

# Housing Profile

This section describes availability, adequacy and affordability of the housing inventory in Rock Port City in comparison to Atchison County and the State of Missouri. The assessment of housing inventory in Rock Port City is solely based on the secondary data collection. *Supply*, or *Availability*, is shown in the number of units, structural type, occupancy, vacancy rates, size and the number of bedrooms. *Adequacy* is generally described by quality characteristics, units rehabbed and weatherized, market-rate versus government-assisted housing and wheelchair-accessible rental units. *Affordability* is evaluated via affordability standards and cost burden limits.

## *Housing Supply/Availability*

Table 3.1 Occupancy and Tenure in 2000

	Rock Port City		Atchison County		Missouri	
	Number	Percent	Number	Percent	Number	Percent
Total	714	100	3,103	100	2,442,017	100
Total occupied:	647	91	2,722	88	2,194,594	90
Owner occupied	441	62	1,879	61	1,542,149	63
Renter occupied	206	29	843	27	652,445	27
Total vacant:	67	9	381	12	247,423	10
Occasional use	8	1	38	1	66,053	3

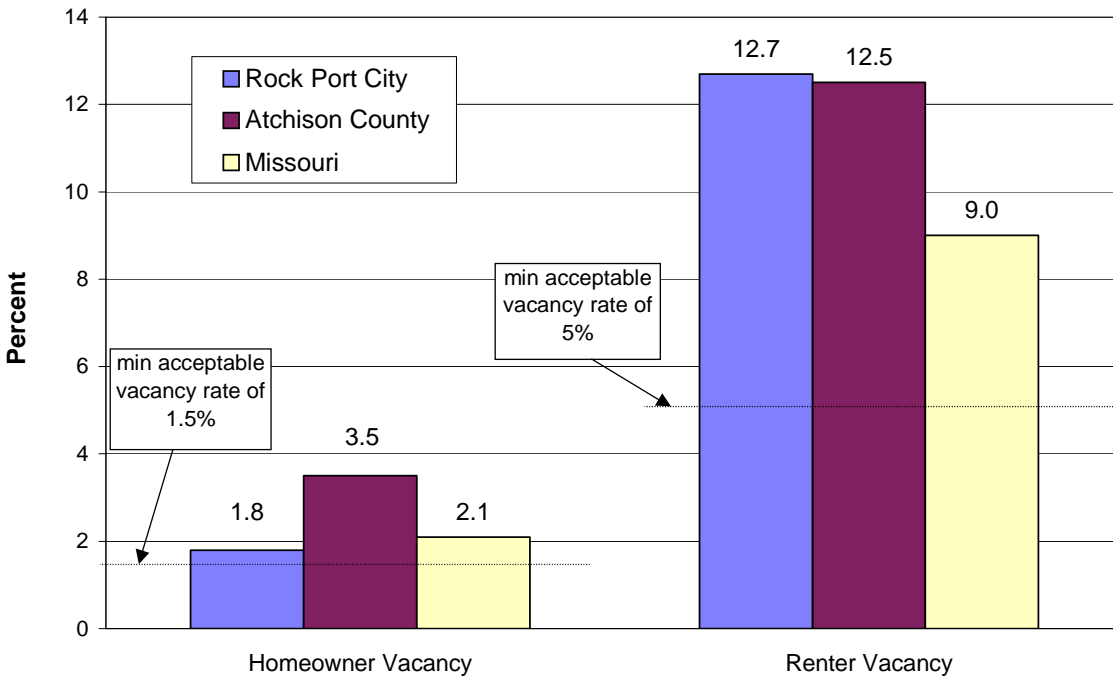
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.1 shows the number of owner-occupied versus renter-occupied units for Rock Port City in comparison to Atchison County and the State of Missouri according to the 2000 Census. Of the 714 housing units in Rock Port City, 91 percent were occupied with 62 percent of owner- and 29 percent of renter-occupied units. This translates into 68 percent homeownership rate. For comparison, homeownership rate in 2000 was 70 percent statewide and 75 percent nationally for rural communities.

The number of vacant units in Rock Port City increased by 15 units from 1990 to 2000, while the *total* number of housing units increased by 11. There was a decrease of 13 households in Rock Port City during the same period. Similar to the State, Rock Port City reported vacant units totaling 9 percent of the housing stock in 2000. Of the 67 vacant units, 30 were for rent, 8 for sale, 8 rented or sold but not occupied, and 8 for seasonal use. The remaining 13 units (about 19 percent of the vacant units) were not actively for sale or rent and were reported as "other vacant." These units could be uninhabitable due to physical conditions or legal constraints (trusts, estates) and warrant further investigation.

Eighty eight percent of the housing units in Atchison County were occupied, