income) | $30,700 | 1,447 | 20.0% | $768 |
| 80% AMI (Low Income) | $49,100 | 1,611 | 22.3% | $1,228 |
| 100% AMI (Moderate Income) | $61,400 | 744 | 10.3% | $1,535 |
| 120% AMI (Moderate Income) | $73,680 | 716 | 9.9% | $1,842 |
| Above 120% AMI (Middle Income +) | $73,681+ | 827 | 11.4% | $1,843+ |

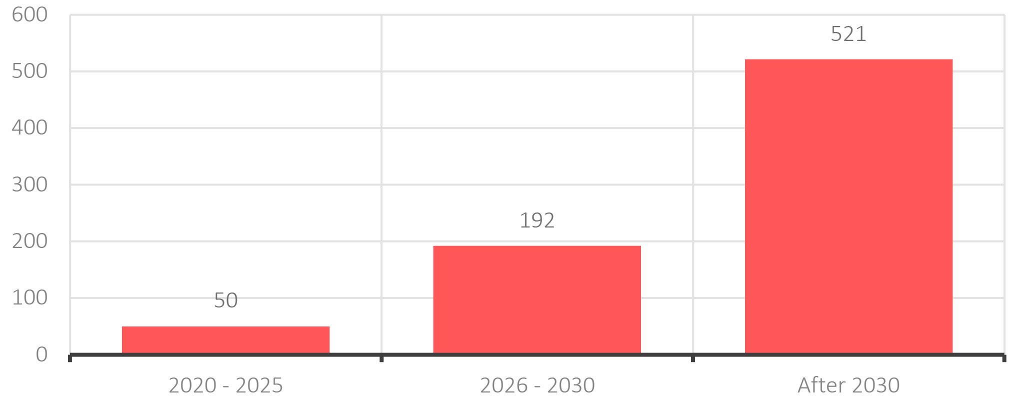
# 5.8% of Jefferson City's total housing units are federally subsidized housing properties.

One challenge facing Jefferson City, particularly for renter households at or below 80% of AMI, is the availability of affordably priced housing. With nearly half of all renter households having household incomes at or below 50% of AMI, the need for safe, adequate, and affordable housing is critical. The city currently has about 1,100 housing units receiving some form of federal assistance from Low Income Housing Tax Credits (LIHTC) to Project and Tenant-Based Rental Vouchers. This compares to about 3,500 renter households that have incomes at or below 50% of AMI.

The other data point the city should consider is when federal subsidies on units are set to expire which could mean buildings and units could revert to market-rate with increases in rents for existing tenants. According to data from the National Housing Preservation Database (NHPD), between 2020 and 2030 Jefferson City could see 240 units lose federal subsidies. The city should identify property owners or managers of these complexes and begin exploring options for maintaining affordability restrictions on these units.

## Federally Subsidized Housing by Expiration

Source: NHPD, ACS 5-Year Estimates




## Jefferson City Federally Subsidized Housing Inventory

Source: NHPD, ACS 5-Year Estimates

| Property | Number of Assisted Units | Primary Funding Stream |
|---|---|---|
| CEDAR RIDGE ESTATES | 48 | LIHTC |
| CEDAR RIDGE APARTMENTS II | 24 | LIHTC |
| WEATHERED ROCK APARTMENTS | 40 | HOME, LIHTC |
| LEWELLA ESTES | 16 | Section 8 |
| RICHARD WALZ APARTMENTS | 9 | Section 8 |
| CHAPEL HILL COMMONS I | 44 | LIHTC |
| CHAPEL HILL COMMONS II | 44 | HOME, LIHTC |
| CHAPEL HILL COMMONS III | 52 | HOME, LIHTC |
| WARREN SCOTT APARTMENTS | 14 | Section 8 |
| CAPITAL CITY II | 50 | HOME, OTHER HUD |
| HYDER ELDERLY APARTMENTS | 116 | HUD Insured Mortgage, LIHTC, Section 8 |
| HOUSING AUTHORITY OF JEFFERSON CITY | 35 | Public Housing |
| CAPITAL CITY ELDERLY APARTMENTS | 50 | LIHTC |
| LINDEN CAMPUS APARTMENTS | 91 | HOME, HUD insured Mortgage, Section 8 |
| LINDEN CAMPUS APARTMENTS II | 19 | Project Based Vouchers, Other HUD |
| CAPITAL CITY APARTMENTS | 45 | LIHTC, Section 8 |
| HOUSING AUTHORITY OF JEFFERSON CITY | 201 | Public Housing |
| DULLE TOWERS APARTMENTS | 83 | Public Housing |
| HAMILTON TOWERS | 120 | Section 8 |
| Total Assisted | 1,101 | |
| Total Housing Units | 18,992 | |
| **Percent Assisted Housing** | **5.8%** | |

## SOME NEIGHBORHOODS IN JEFFERSON CITY EXPERIENCE VERY HIGH HOUSING NEEDS.

Comparing the amount of federally subsidized housing units against the total number of available units suggests that many subsidized housing units are concentrated in a few central neighborhoods of the city.

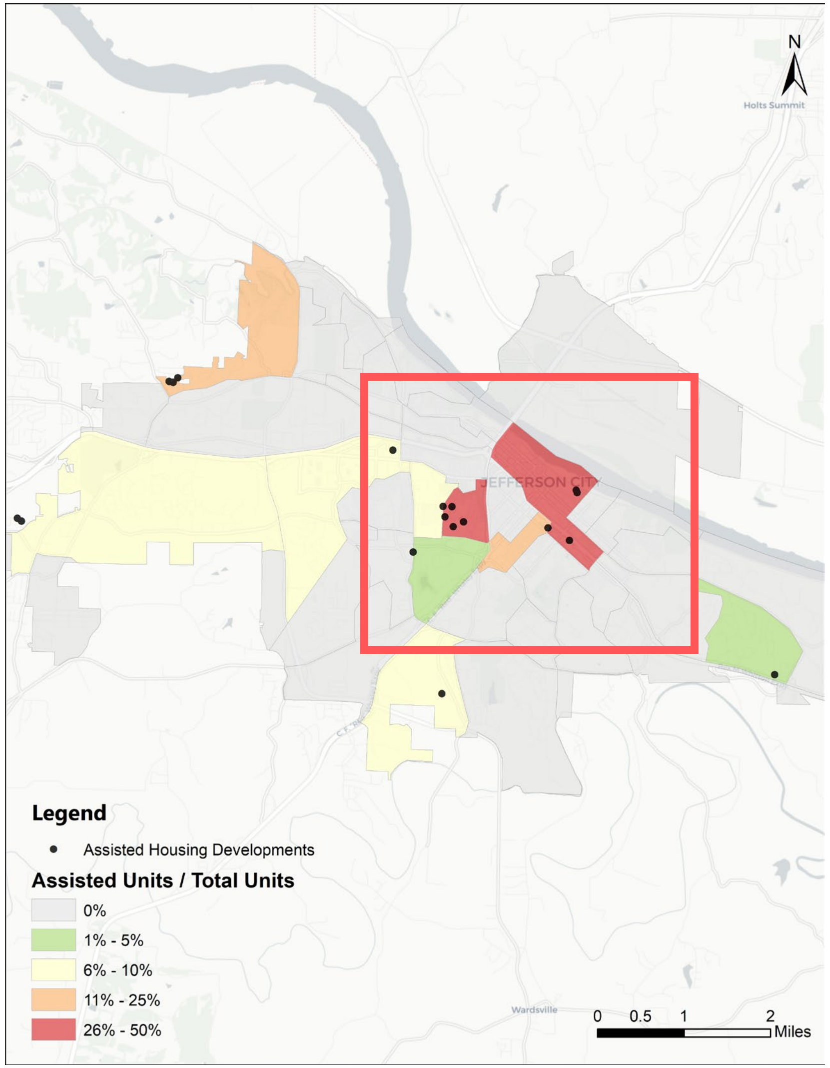
The Housing Instability Risk Index, is an index developed by the Urban Institute that describes the deeper relationship of various census estimates. It includes: the share of people living in poverty, share of renter-occupied housing units, share of severely cost-burdened low-income renters, share of severely overcrowded households and share of unemployed people.

Each census tract's index percentile is based on its state mean it provides a relative gauge of housing instability risk residents face in each neighborhood compared to the state. For example, if a tract is in the 89th percentile, then its higher than the values of 89% of all tracts in the state.

The Housing Instability Risk Index suggests that tracts in the central part of the city fall within some of the higher percentiles in the state.

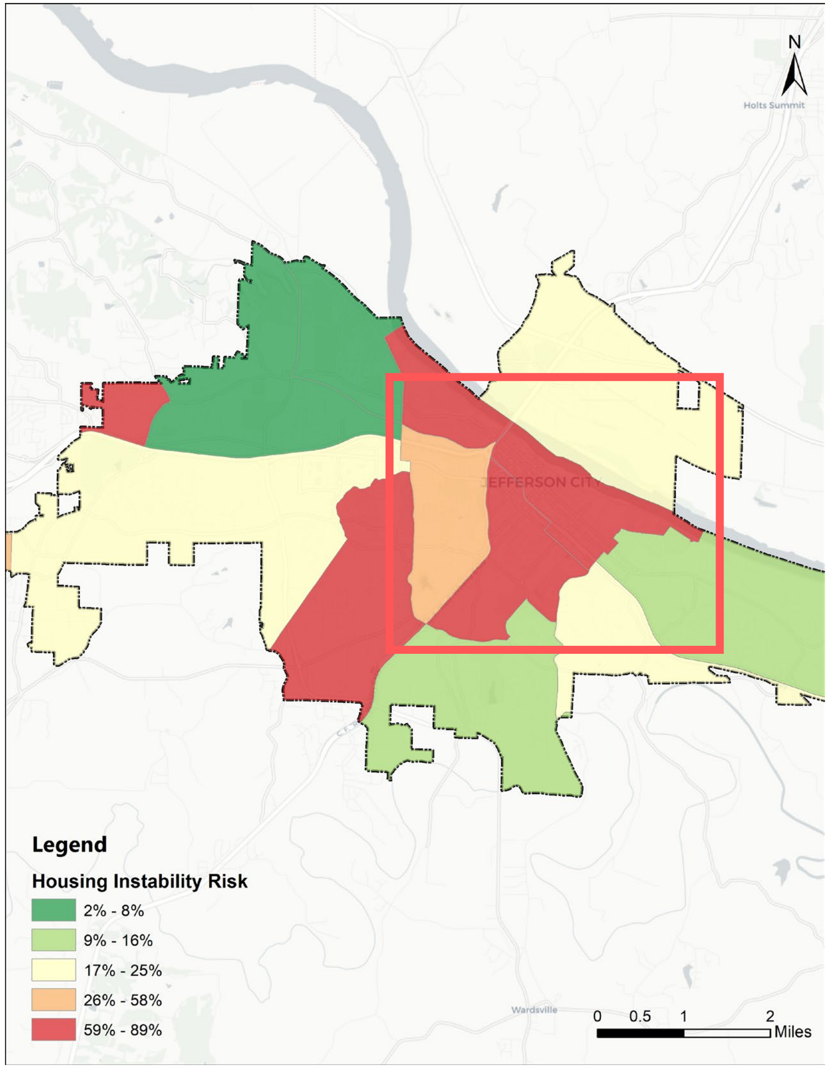
### Federally Subsidized Properties/Total Units

Source: NHPD, ACS 5-Year Estimates




### Housing Instability Risk Index

Source: Urban Institute, ACS 5-Year Estimates



RKG ASSOCIATES INC

## HOUSING AND SOCIAL SERVICES ARE A CRITICAL COMPONENT TO JEFFERSON CITY'S COMMUNITY.

Many underhoused and unhoused residents in Jefferson City also struggle to find housing accommodations, whether that be temporary shelter or permanent housing options. Groups like the Salvation Army in Jefferson City and Common Ground are working to help those experiencing homelessness or struggling with food insecurity or payment of utility bills. One of the many challenges for Jefferson City is the Continuum of Care (CoC) region that coordinates homelessness response is regional and part of the statewide CoC. Jefferson City, unlike St. Louis, Joplin, Springfield, or Kansas City, does not have its own local CoC to work closely with homelessness providers. This is common across the US but means local providers may have more challenges getting assistance addressing needs for homeless individuals and families.

Locally, the Salvation Army of Jefferson City serves as one of the agencies within the Missouri Balance of State CoC network that maintains a Coordinate Entry System (CES). CES is a system for assessing, prioritizing, and matching people experiencing homelessness and those at-risk of homelessness with appropriate housing and service interventions. According to data from the Salvation Army, 159 individuals stayed at their shelter in 2020 for a total of 9,883 bednights. 79 of those individuals left the shelter for some type of housing including moving in with family and friends. As was noted on the prior slide, the 2019 tornado impacted many residential buildings which provided affordably-priced housing. Additionally, the Salvation Army noted bednights rose substantially in the aftermath of the tornado.

There is also need locally for increased services like utility payment assistance, food security/pantry, credit counseling, life skills, and rental assistance.

Source: krcgtv.com

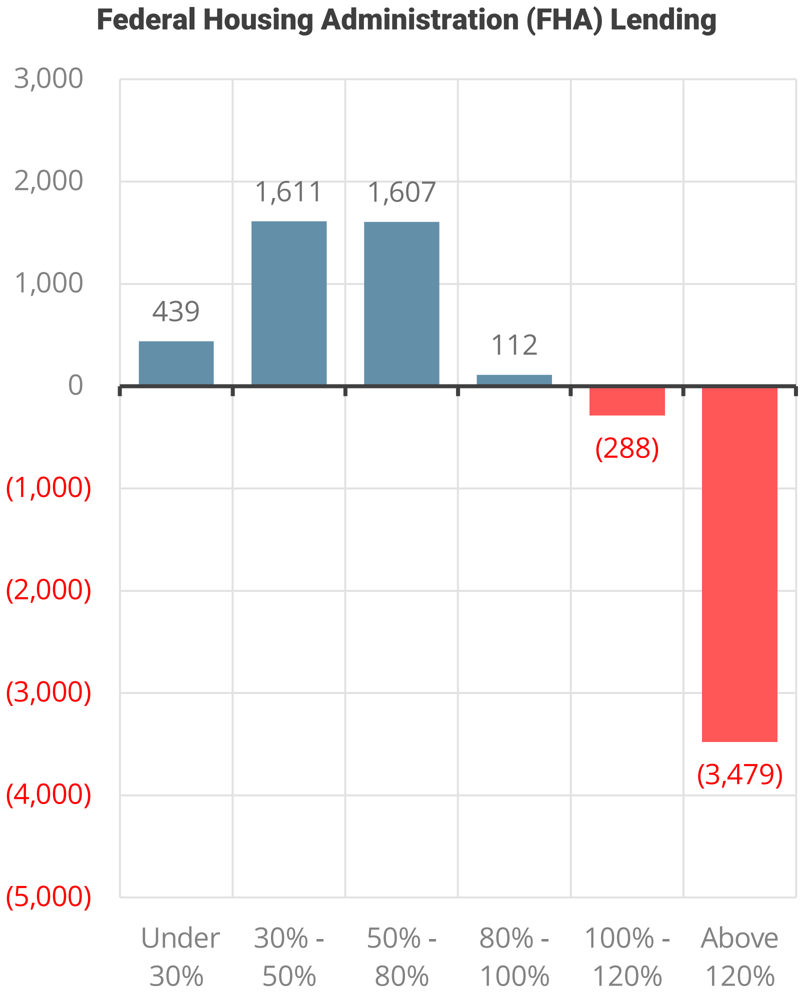
RKG ASSOCIATES INC

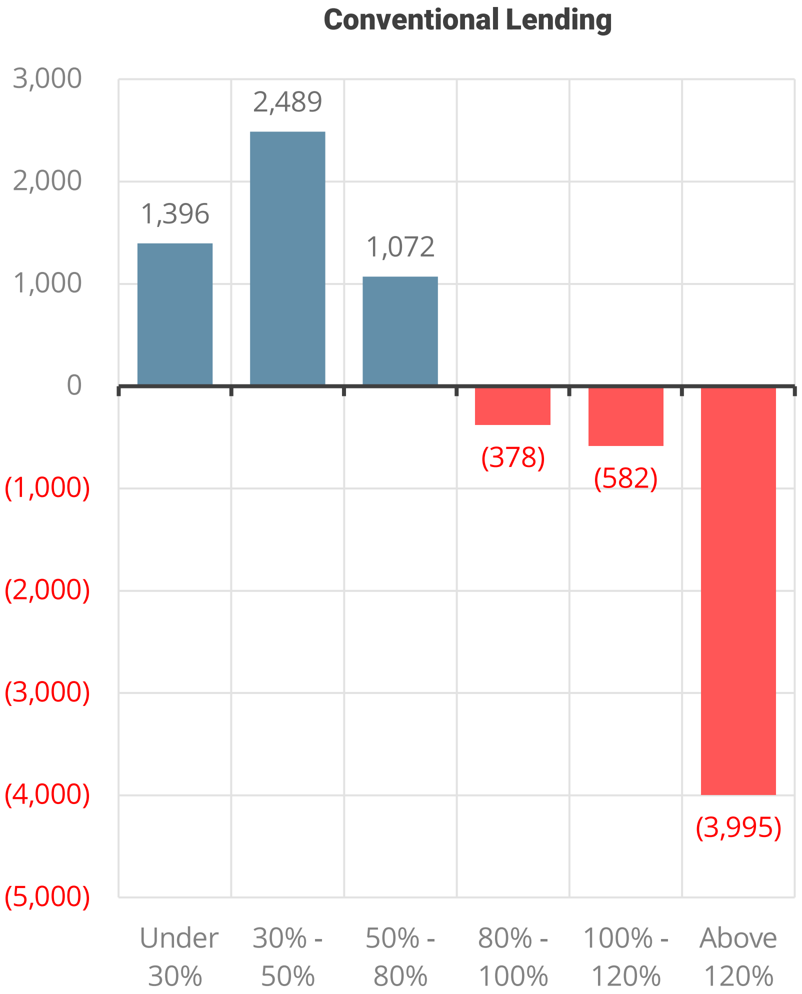
## THERE ARE MORE POTENTIAL BUYERS IN HIGHER INCOME BRACKETS THAN THERE ARE HOUSING UNITS THAT MATCH THEIR PRICE POINTS.

For households earning at or below 50% of AMI, there is a surplus of 3,885 housing units in the conventional lending scenario, and a surplus of 2,046 units in the FHA lending scenario. The maximum affordable home price for households earning below 50% of AMI is $133,637 in the FHA scenario, and $169,119 in the conventional lending scenario. **According to the Assessor's database, 56% of all homes were valued below $140,000, but 14.8% of the owner households earn at or below 50% of AMI.** Given the large deficit in homes compared to households with incomes above 120% AMI, many higher-income households are purchasing homes that are priced below what they *could* otherwise afford creating downward pressure in the housing market.

Households earning more than 100% of AMI account for 68% of owner households, with the supply of units priced to meet the demand accounting for a 3,767-unit deficit in the FHA scenario and a 4,577-unit deficit in the conventional scenario. This indicates a potential market for new higher priced ownership housing that could ease the competition for units priced to low- to moderate-income households.

**Supply and Demand Gap for Ownership Housing Units, Jefferson City**
Source: HUD & ACS 5-Year 2020 Estimates



RKG ASSOCIATES INC

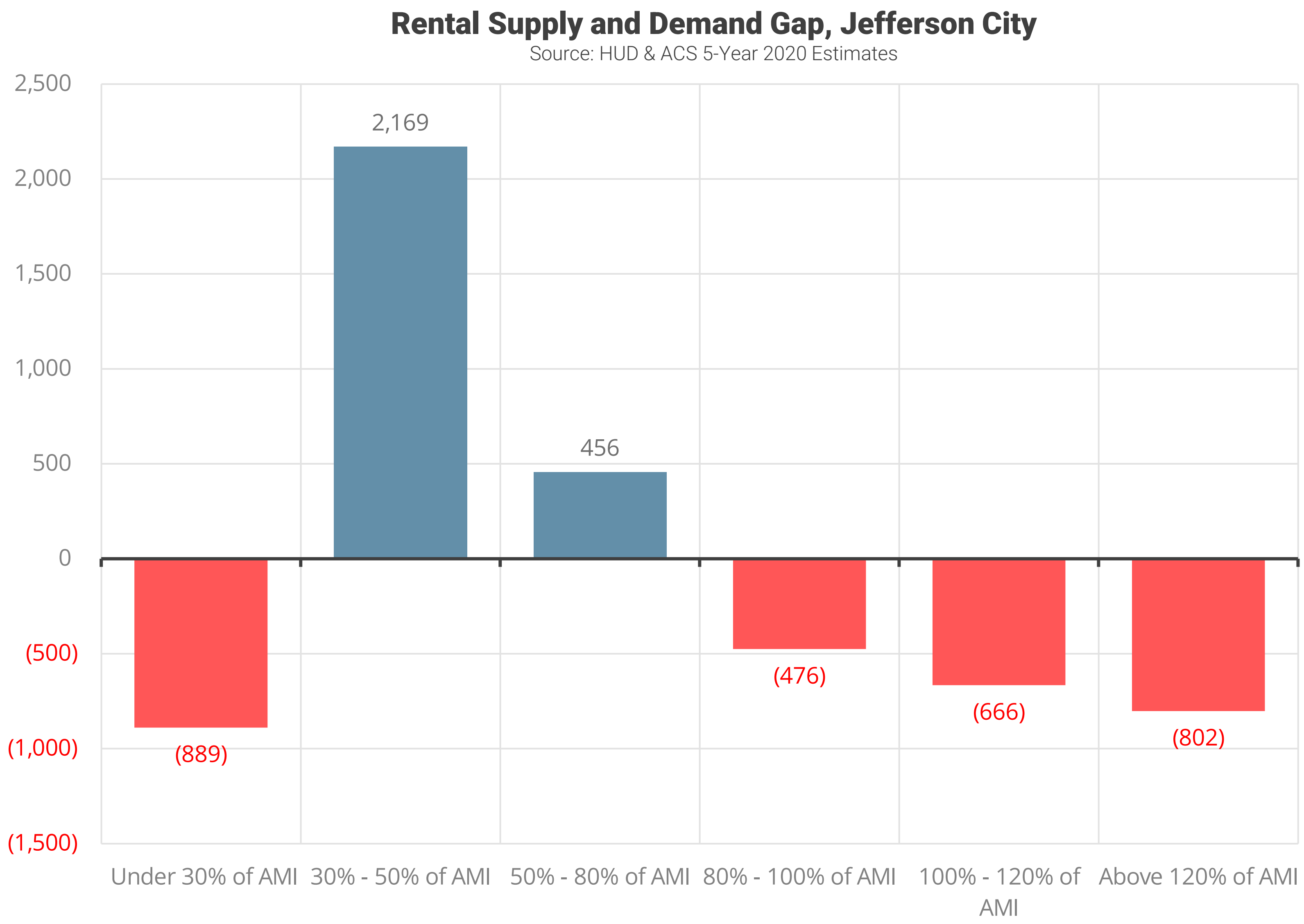
## THE RENTAL SUPPLY IS TIGHT AT BOTH THE LOW AND HIGH ENDS OF THE INCOME SPECTRUM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 889 more households earning less than 30% of AMI than available affordably priced units. These gross rents would need to be at or below $460. **Only 14% of occupied rental units have monthly rents below $460, while 26% of renter households earn at or below 30% of AMI**.

Units priced between 30-80% of AMI account for 80% of all rental units, while only 42% of renter households have incomes corresponding to this price bracket. **This creates a surplus of 2,625 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

Renter households earning more than 100% of AMI account for 21% of all households, but the supply of units at this price point accounts for only 1.1% of the rental stock. **The gap between demand and supply for households above 100% AMI is 1,468 units.**

**The lack of higher priced rental units in Jefferson City puts downward pressure on the supply of housing priced for lower income households.** Higher income households have more choices in the housing market and are likely renting units at a lower price point than they could otherwise afford.



Issues, Opportunities and Gaps

# Central City

## HOUSING CONDITIONS DIVERGE BY RACE AND ETHNICITY.

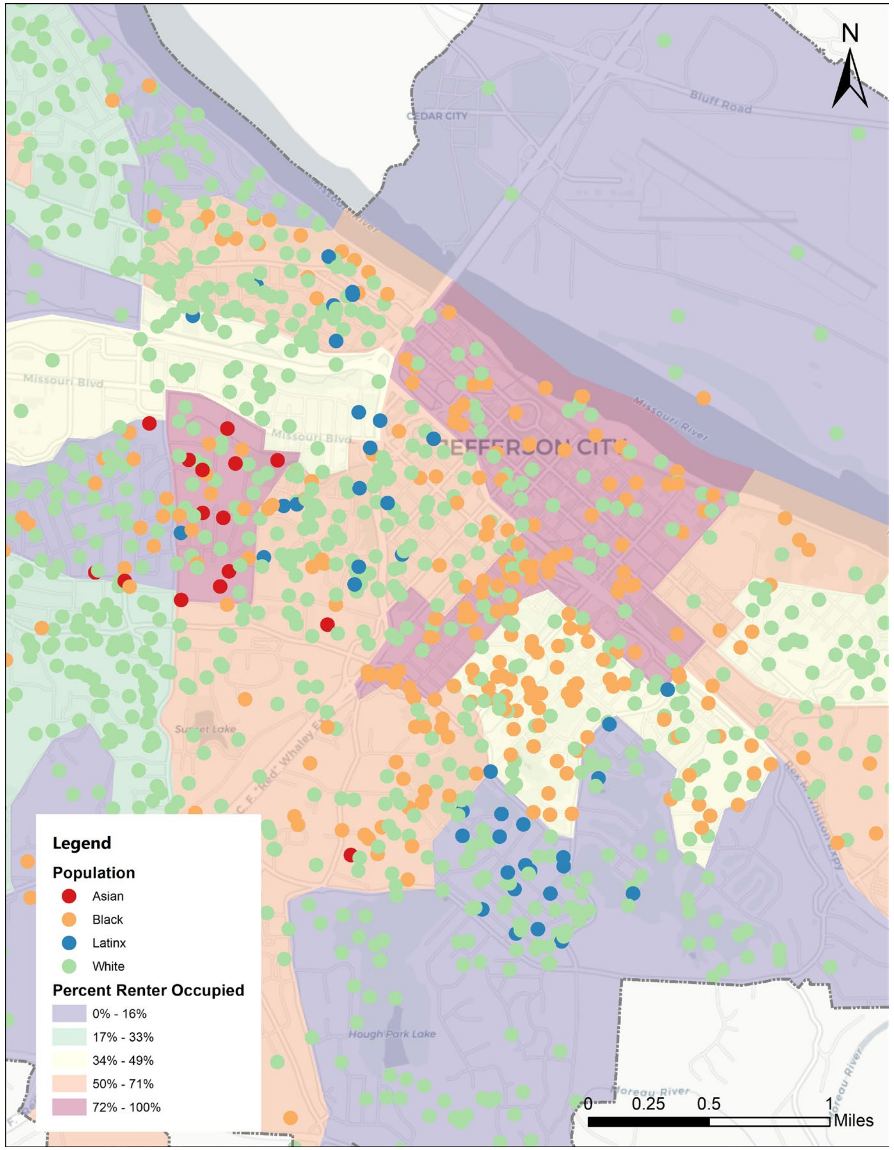
Based on ACS 5-Year Estimates and Cole County Parcel data, most of Jefferson City's residents who do not identify as White live in the central neighborhoods of the city where the oldest housing in the city tends to be located.

These neighborhoods also have some of the lowest median incomes and home values highlighting the numerous challenges households in these neighborhoods face ranging from cost burdening, overcrowding, housing quality, and struggles to save money and generate wealth over time.

Furthermore, the impacts of the COVID-19 pandemic have placed additional strain on the city's economy and public health placing more low-income households, particularly renters, at risk of eviction and widening racial disparities in housing instability.

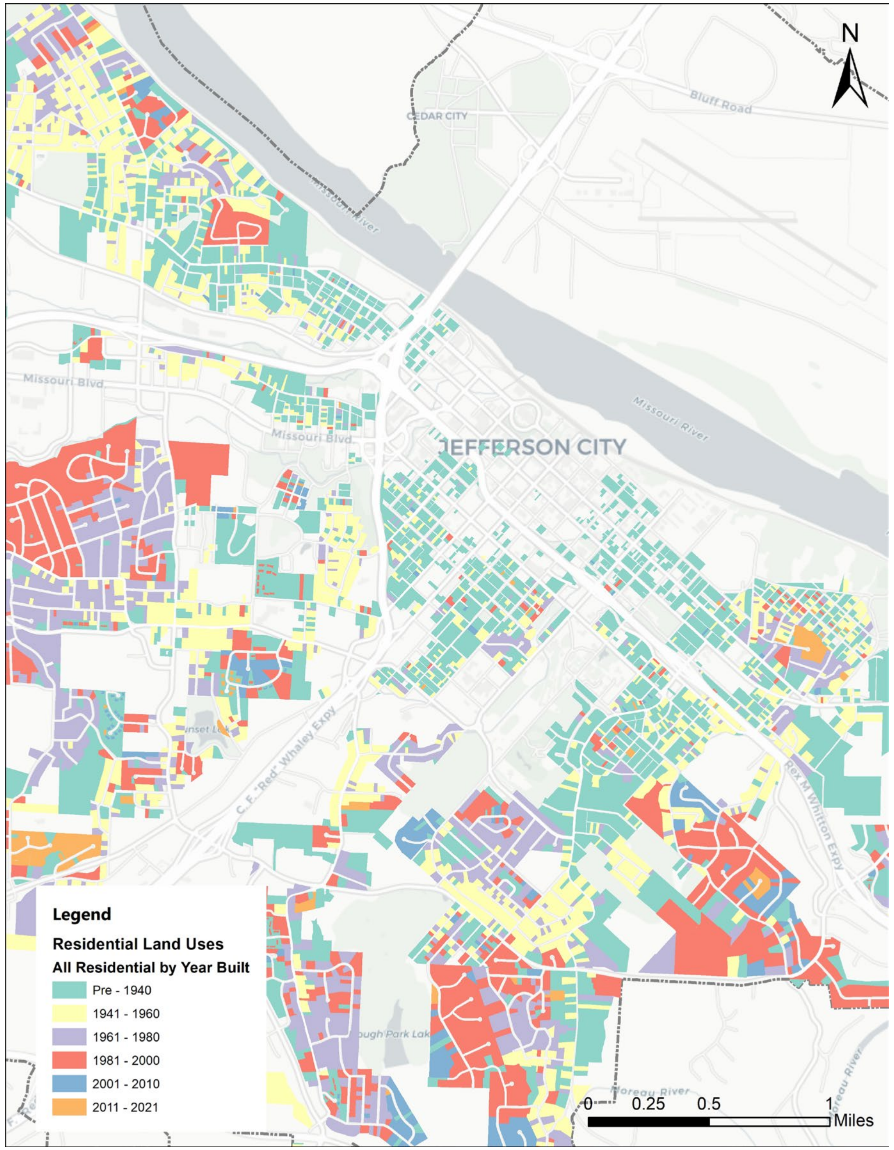
### Population by Race & Tenure

Source: ACS 5-Year Estimates (Each dot ~20 people)




### Residential Parcels by Year Built

Source: Cole County Assessor's Database



## JEFFERSON CITY HAS A LOT OF 1 – 4 UNIT RENTAL PROPERTIES.

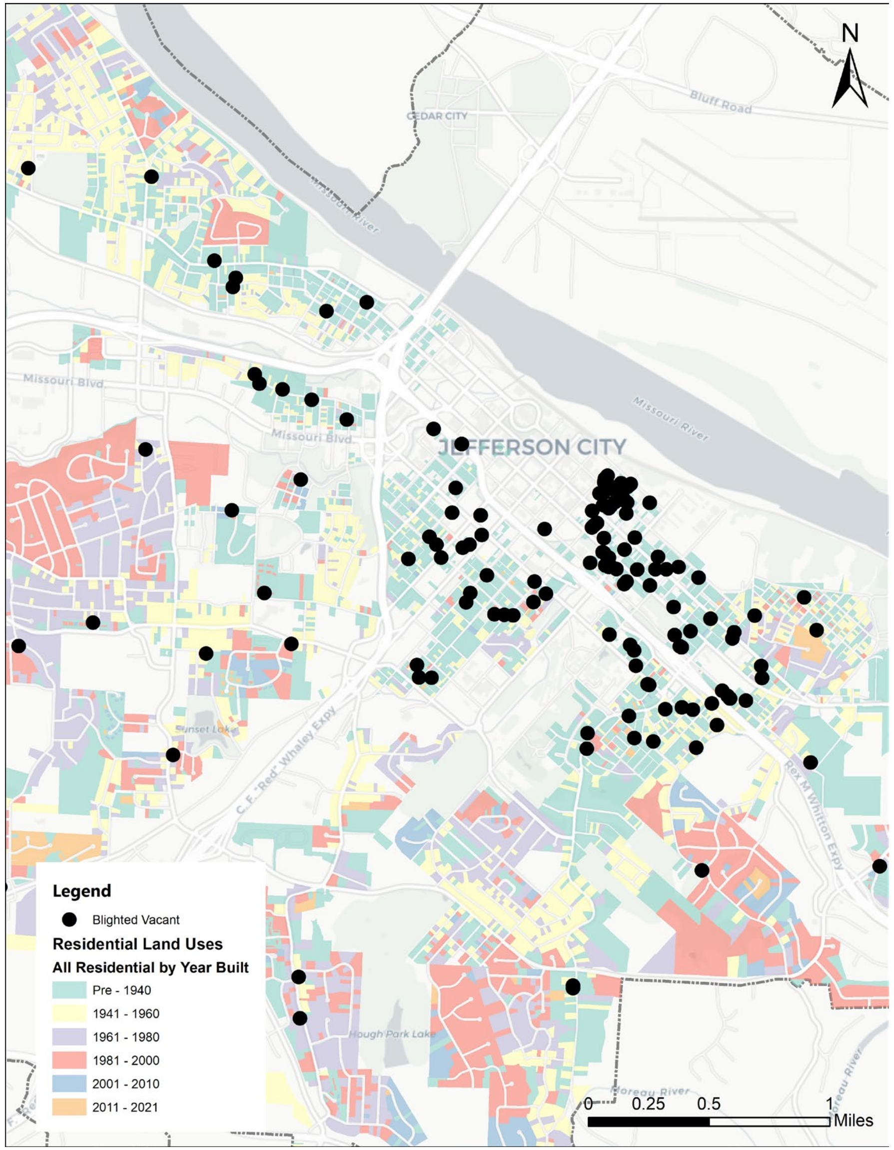
Based on data from the Jefferson City landlord registry, the majority of central city rental properties were built prior to 1960 and are between 1-4 units. About 25% of these properties are owned by landlords who do not have an address in Jefferson City.

These central city neighborhoods have some of the highest percentages of renter households as well as some of the highest proportions of aging housing stock and vacant properties. These challenges in housing quality and lower property values may be deterring landlords from investing in rehabilitation creating a lower quality housing product for the city's lowest income and most racially-diverse populations.

As cost of living across the United States continues to escalate, particularly in an inflationary period, housing costs for renters will also rise. This is likely to result in an increase in cost burdening and continued lack of long-term savings and challenges with housing instability.

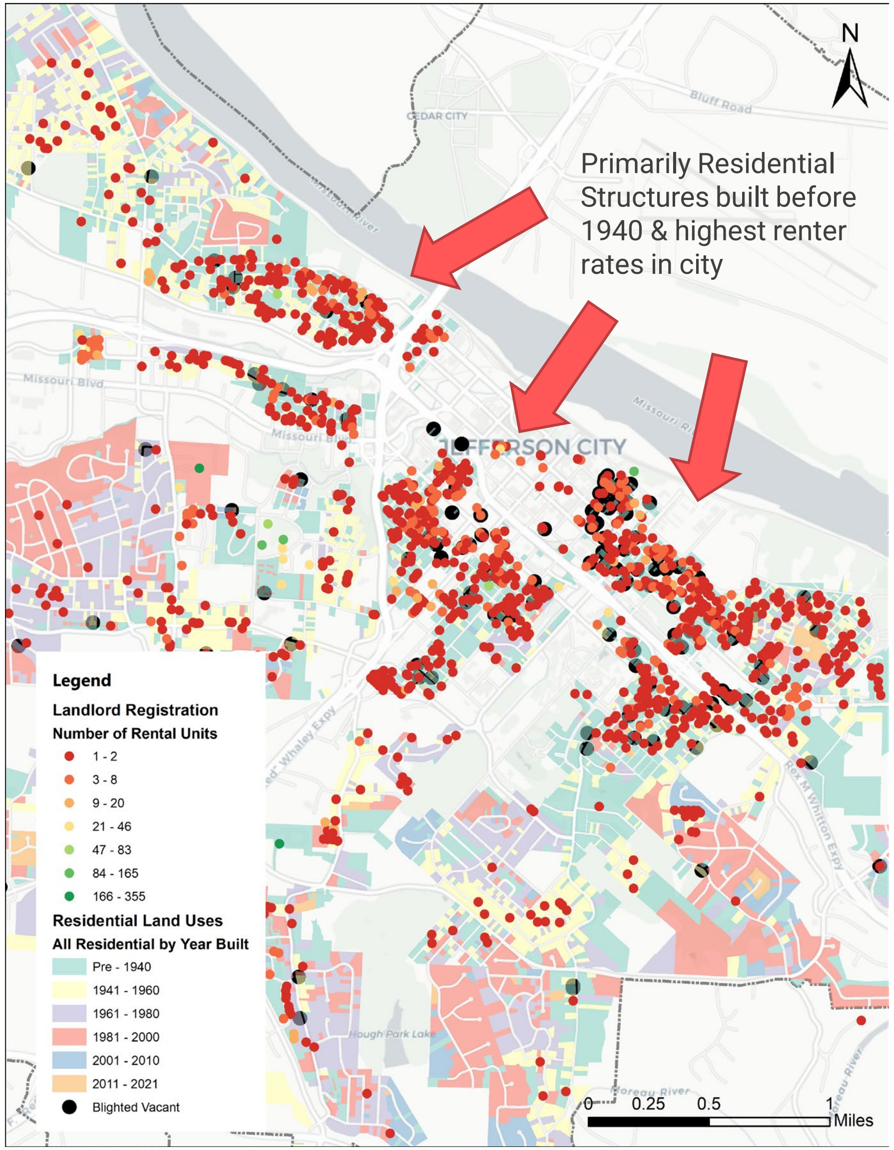
### Central City Vacant

Source: Jefferson City GIS, Cole County Assessor's Database




### Landlord Registry Central City

Source: Jefferson City Landlord Registry, Cole County Assessor's Database



## CODE VIOLATIONS RELATED TO POOR HOUSING CONDITIONS IS CONCENTRATED IN THE CENTRAL CITY NEIGHBORHOODS.

The majority of code violations fall within a few major categories: property maintenance, rental inspection, disaster, and check conditions. All of which tend to cluster in some of the central neighborhoods of Jefferson City where there are the highest percentages of renter households.

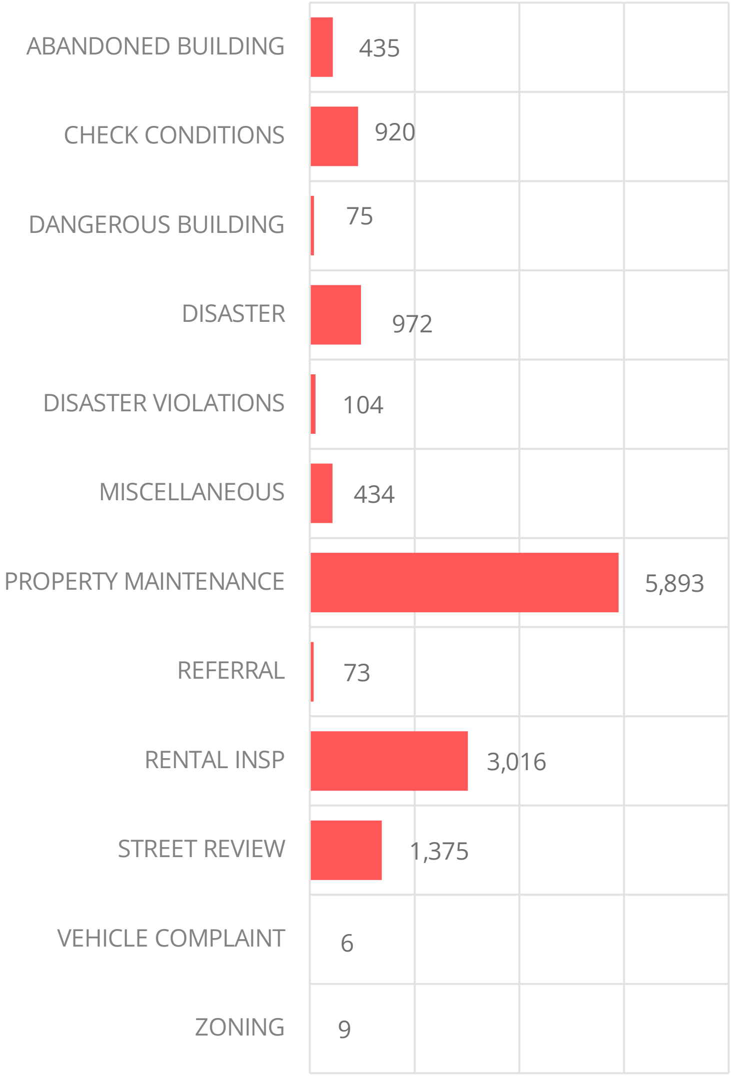
A large portion of code violations related to “check conditions,” “dangerous building” and “disaster” fall along the corridor of the 2019 tornado path.

Property maintenance and rental inspection violations cluster in the census block groups with the highest rates of renter households in the city and coincide with many landlords who do not hold addresses in Jefferson City.

These are also the same neighborhoods that have some of the highest proportions of vacant properties.

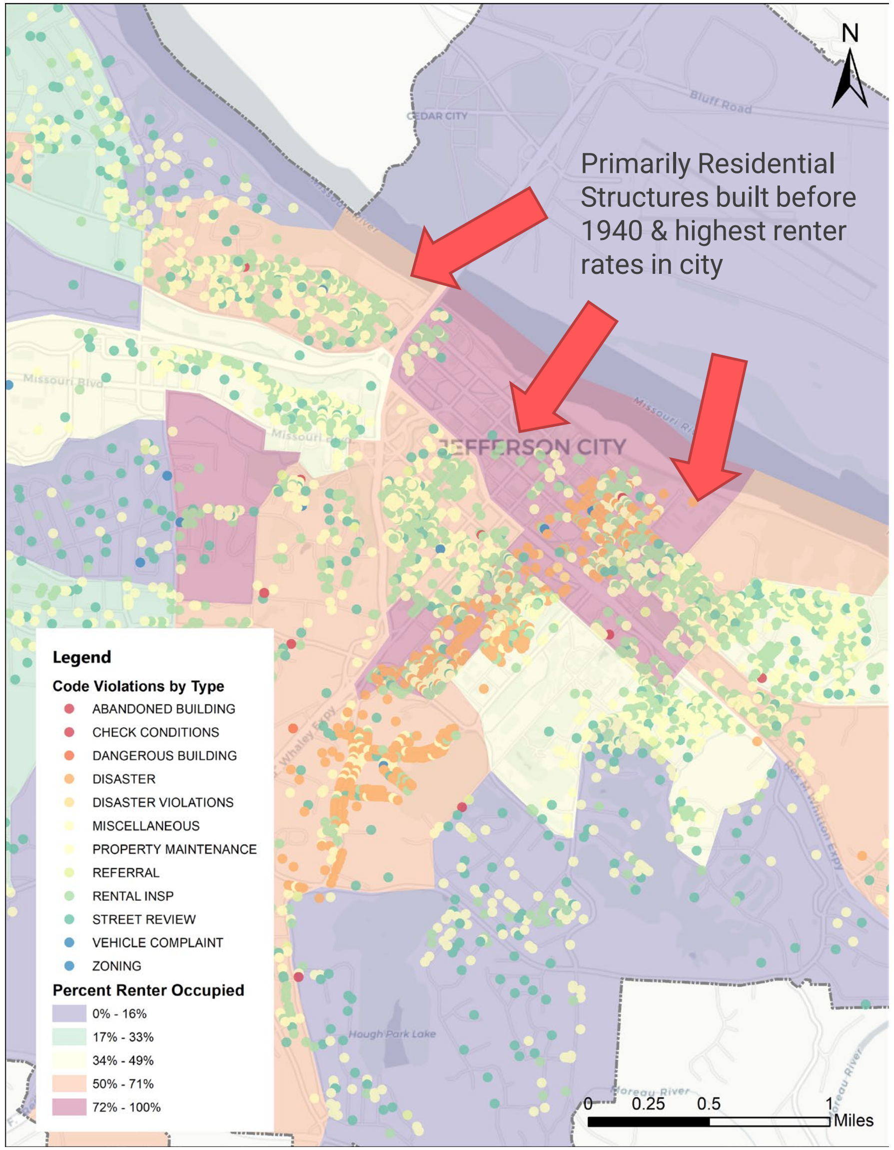
### Code Violations by Case Type

Source: Jefferson City Code Violations Data




### Code Violations & Percent Renter Occupied

Source: Jefferson City Code Violations Data, ACS 5-Year Estimates



# TORNADO LARGELY IMPACTED RENTAL UNITS.

According to the Jefferson City 2040 Comprehensive Plan, most impacted areas, due to the 2019 tornado, lost around 152 housing units, roughly 95% of which were rental units.

Based on code violation data provided by the city, the total number of properties damaged along the tornado path corridor total 891 parcels, which are home to 4,056 units.

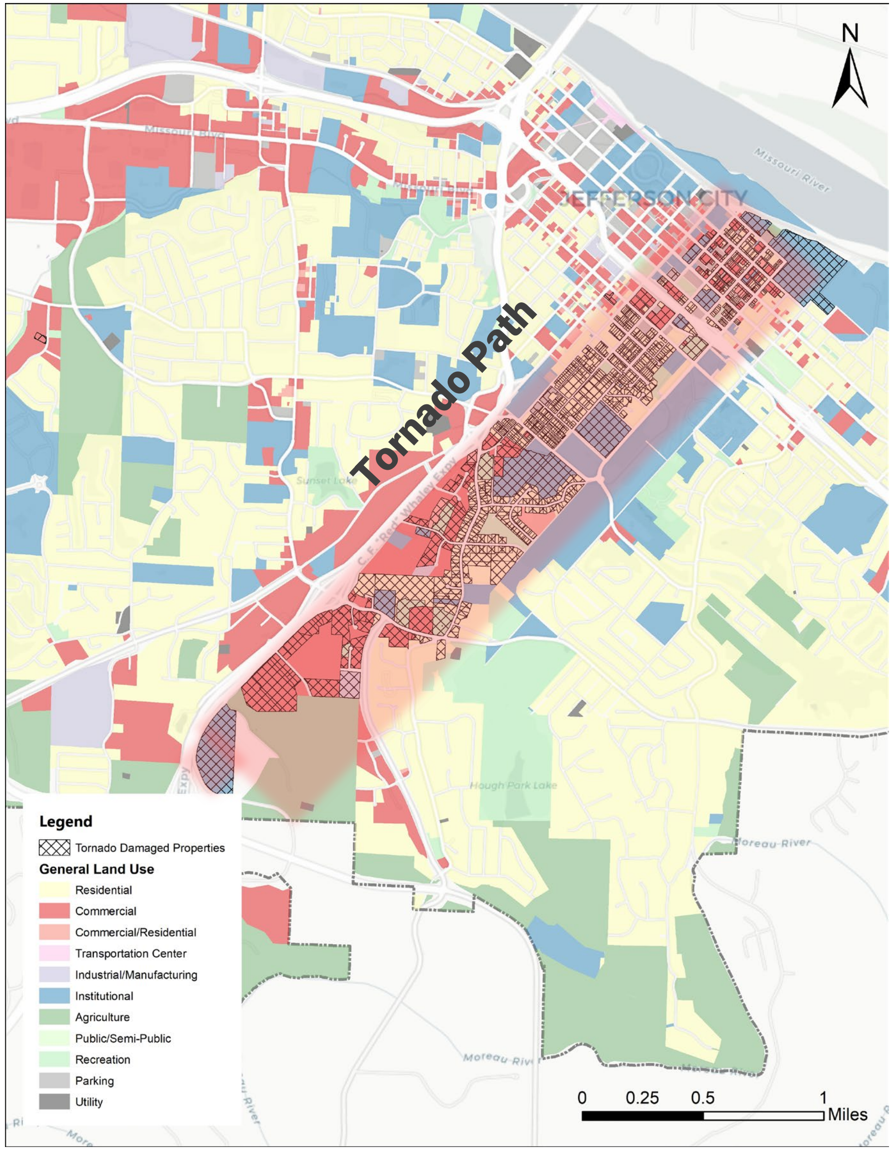
Although not all units were damaged by or lost to the tornado, unrepaired damage to a number of these units could greatly affect the livability of these properties. Structures that had to be demolished or those that remain in disrepair have the effect of removing housing units from the market. In a housing market like Jefferson City with extremely low vacancy rates, the rebuilding of those units is critical to ensure residents have places to live. Given that many of these neighborhoods have existing services, utilities, and roads, and are in close proximity to jobs and businesses; these neighborhoods make ideal locations for new or improved housing.

## Residential Damage from 2019 Tornado

Source: National Weather Service

## Parcels Damaged by 2019 Tornado

Source: Jefferson City, Cole County Assessor's Database



Issues, Opportunities and Gaps

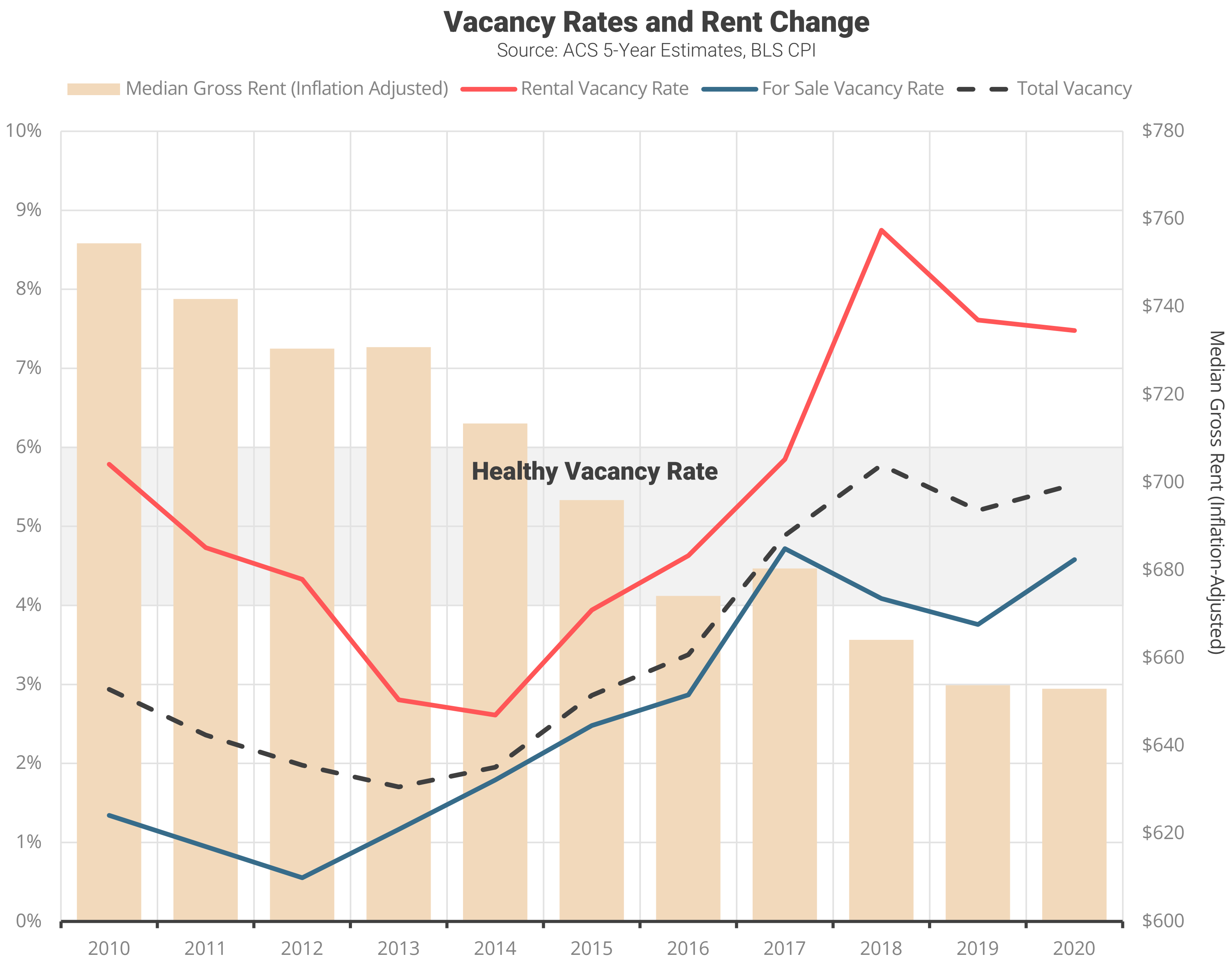
# Creating Demand for Owner-Occupied Housing/Assisting First-Time Homebuyers

## VACANCY RATES ARE DRIVEN BY FOR-SALE UNITS & THE COST OF RENTS HAVE DECLINED.

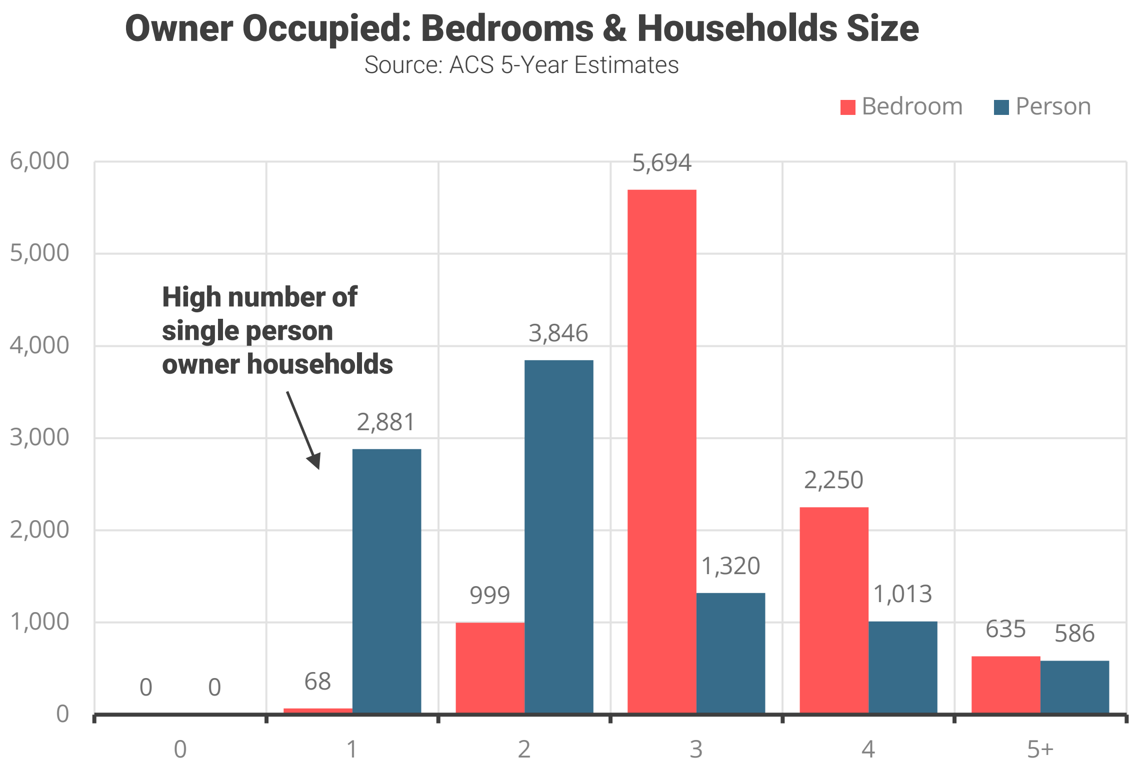
Over the last decade, Jefferson City has experienced higher vacancy rates among available rental units and very low vacancy rates among for-sale units. This means that there has been a lack of local housing availability for existing renters to transition into homeownership and those looking to move to Jefferson City and purchase a home.

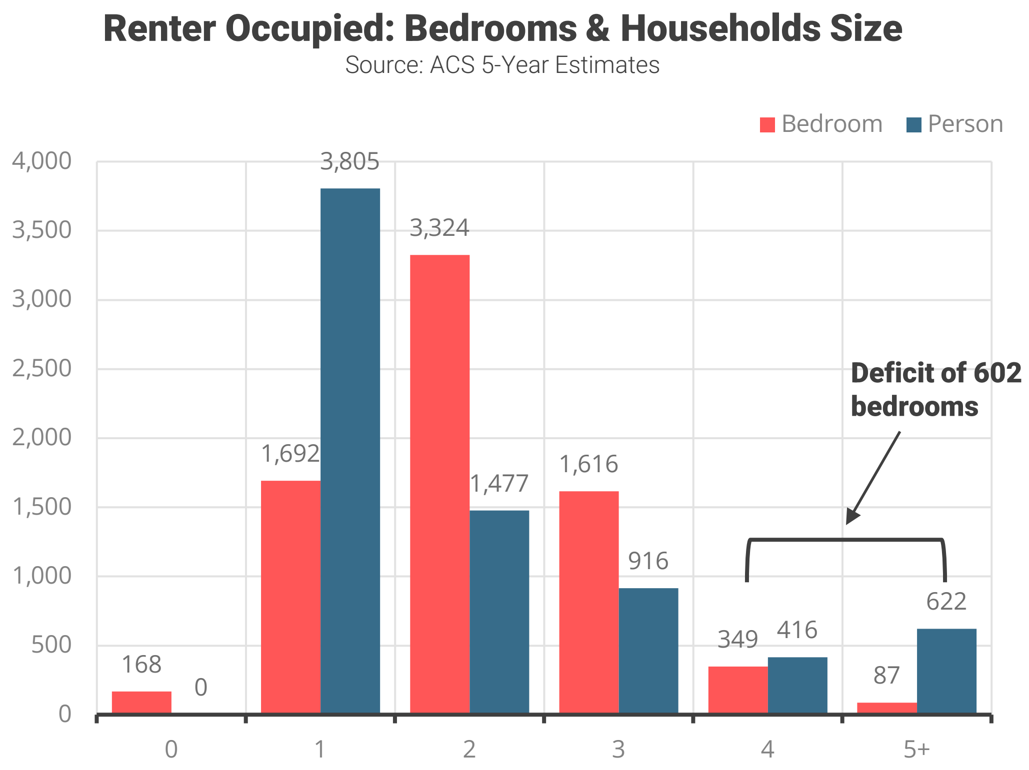
The data in the graphic to the right shows vacancy and rent rates through the year 2020 and does not fully account for the impacts of the 2019 tornado event nor the COVID-19 pandemic. We know from experience and our interviews with local brokers in Jefferson City that those two events have created record low vacancy rates in both owner and renter housing and has raised the cost of housing overall. A 2021 report from the National Realtors Association showed Jefferson City's rental vacancy rate to be extremely low, at 2.7%.

Several challenges have arisen when it comes to building in Jefferson City to help ease the housing crunch. These include a lack of local builders and tradespeople building in the city, flat land with available utilities, and increasing labor and material costs. Builders have moved to other parts of the region where better land is available and locations halfway between Jefferson City and Columbia for commuters. With a lack of new product on the market, very few households can move around the city meaning existing units are not being made available to support existing residents or those looking to move to the city.



## Density by Dwelling Type



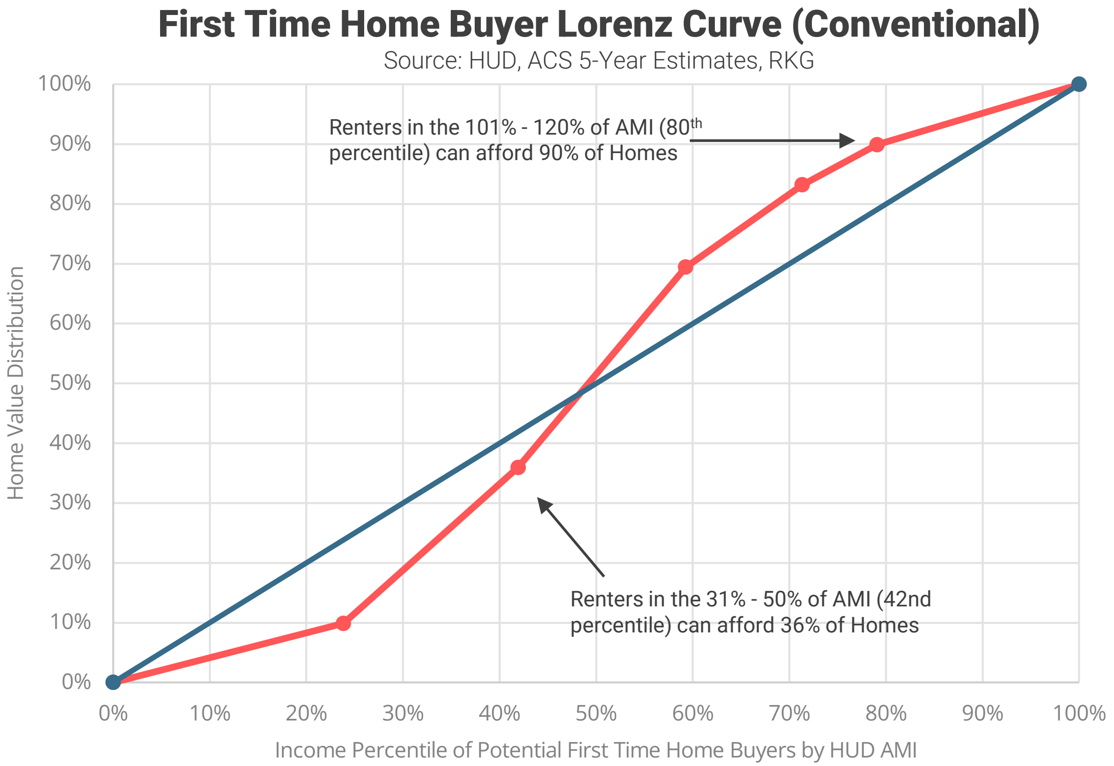



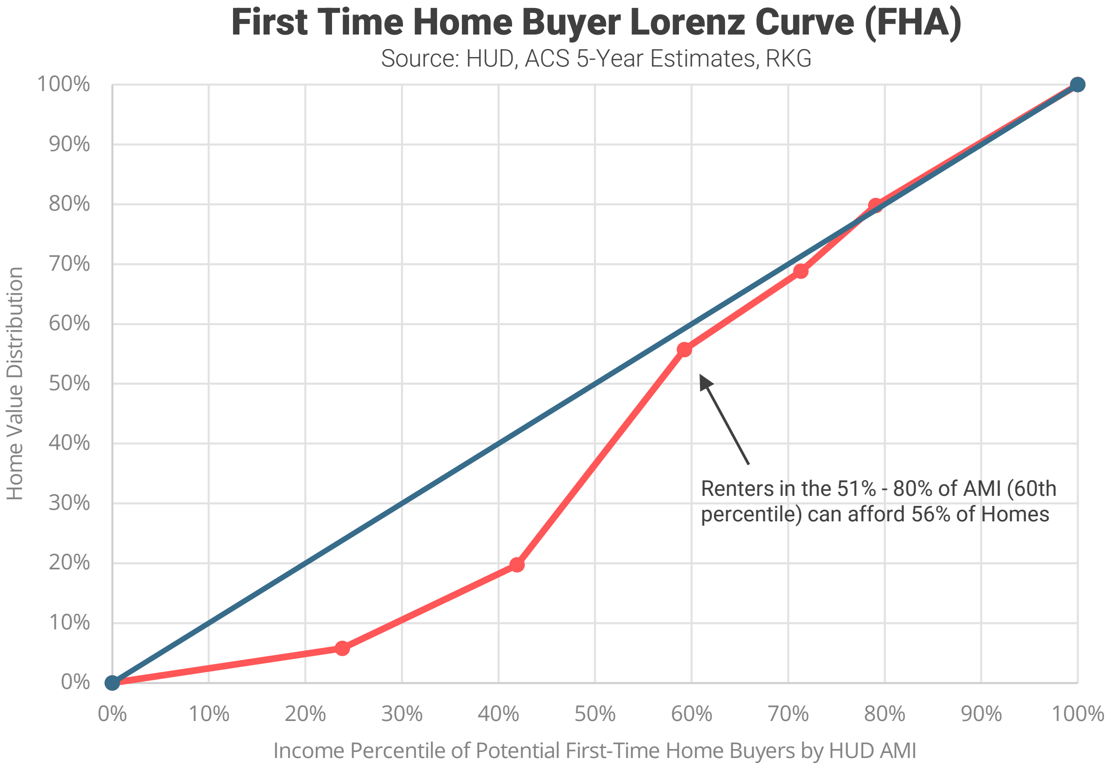

### ACROSS TENURE THE MAJORITY OF HOUSEHOLDS ARE SINGLE PERSON.

The majority of owner-occupied units in Jefferson City consist of 3 or more bedrooms. Almost 30% of all owner-occupied units consist of a single person meaning there are a large number of single-family homes (typically 3 – 4 bedroom) that house a single person. This could be driven by the changes in population where Jefferson City has seen an increase in residents 65 and older over the past decade. These households though could move into other types of housing such as townhouses, condos, and smaller rental apartments if they are looking to downsize or reduce the amount of maintenance they have to take on.

In contrast, there is a deficit of roughly 455 renter units that consist of 4 or more bedrooms (489) compared to the number of renter households with 4 or more people (946). This suggests that many renter households with larger household sizes must look to rent housing units with fewer bedrooms than people. General HUD guidelines maintain that the ratio of people-per-bedroom should not exceed 2:1 depending on the household's situation. This means that for many households with 5 or more people there is a deficit in available options to meet the commonly accepted people-per-bedroom guidelines.

## Affordability & First Time Home Buying



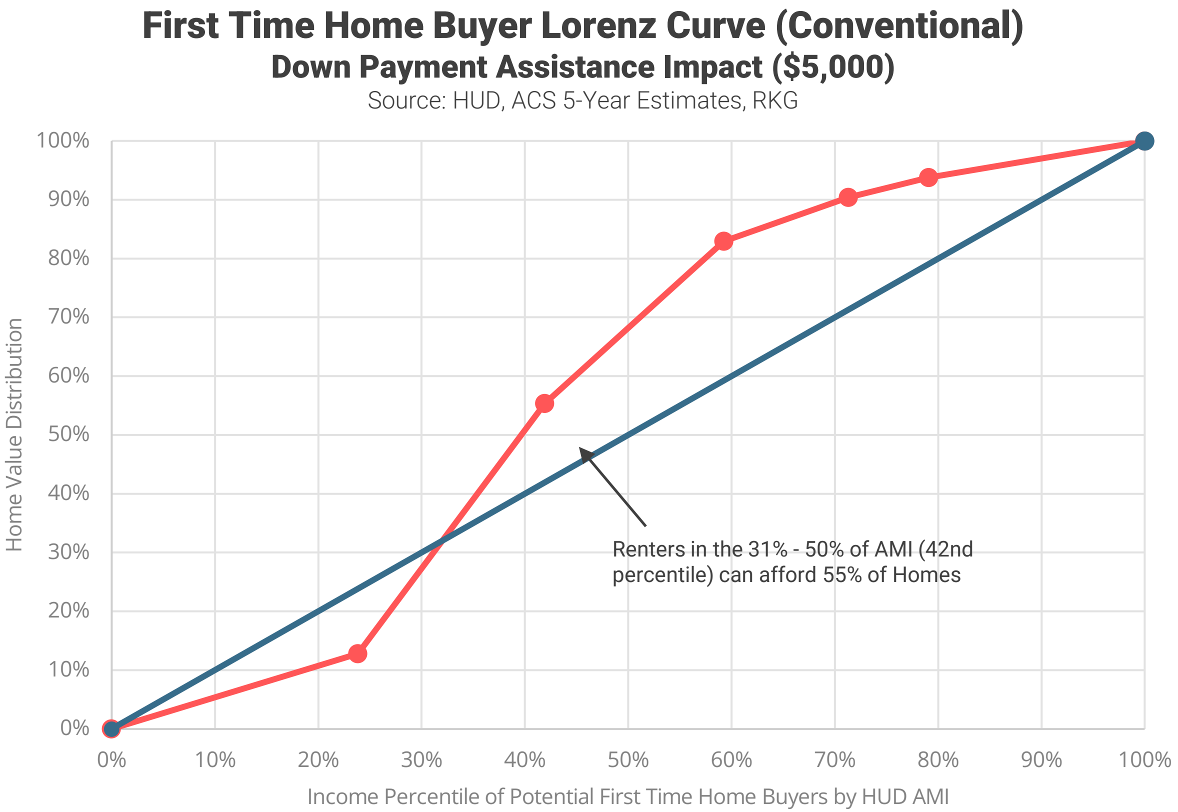



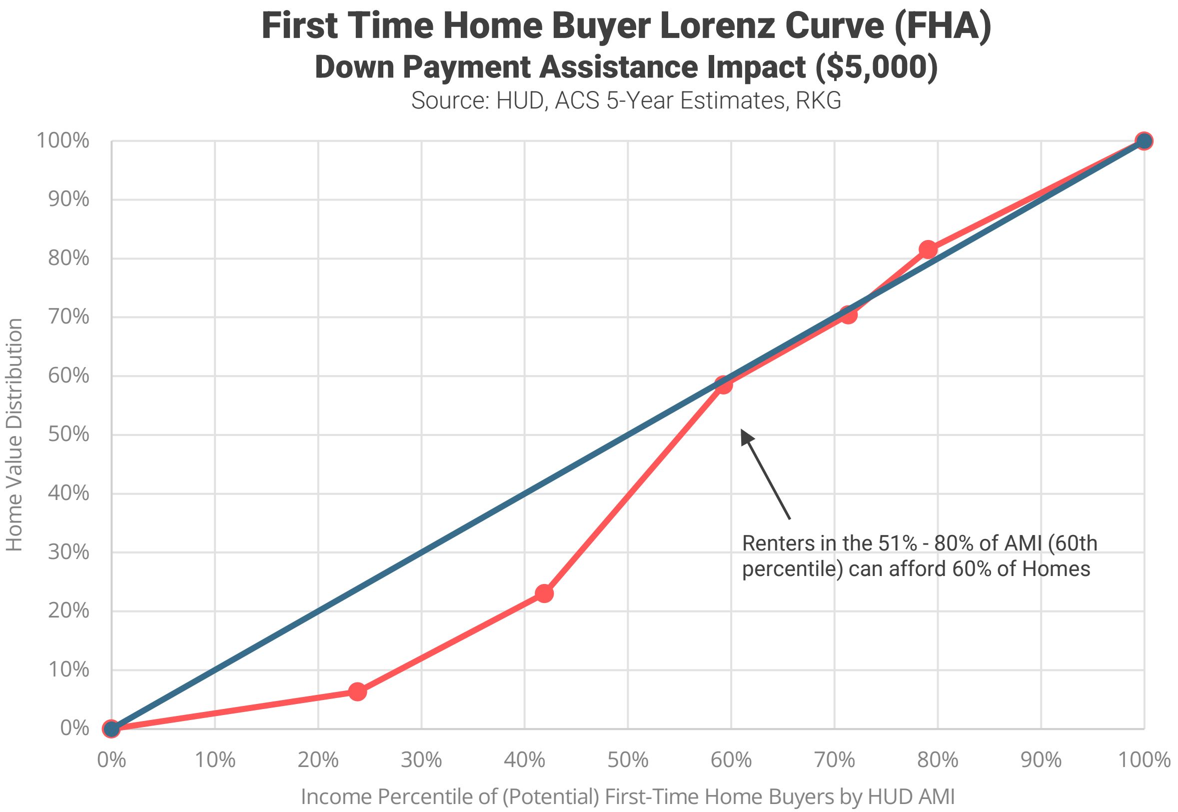

### IN JEFFERSON CITY, COSTS OF DOWNPAYMENT MAY BE A SIGNIFICANT BARRIER TO FIRST TIME HOME BUYERS.

To understand the proportion of affordable units, Lorenz curves for conventional and FHA scenarios were created to compare the proportion of affordable homes against existing renter's incomes. This provides a rough estimate of the number of affordable units for potential first-time home buyers looking to move from renting to homeownership. The diagonal blue line represents perfectly proportional affordability meaning an equivalent number of homes affordable to the number of people in each income band. When the red line falls below the blue diagonal, it suggests that there is a deficit in the number of available affordable units, whereas when the red line falls above the blue line, it suggests that there is a surplus of affordable units for that income band.

One of the important points of comparison between the FHA and conventional scenarios is where the red line crosses over the blue affordability line. **Comparing these two figures, the number of affordable units available if renter households can afford a 20% down payment dramatically increases particularly for households earning 51 – 80% of AMI**. They go from being able to afford **56%** of homes to **70%** of homes, which increases the number of homeownership options for these lower income households. This observation is also further supported by interviews with local lenders who mentioned that many first-time home buyers are unable to receive a loan because they fall just shy of the down payment requirements.

## Affordability & First Time Home Buying




### DOWN PAYMENT ASSISTANCE COULD IMPROVE CHANCES OF HOMEOWNERSHIP FOR HOUSEHOLDS EARNING 30 – 80% OF AMI.

Like the previous slide, the figures above compare the proportion of affordable homes against existing renter's incomes. In the two figures above, the relationship between renter incomes and home values was recalculated using an injection of $5,000 towards down payment on a home. In the conventional scenario, renters earning between 30 – 50% of AMI go from being able to afford roughly 36% to 55% of the existing housing stock. In the FHA scenario, the most impacted income band are renters earning between 50% - 80% of AMI; they go from being able to afford 56% to 60% of existing homes values.

Down payment and closing cost assistance could help low- and moderate- income households overcome one of the most common barriers to homeownership- accumulating sufficient savings to make a down payment and pay for closing costs on a mortgage. These types of programs would make residents, particularly renters, more competitive in the home buying market, which could also have the effect of freeing up rental units, easing pressure in the rental market, and allow for more movement of existing and new residents within housing types.

Strategies

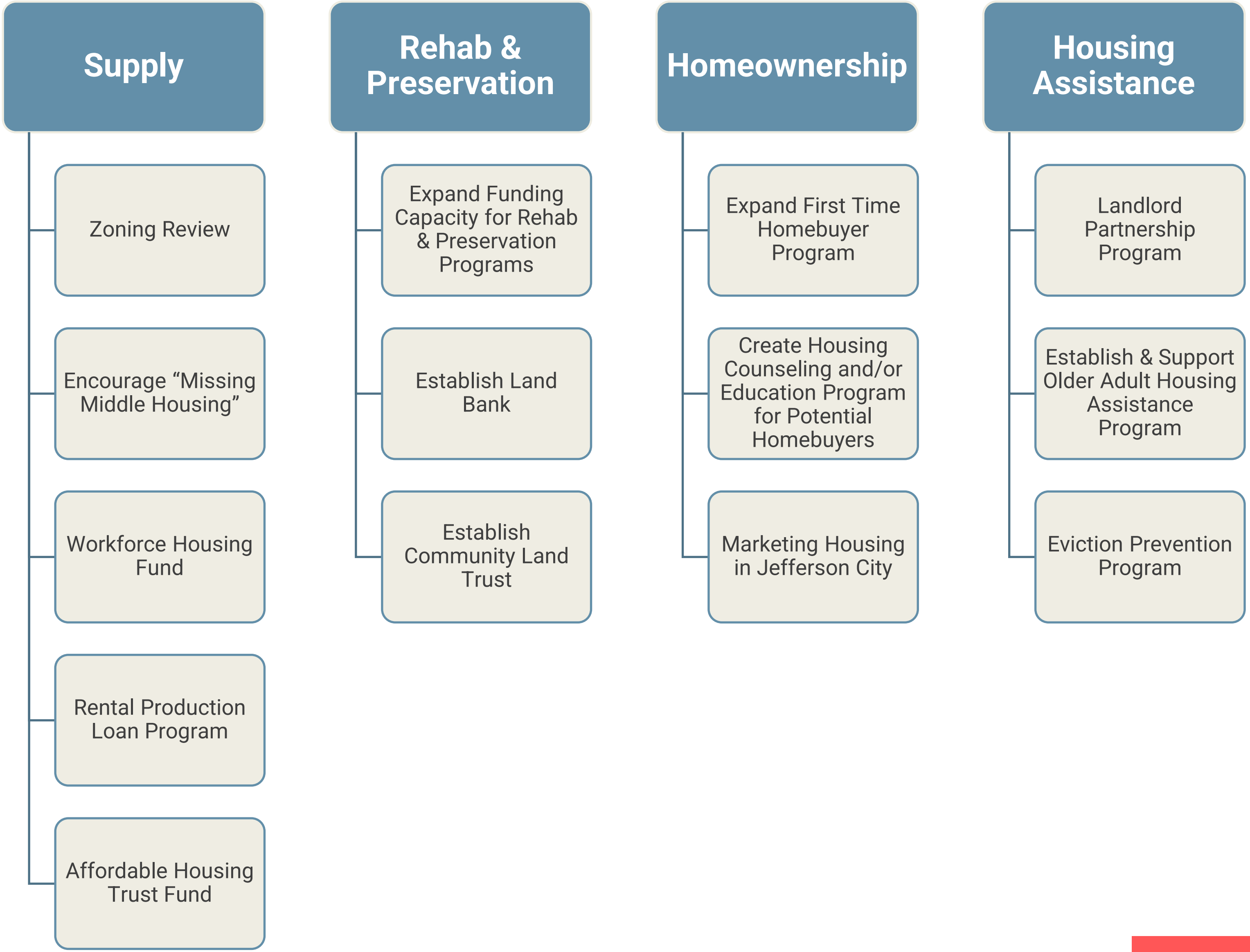
# Addressing the Housing Needs of Jefferson City

## STRATEGY OVERVIEW

As Jefferson City looks to tackle its housing challenges the following are a set of recommended strategies that could be used to address the community's needs. The strategies can be used to aggregate and align efforts across local organizations and funding sources to collectively build the city's capacity to address its housing needs.

The following strategies have been organized into four broad categories which include:

- **Supply** strategies which seek to encourage the production of housing units.
- **Rehab & preservation** strategies which seek to build capacity within existing programs to improve the quality of the city's housing stock and neighborhoods.
- **Homeownership** strategies which aim to assist households seeking to transition into homeownership or remain in their homes.
- **Housing assistance** which seeks to support existing programs and establish new ones that address issues of homelessness, older adult and disability challenges, quality of housing as it related to public health and the strengthening of transparency and relations between landlords and tenants.



# A GEOGRAPHICAL STARTING POINT FOR CITY-WIDE HOUSING STRATEGIES

Strategically monitored neighborhoods were established to target community development in specific parts of Jefferson City. Strategically monitored neighborhoods should be prioritized for the implementation of strategies and funding opportunities identified both in this plan and the Activate Jefferson City 2040 comprehensive plan.

Based on the methodology outlined in the comprehensive plan, strategically monitored neighborhoods fall within three tiers.

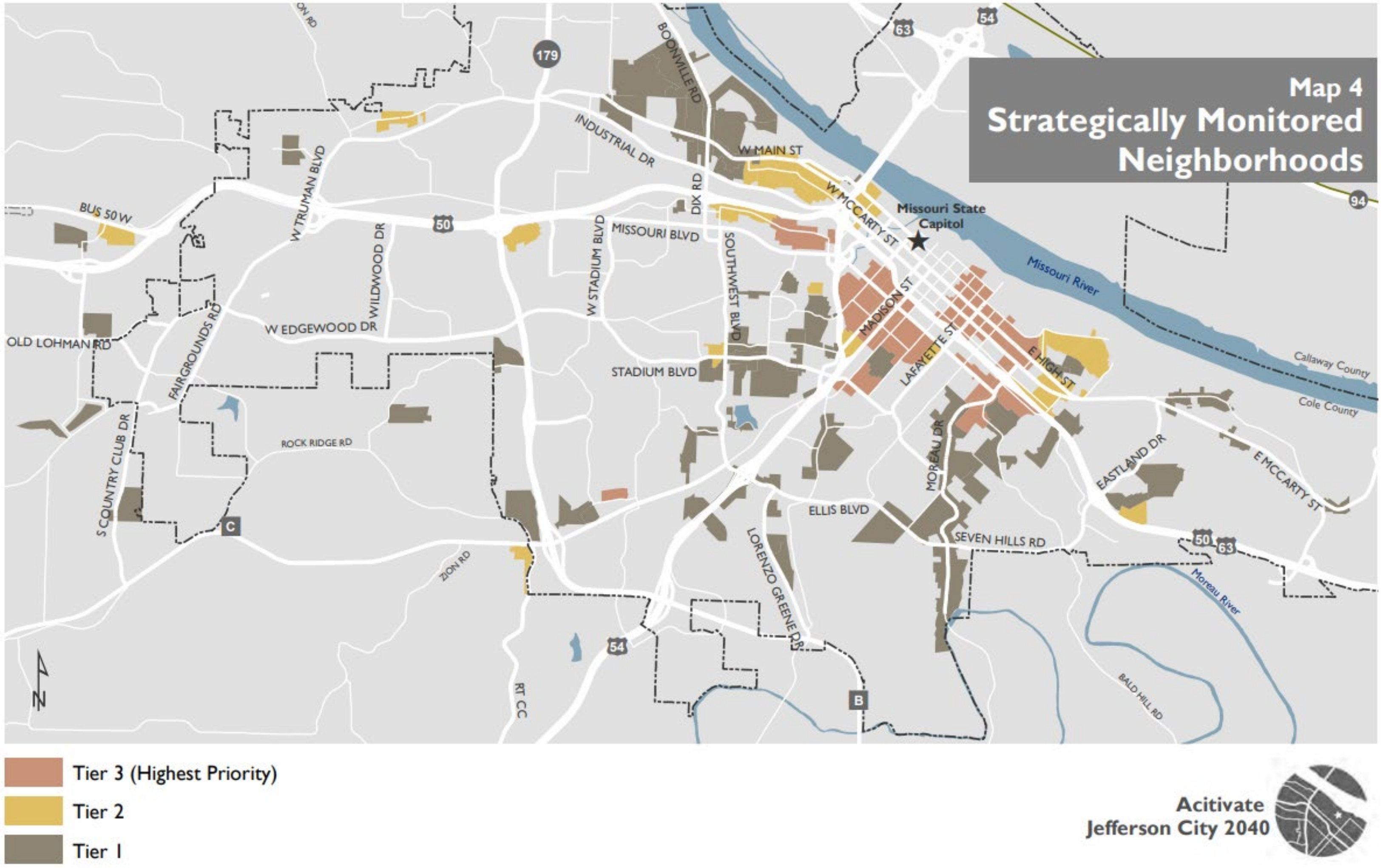
<u>Criteria:</u>

- Average age of structure built prior to 1960
- Average value of structure below $70,000
- Under 50% of neighborhood being owner occupied

<u>Tiers</u>

- Tier 1: meets one criteria
- Tier 2: meets two criteria
- Tier 3: meets all three criteria (High Priority)

Data analysis conducted for this study coupled with the analysis from the comprehensive plan indicated that many of the strategically monitored neighborhoods identified in the comprehensive plan remain high priority status. **This geographical context outlines the targeted approach the following strategies should consider in strategy implementation and program design.**




Source: Activate Jefferson City 2040

# Supply Strategies

# Change Zoning To Allow For Greater Residential Density By-right

## Strategy

### Revise Single-Family, Attached, and Duplex Zoning to be By-Right

- Review existing zoning districts and regulations to reduce barriers to housing production such as zoning districts that allow for certain residential types by special permit vs by-right

## Implementation

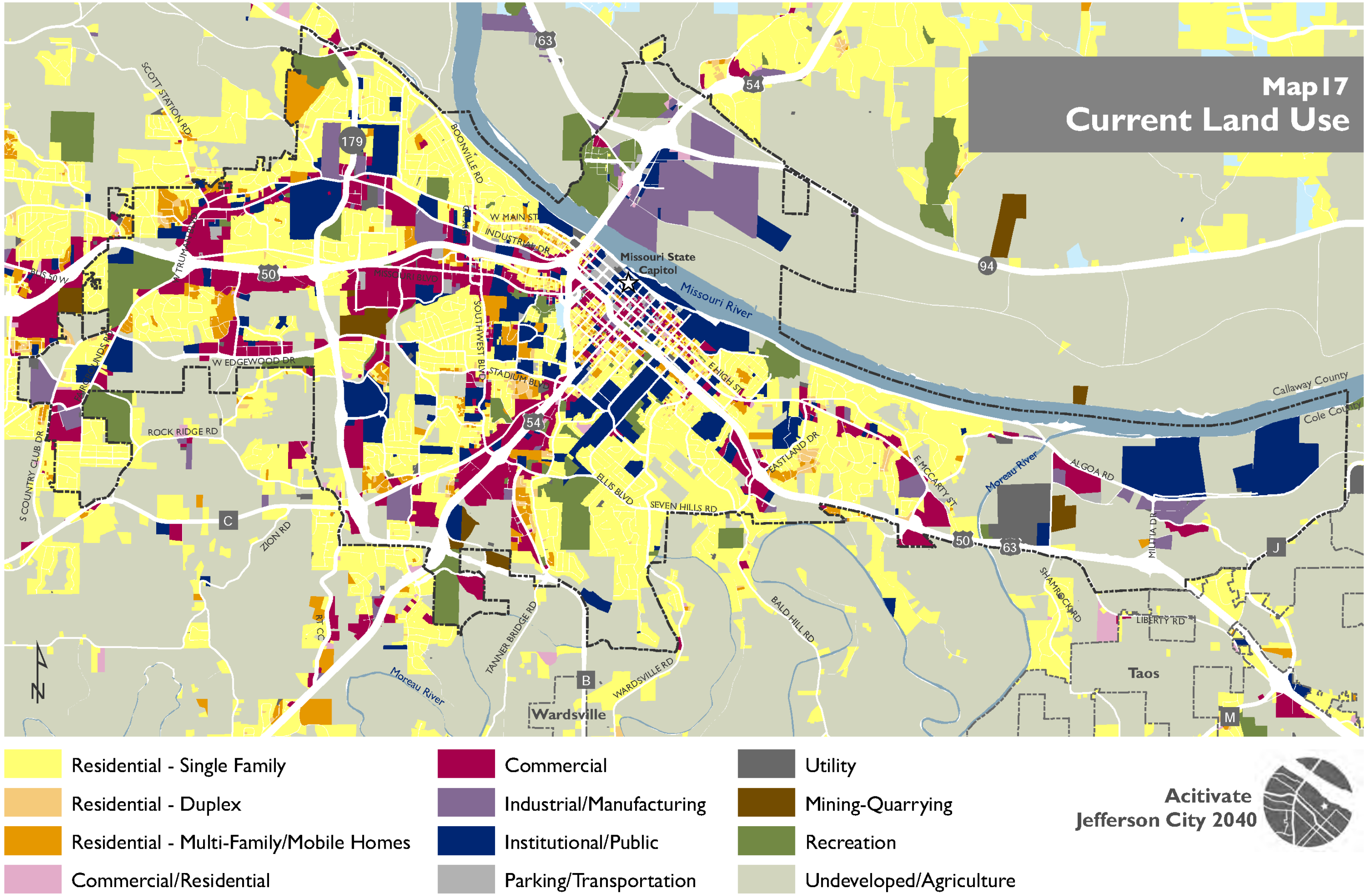
- Assess where there might be areas to expand opportunities for housing by reviewing other barriers such as use restrictions, dimensional requirements, open space requirements, height restrictions, lot area and lot area per dwelling unit requirements, and parking.
- Identify areas for multi-family zoning and pre-zone them for eventual development.
- Consider permitting more multi-family use within commercial zoning districts.

## Lead Entity

- This effort should be led by municipal staff

**By-Right** refers to a use permitted in a zoning district and is therefore not subject to special review and approval by the city

**Special Permits** are approvals given by the city to uses that meet certain standards or conditions which are listed in the local zoning ordinance. The core difference of Special Permits and By-Right is that special permits may be subject to administrative review.




Source: [Activate Jefferson City 2040]

## Change Zoning To Allow For Greater Residential Density By-right

RKG ASSOCIATES INC

### Strategy Options

- Review existing zoning regulations to identify opportunities where increases in housing supply could be encouraged
- Consider housing incentive overlays that strike a balance between as-of-right and “by bonus” zoning such that the bonus is enough to encourage developers and the as-of-right reduces barriers for 2 to 4-unit structures even if developers don’t use the bonus

### Existing Programs and Actions

- The Activate Jefferson City 2040 Comprehensive Plan identified Inclusionary Zoning as a strategy to consider to address the limitations in middle housing options. “Zoning districts that accommodate duplexes or other multi-family structures only make up 6% of Jefferson City”
- The plan also advocates for broader building and zoning code updates to create more efficient spaces and promote more housing

**SHORT-TERM**

Identify the biggest barriers to housing production in the zoning code.

**MEDIUM-TERM**

Enact changes to the zoning code and establish design guidelines.

**LONG-TERM**

Track developments, specifically in strategically monitored neighborhoods, to assess the effectiveness of zoning changes on the encouragement of housing development.

# Encourage Missing Middle Housing

## Strategy

### Encourage Missing Middle Housing Options

- To address the need for more diverse housing types and price points in some of Jefferson City's neighborhoods, particularly the strategically monitored neighborhoods, the city should review its zoning districts and explore adding new use definitions and design guidelines for 3- to 4-unit buildings or 3- to 10-unit buildings.

## Implementation

- The city may want to consider using a density "bonus" as an incentive to encourage homeownership. The city could tie the allowance of a higher density building to a restriction on the units that they be owner-occupied and not rented for short- or long-term use.

- A deed restriction could be attached to the unit or a covenant in the homeownership association which makes prospective buyers or future owners aware of the restriction on the unit. For larger buildings, the city could also consider tying affordability restrictions in using inclusionary zoning for example.

- The city may also want to consider creating design guidelines or pre-approved designs so new structures more closely resemble the form and function of the neighborhood.

## Lead Entity

- This effort should be led by municipal staff


Example of designing with density in a single-family neighborhood.

Strategies

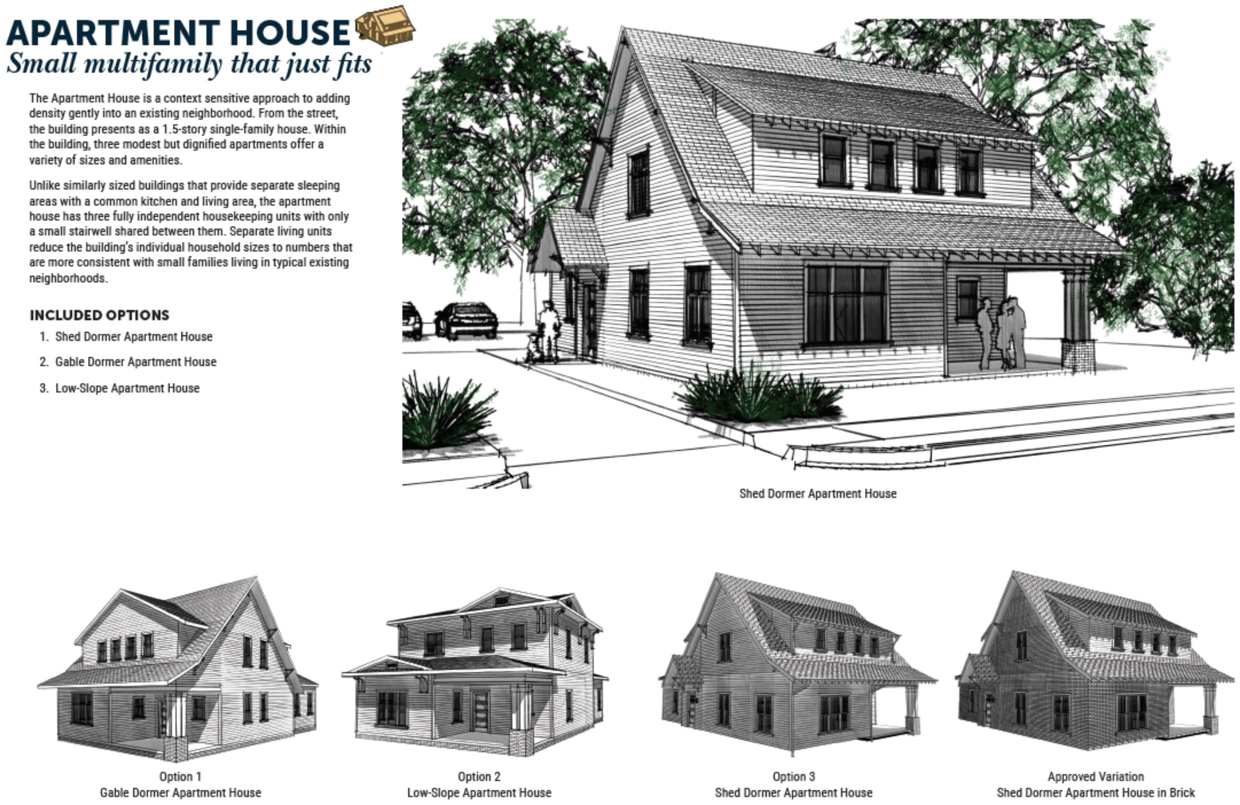
## Encourage Missing Middle Housing

### Strategy Options

- The city should review existing zoning regulations to identify barriers to the development of 2- to 4-unit housing
- City should identify areas where the development process could be streamlined, and staff could support smaller scale developers seeking to build smaller multifamily projects

### Existing Programs and Actions

- The city's current zoning districts allow duplexes, triplexes and multi-family 4-or-less by-right in its RD, RA-1 & RA-2 districts



**APARTMENT HOUSE**

*Small multifamily that just fits*

The Apartment House is a context sensitive approach to adding density gently into an existing neighborhood. From the street, the building presents as a 1.5-story single-family house. Within the building, three modest but dignified apartments offer a variety of sizes and amenities.

Unlike similarly sized buildings that provide separate sleeping areas with a common kitchen and living area, the apartment house has three fully independent housekeeping units with only a small stairwell shared between them. Separate living units reduce the building's individual household sizes to numbers that are more consistent with small families living in typical existing neighborhoods.

**INCLUDED OPTIONS**

1. Shed Dormer Apartment House
2. Gable Dormer Apartment House
3. Low-Slope Apartment House

Shed Dormer Apartment House

Option 1
Gable Dormer Apartment House

Option 2
Low-Slope Apartment House

Option 3
Shed Dormer Apartment House

Approved Variation
Shed Dormer Apartment House in Brick

**SHORT-TERM**

Update zoning codes and land use regulations to allow missing middle options and facilitate development.

**MEDIUM-TERM**

Develop form-based codes designed to promote walkable, mixed-use neighborhoods.

# Workforce Housing Fund

RKG ASSOCIATES INC

## Strategy

## Establish Workforce Housing Fund

- Employer-assisted housing programs provide an option for employers to help their employees with the cost of owning or renting a home. Programs can be targeted to neighborhoods near where employees work. Assistance may be provided in a variety of ways, including down payments that are forgiven over a period of employment, education and counseling around homeownership, rental subsidies, or even a direct investment in the housing development itself.

## Implementation

- Establishment of a workforce housing program could support housing with rents affordable to individuals and families whose incomes lie between 60 – 120% of AMI or offer down payment assistance to households within this income range seeking to transition into homeownership
- It could provide subsidy of a specific amount per workforce housing unit
- Leverage opportunities to use city-owned land to build opportunity in strategically monitored neighborhoods
- Can complement other sources of development financing in the city
- Ensure that workforce housing units are deed restricted to ensure that the city can support its local workers
- City could look to partner with local institutions such as Lincoln University

## Lead Entity

- This effort should be led by municipal staff in collaboration with state or regional partners as well as non-profit partners

## Potential Funding Sources & Partners

- Missouri Workforce Housing Association (MOWHA)
- Lincoln University
- Jefferson City Chamber of Commerce
- Jefferson City Regional Economic Partnership

Source: MOWHA

RKG ASSOCIATES INC

# Strategy Options

- The city should seek to establish a new funding resource by designing a workforce housing fund
- The city should also seek to collaborate with local for-profit & non-profit partners in the establishment of a workforce housing fund that uses a form of incentives to encourage local businesses to contribute to a fund creating subsidy for local workers to move or remain in Jefferson City

# Existing Programs and Actions

- The Missouri Workforce Housing Association (MOWHA) is a statewide organization comprised of numerous members ranging from community organizations and public agencies to contractors, developers and property managers. MOWHA offers several resources, programs and a statewide network that works to promote the development of affordable housing options largely through their Low Income Housing Tax Credit (LIHTC) program. Funding and support for a city-wide workforce housing fund could be established in partnership with MOWHA.

## SHORT-TERM

Identify potential partners and funding sources to establish fund.

Could be established using federal or state funding sources.

## MEDIUM-TERM

Develop program rules and prepare administrative functions to manage program.

Establish program and promote within local business organizations.

## LONG-TERM

Evaluate the requirements and fundings levels annually based on demand and outcomes realized such as increases in the numbers of local workers.

## Rental Production Loan Program



**Strategy**

### Expand Local Capacity for Rental Production Loan Program

- Establish loan program through partnerships with local organizations and developers which stack local and state funding sources for acquisition, rehabilitation, and new construction of rental housing for low- and moderate-income families and market rate developments

**Implementation**

- Connect developers with state and local rental production and preservation funds such as those offered through MHDC to encourage development of low- and moderate-income rental housing
- Funds provided by Community Development Financial Institutions (CDFIs), MHDC and other bank partners often provide loans for 70-80% of the project cost leaving a gap for developers seeking to build affordable housing. Funds allocated to a rental production loan program can serve as a form of gap financing for developers to encourage affordable housing development.
- For market rate developments, reduce process and regulatory barriers to encourage development of new market rate rental units or provide financial incentive through the loan program for developments in specific areas throughout the city

**Lead Entity**

- This effort should be led by municipal staff in collaboration with county staff and the MHDC

**Potential Fundings Sources & Partners**

- MHDC Rental Production & Preservation Program
- MHDC Affordable Housing Assistance Program
- CDBG-DR

## Rental Production Loan Program



### Strategy Options

- The city could streamline the approval process for developers using state or local rental production loan funding
- Prioritize the creation of permanent supportive housing or projects located in high-opportunity areas such as the strategically monitored neighborhoods

### Existing Programs and Actions

- The MHDC offers several subsidy programs for developers seeking to construct rental housing
- Jefferson City was allocated $7,059,300 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds which can be used to construct new affordable housing and affordable multifamily rental housing

#### SHORT-TERM

Identify key sites in high-opportunity areas throughout the city to incentivize multifamily development.

Streamline application process and application materials under review.

Provide further incentives/support to developers utilizing state or county funding.

#### MEDIUM-TERM

Implement a continuous call for projects through a rolling Request for Information.

#### LONG-TERM

Evaluate impact of program and make additional adjustments as required.

# Affordable Housing Trust Fund

## Strategy

### Establish Affordable Housing Trust Fund

- Affordable Housing Trust (AHT) funds are a flexible source of funding that can be used to support many different affordable housing initiatives. The money that is generated for the fund is typically created and administered at the city level and are not subject to restrictions like other state and federal housing funds. The money in the fund can be designated to address local needs and priorities, such as those noted throughout this housing study.

## Implementation

The entity administering the fund, in this case Jefferson City, would work to define priorities and eligible activities money in the fund could be used for. Examples of funding areas might include:

- Emergency rental assistance
- Gap financing for new construction of affordable units
- Repairs/rehabilitation of older affordable homes/units
- Weatherization program to lower utility costs
- Down payment and closing assistance
- Foreclosure prevention

## Lead Entity

- This effort should be led by municipal staff with input from local lenders/banks as needed

## Potential Fundings Sources & Partners

- ARPA Funding
- CDBG Funds
- HOME Funds

1. Identify state requirements for the establishment of housing trust fund
2. Draft goals and complete regulatory requirements
3. Establish Board of Trustees
4. Record Declaration of Trust
5. Set up trust fund account
6. Update housing needs analysis if necessary
7. Identify priorities and create guidelines
8. Determine operating approach

## Affordable Housing Trust Fund

RKG ASSOCIATES INC

### Strategy Options

- There are many possible funding sources to capitalize the AHT which could include revenue from payments in lieu of affordable housing, linkage fees, real estate transfer taxes, taxes or fees on short-term rentals, proceeds from the sale of City-owned property, or even a dedicated revenue source from an annual budget appropriation.
- The City should strongly consider tying Inclusionary Zoning to the AHT to generate funds from payments in-lieu.

### Existing Programs and Actions

- St. Louis & Kansas City have operating Affordable Housing Trust Funds offering a precedent for establishing funds in cities across Missouri

#### SHORT-TERM

Identify state requirements for the establishment of housing trust fund.

Draft goals and complete regulatory requirements.

Establish board of trustees.

Record declaration of trust.

Set up trust fund account.

#### MEDIUM-TERM

Update housing needs analysis if necessary.

Identify priorities and create guidelines.

Determine operating approach.

#### LONG-TERM

Operationalize funds in strategically monitored neighborhoods or other identified areas.

RKG ASSOCIATES INC

Strategies

# Rehab & Preservation Strategies

Source: Realty Executives

# Expand Capacity of Existing Housing Rehab Program

## Strategy

## Expand Capacity and Funding for Existing Rehab and Preservation Programs

- The City should continue to promote and expand the restoration and rehabilitation of the existing housing stock as a way to ensure neighborhoods maintain value over time, a quality housing stock is available, and naturally-occurring affordable housing remains available and attainable for Jefferson City residents.

## Implementation

- The City already has a number of rehab and preservation programs but one way of further expanding existing housing rehab programs could be through targeting investor-owned properties with units priced above 80% of AMI.
- For higher income households or investor units, the city could also consider stricter repayment terms or charge a higher interest rate compared to lower-income units or households. The city could also treat the fund as a revolving loan which is repaid over time in order to continually repopulate and grow funding over the long term.
- Building rehab and preservation programs could also involve partnerships with local organizations such as Habitat to strategically restore neighborhoods throughout Jefferson City's central city neighborhoods

## Lead Entity

- This effort should be led by municipal staff in collaboration with local non-profit partners

## Potential Fundings Sources & Partners

- Emergency Assistance Repair Program
- Rental Façade Improvement
- Habitat for Humanity
- MHDC Home Repair Opportunity Program (HeRO)

Source: Habitat for Humanity

# Expand Capacity of Existing Housing Rehab Program

## Strategy Options

- The city has a number of existing funding opportunities aimed at housing rehab and preservation as well as neighborhood improvement and reinvestment. In order to diversify funding sources for these programs and ensure their continuation in the long term the city should consider additional property or sales tax dedicated to these programs, affordable housing bond issuance, Tax Incremental Financing (TIFs), and critical infrastructure special assessment districts
- For higher income households or investor units, the city could also consider stricter repayment terms or charge a higher interest rate compared to lower-income units or households. The city could also treat funding as a revolving loan which is repaid over time in order to continually repopulate and grow funding over the long term.

## Existing Programs and Actions

- Emergency Assistance Repair Program
- Neighborhood Improvement
- Residential Tax Reimbursement
- Rental Façade Improvement

**What is Tax Incremental Financing?**

Tax Incremental Financing starts with the creation of a TIF district by the city. The city then issues bonds to pay for public infrastructure improvements and other amenities to encourage private development within the district.

The bonds are backed by the anticipated TIF revenue and repaid with incremental tax receipts as private development activity increases.

### SHORT-TERM

Identify priority funding programs dedicated to housing production, preservation and rehabilitation.

Consider feasibility of new local funding sources.

Establish requirements and goals for new funding sources and linkages to existing programs.

### MEDIUM-TERM

Expand local funding toolkit through one of the following approaches:

Increase general revenue dedicated to housing.

Pursue use of increment financing.

Pursue use of special assessment districts.

## Strategy

### Establish Land Bank

- Land banks are a public or non-profit entity created to acquire, hold, manage and in some instances redevelop parcels in order to re-purpose parcels for productive uses such as increasing the supply of available housing and boost home values

## Implementation

- Missouri has state-enabling statutes that authorize local governments to create land banks
- A land bank in Jefferson City should be used to hold and maintain properties until a strategy for disposition is determined. (e.g., package adjacent properties together for sale to developers or help limit a developer's hold costs until construction begins)
- A land bank could be an integral component to redeveloping and enhancing strategically monitored neighborhoods throughout the city as well as addressing property damage and vacancy caused by natural disasters and lack of property maintenance

## Lead Entity

- This effort should be led by municipal staff or a non-profit partner specializing in managing land banks

## Potential Fundings Sources & Partners

- Contribute a percentage of delinquent property tax assessments, interest and penalties to land bank


Source: Regional Planning Council

# Establish Land Bank

## Strategy Options

- Typically, land banks are created as public entities by a local ordinance, pursuant to authority provided in state-enabling legislation. Land banking programs can also be developed within existing entities, such as redevelopment authorities, housing departments, or planning departments. (For more Info)

## Existing Programs and Actions

- Missouri is one of 17 states that have passed comprehensive state-enabling land bank legislation
- Kansas City, Blue Springs and St. Louis all have operating municipal land banks and may be able to offer support in navigating the requirements to establish a land bank in the state of Missouri

### SHORT-TERM

Consider feasibility and identify goals of establishing a land bank.

### MEDIUM-TERM

Establish land bank based on enabling legislation and establish core powers and strategic goals of land bank.

Determine recurring funding sources and starting capital options for establishment of land bank.

### LONG-TERM

Target land bank property acquisition, management and disposition activities in strategically targeted neighborhoods throughout the city to maximize impact of redevelopment.

# Establish Community Land Trust

## Strategy

### Establish Community Land Trust

- The City should support efforts to pilot the Community Land Trust model in strategically monitored neighborhoods to secure affordable housing for moderate-to-low-income residents and support households in building equity through homeownership

## Implementation

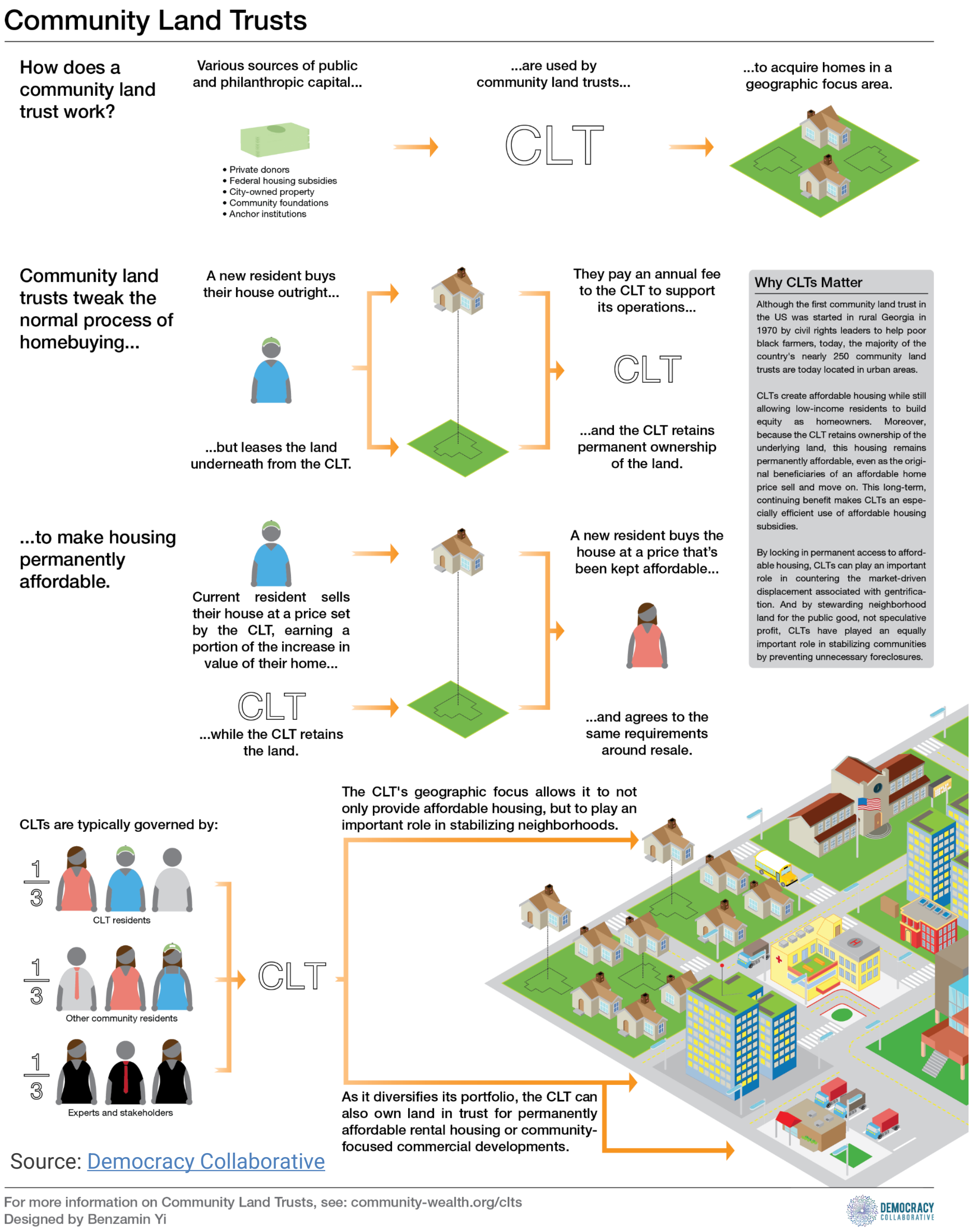
- A Community Land Trust (CLT) is a structure under which a community-based organization, such as a local housing nonprofit or community development corporation, makes an upfront investment of funds to ensure the affordability of homes in perpetuity for low-to-moderate income households
- CLTs operate under a shared equity model whereby the community-based organization can create permanently affordable housing and low-to-moderate income residents can build equity.

## Roles

- This effort should be led by a non-profit partner specializing in CLTs in partnership with municipal staff

## Potential Fundings Sources & Partners

- Community Land Trusts can become eligible for HOME funds
- Partnerships with state and local foundations focused on affordable housing




Source: Democracy Collaborative

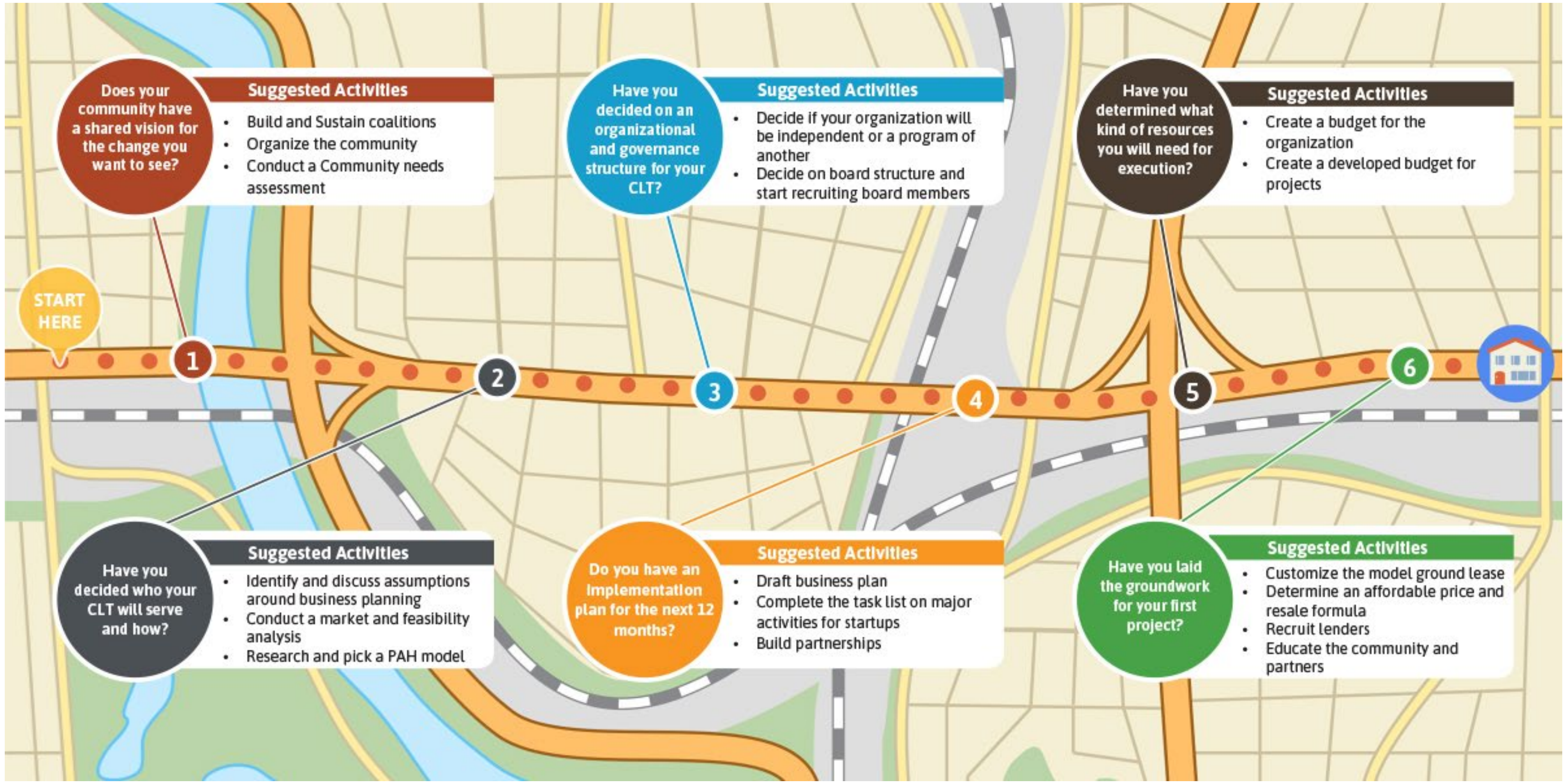
# Establish Community Land Trust

## Strategy Options

- The city should seek to establish a coalition with local organizations to establish a community land trust
- City should offer support and administrative assistance to local non-profit looking to establish community land trust

## Existing Programs and Actions

- In Missouri there are Community Land Trusts operating in Springfield, St. Louis and Columbia who provide models for effectively establishing and maintaining a CLT in the state of Missouri




Source: Grounded Solutions Network

| SHORT-TERM | MEDIUM-TERM | LONG-TERM |
|---|---|---|
| Organize community and establish goals based on identified needs of the community. | Draft plan and create budget for Community Land Trust as well as establishing partnership with administrating organization. | Establish community land trust and establish measures of success to track the effectiveness of the trust on Jefferson City’s housing. |

Strategies

# Homeownership Strategies

# First Time Homebuyer Programs



**Strategy**

## Expand First Time Homebuyer Program

- The city currently offers CDBG Down Payment assistance which aims to assist low-to-moderate-income first-time home buyers with a down payment. Assistance is provided on a “first come first served” basis to eligible applications. Maximum assistance is $5,000 in the form of a no interest loan. If costs exceed this amount, the buyer is responsible for the difference.

**Implementation**

- Additional program options that could expand this program include:
  - A low-or no-interest rate loan which could require repayment over a certain period or at sale or refinance of the home. Establishing some level of repayment could also help recapitalize the loan fund over time and serve more households.
  - A shared-appreciation loan which is typically used for high down payment assistance amounts ($15,000-$25,000) where when the home is sold to the city would have the loan repaid in full plus a percentage share of the home appreciation.

**Lead Entity**

- This effort should be led by municipal staff with input from local lenders/banks as needed

**Potential Fundings Sources & Partners**

- Local Lenders
- Realtor’s Association

## First Time Homebuyer Programs

### Strategy Options

- The city should consider establishing some level of repayment to help recapitalize the loan fund over time and serve more households. This could be actioned in a variety of ways such as creating a stepped repayment amount based on income level

### Existing Programs and Actions

- CDBG Down Payment Assistance
- MHDC First Time Home Buyer Program

**SHORT-TERM**

Apply for local, state and federal funding to replenish homebuyer programs.

Identify funding mechanisms to recapitalize programs such as repayment methods or budget allocations.

**MEDIUM-TERM**

Enact program changes to improve long term viability of program funding streams.

Promotional material for local and state homebuyer programs should be developed to boost awareness for homebuying opportunities in Jefferson City.

**LONG-TERM**

Continue to encourage homeownership in strategically monitored neighborhoods.

## Housing Counseling & Education

RKG ASSOCIATES INC

**Strategy**

### Create Housing Counseling or Education Program for Potential Homeowners

- Housing counseling and education programs prepare low-income households to become successful homeowners.
- This can be done through one-on-one or groups sessions covering topics such as the home purchasing and loan qualification processes, building credit, down payments, and more.
- These programs may also help connect future homeowners with lenders and financial assistance

**Implementation**

- Homeownership education programs are typically delivered to groups in a workshop format with offers on weekends or in evening classes as well as online
- Topics for these sessions can include but are not limited to information involving how to find and work with lenders and real estate professionals, budget for the costs of owning a home, improve credit score and understanding a mortgage and the types of mortgage offerings
- Housing counseling often involves similar topics and informational material but is typically delivered in a series of private meetings with a counselor and potential homeowner.

**Lead Entity**

- This effort should be led by a non-profit partner specializing in these trainings and counseling modules.

**Potential Fundings Sources & Partners**

- Jefferson City Housing Authority
- Catholic Charities of Central and Northern Missouri

## Housing Counseling & Education

# Strategy Options

- Provide points of contact and information material to grantees of the first-time homebuyer programs to support long term success in homeownership
- Develop program or offer assistance to existing counseling service providers to broaden access to housing resources

# Existing Programs and Actions

- The Catholic Charities of Central and Northern Missouri offers a Community Services Housing Counseling program which is equipped to assist individuals and households with many aspects of housing ranging from homeless and rental counseling to pre and post purchase home ownership counseling

### SHORT-TERM

Identify key housing counseling service providers within the community and establish partnerships.

Coordinate with partners to establish a strategic outreach plan and program goals.

### MEDIUM-TERM

Develop workshops or information sessions that boost awareness for residents across the continuum of housing in the city.

### LONG-TERM

Establish and track long term goals to monitor success of the program and identify hard to reach populations or in need segments such as renters seeking homeownership or facing eviction.

# Marketing Housing In Jefferson City



## Strategy

### Develop Marketing Strategy for the City

- Jefferson City has a rich history as the capital of Missouri. It also serves as an employment and commercial hub in the mid-Missouri region. The city offers both quaint small-town characteristics and urban amenities making it a very marketable place to attract workers and residents. The city is also one of the more affordable urban centers in the mid-Missouri region. Using a branding and marketing strategy the city should promote the local economy and encourage workers, businesses and developers to move to the city.

## Implementation

- The city already has a number of programs designed to help homebuyers, developers and renters afford to live and develop housing in the city. It also has a number of local organizations and programs working to improve its neighborhoods and infrastructure. Polished marketing material highlighting these programs, incentives, and amenities would help potential residents and businesses identify the many opportunities in Jefferson City and encourage developers to consider building more housing in the city.
- The marketing material for Jefferson City's housing market could be integrated with existing economic development marketing materials in both printed format and digital format. Information about housing availability, pricing, and product types would be important to highlight. The city could also provide materials on housing at conferences, target industry marketing efforts, and site selection materials.

## Lead Entity

- This effort should be led by municipal staff in collaboration with non-profit partners and organizations specializing in marketing and branding

## Potential Fundings Sources & Partners

- Local Banks
- Multifamily Property managers
- Local businesses
- Local institutions (e.g., Lincoln University)

## Marketing Housing In Jefferson City

RKG ASSOCIATES INC

# Strategy Options

- A housing forward marketing strategy for Jefferson City should be designed around messaging that highlights the quality of life, amenities and employment opportunities within the city. Marketing materials could also have development facing messaging to encourage developers to consider building in Jefferson City
- Another aspect of the marketing strategy could include strategic outreach to specific real estate and developer associations, colleges and universities in the region as well as specific local business chambers and job boards

# Existing Programs and Actions

- The Jefferson City Area Chamber of Commerce offers numerous resources ranging from relocation packets to city maps and guides to the city to attract new businesses and residents to the city
- Jefferson City Regional Economic Partnership

### SHORT-TERM

Establish marketing objectives around housing targeting specific segments of the market (e.g., first time homebuyers, developers, college grads, workforce).

Design marketing materials such as brochures, guides, web page or ads (internet/social media/print) highlighting the facets of Jefferson City that speak to the needs and desires identified for target segments.

### MEDIUM-TERM

Develop outreach plan using strategic partnerships with local stakeholders underscoring specific programs that may provide further incentives or opportunities for households, businesses and developments.

### LONG-TERM

Monitor and evaluate the effectiveness of the marketing strategy and identify mediums that cultivate the greatest interest.

# Housing Assistance Strategies

## Landlord Partnership Program

### Strategy

### Establish Landlord Partnership Program

- Landlord outreach and partnerships can help address the concerns and misconceptions landlords may have involving the acceptance of rental assistance vouchers. A partnership program established in collaboration with the City and Public Housing authority could dispel these misconceptions by building landlord's understanding of these programs and increase their willingness to accept voucher recipients

### Implementation

- Establish regular seminars or roundtable for landlords and PHA staff to educate landlords about vouchers and streamline the voucher administration process
- Facilitate collaboration between the PHA and landlords to facilitate efficiencies in application process, inspections and payment windows
- Prioritize local rehabilitation dollars and strategically monitored neighborhoods for improvements required as a result of the inspection process
- Establish support services and single point of contact for landlords when there are issues with tenants' as well as property damage or improvements

### Lead Entity

- This effort should be led by municipal staff in collaboration with the Public Housing Authority and non-profit partners

### Potential Fundings Sources & Partners

- Jefferson City Housing Authority
- Common Ground
- Salvation Army


HOUSING FORWARD'S
LANDLORD PARTNERSHIP PROGRAM

*Helping individuals, families, and veterans who are experiencing homelessness to lead independent lives.*

FOR RENT

The Landlord Partnership Program recognizes the investment of landlords willing to work with individuals in need of affordable housing. It provides rental property owners with a steady revenue stream, and ensures regular rental payments for participating landlords and provides a 24-hour emergency call number.

Housing Forward Services + Affordable Subsidized Housing = Supportive Housing

**What is "Supportive Housing?"**
Supportive Housing offers rental assistance (length of assistance depends on the program) and supportive services to people leaving homelessness.

Housing Forward partners with 35+ area landlords to provide 200+ apartment units throughout west and south suburban Cook County.

**How are we ending homelessness through Supportive Housing?**

- Reducing the length of time people are homeless
- Exiting households to permanent housing
- Limiting returns to homelessness within one year of program exit

Housing Forward's goal is to transition people from financial and housing crisis to stability.

For more information, visit www.housingforward.org.

housing FORWARD ending homelessness

Source: Housing Forward

## Landlord Partnership Program



### Strategy Options

- Establishment of the program should be organized in collaboration with local landlords to ensure active participation and long-term feasibility of the program. The City should seek to collaborate with local non-profit partners to create programs and resources such as those described on the previous page.

### Existing Programs and Actions

- The City's Department of Planning & Protective Services has already established a Landlord Registration Program and offers resources to both tenants and landlords that outlines responsibilities and support services

**SHORT-TERM**

Organize landlord roundtables to educate landlords on voucher programs and discuss strategies to improve voucher uptake.

**MEDIUM-TERM**

Establish and track specific goals and outcomes of the program and design supporting resources and information material.

**LONG-TERM**

Evaluate the success of the program and identify areas of improvement.

## Older Adult Housing Assistance

RKG ASSOCIATES INC

**Strategy**

### Establish & Support Older Adult Housing Assistance Program

- Using funding sources such as CDBG, or HOME funds, the city should establish a program that supports home modification projects for income-qualifying homeowners that fall within certain age or disability requirements.
- The program could focus on preventative home adaptations that reduce the risk of falls and injuries as well as improving housing accessibility for older residents.

**Implementation**

- The design of the program should incorporate any available existing funding sources such as state Medicaid Home and Community Based Services waivers (HCBS) and strive to stack those funding sources with additional funds
- The program could also include informational material to help eligible houses apply for specific subsidy that could be put towards home safety modifications

**Lead Entity**

- This effort should be led by municipal staff with potential collaboration with local non-profit partners

**Potential Fundings Sources & Partners**

- Missouri Department of Health & Senior Services

Source: Habitat for Humanity

## Older Adult Housing Assistance

### Strategy Options

- An older adult housing assistance program should be established using a specific set of eligibility requirements such as targeting accessibility retrofits for older adults at or below 60% of AMI.
- Using existing rehab funding programs, older adults meeting specific eligibility requirements could receive priority status in fund granting

### Existing Programs and Actions

- Emergency Assistance Repair Program
- Missouri Department of Revenue Property Tax Credit Claims Program

**SHORT-TERM**

Establish working group of key staff from city and local non-profits involved in rehabilitation and older adult housing programs.

Identify opportunities to streamline operations, manage referrals and coordinate outreach to support older adults in need of housing maintenance and accessibility retrofits.

**MEDIUM-TERM**

Implement changes to existing programs or establish new program specifically designated for older adult housing accessibility improvements.

## Eviction Prevention Program



### Strategy

**Establish Eviction Prevention Program**

- Eviction prevention programs typically provide financial assistance to support renters facing eviction stay in their home
- The program aims to provide assistance in the form of a grant to prevent displacement of low-income renters as a result of nonpayment of rent or following an unforeseen crisis such as job loss from the COVID-19 pandemic

### Implementation

- Typically, eviction prevention programs establish a set of eligibility requirements related to household income. Often including:
  - A limit on the number of times a household can receive financial support from the program
  - A cap on how much money can be paid towards rent
  - Requirement that the household can show the ability to pay the rent going forward
- A municipal eviction prevention program should also include information regarding other rental assistance programs that can be used as supplemental funding opportunities to further help households remain in stable housing

### Lead Entity

- This effort should be led by a non-profit partner or Social Services entity

### Potential Fundings Sources & Partners

- State Assistance for Housing Relief Program (SAFHR)
- Low Income Home Energy Assistance Program (LIHEAP)
- Rental Assistance Program (RAP) Department of Mental Health

# Eviction Prevention Program

## Strategy Options

- An eviction prevention program should provide short-term financial assistance to prevent households from losing housing in difficult circumstances. Assistance can be provided in the form of a grant that covers back rent owed, court fees or even late payment fees depending on the specific circumstances.
- The program should also provide caseworkers to eligible households to help them apply for benefits and search for housing. This specific program feature could be linked to the housing counseling strategies in which households are connected with local service providers and community partners.

## Existing Programs and Actions

- Missouri Department of Mental Health Supportive Community Living Program
- Missouri Department of Mental Health Rental Assistance Program

### SHORT-TERM

Identify assistance programs at the local and state level that will support efforts of eviction prevention.

Develop informational materials that aggregate eviction prevention options to support households facing eviction.

### MEDIUM-TERM

Develop program that provides technical assistance to households and packages financial assistance programs to access to eviction prevention options.

### LONG-TERM

In collaboration with the Continuum of Care, develop annual survey or report that monitors the rates of evictions and homelessness through the city.

Housing Study
Jefferson City, Missouri

August 2022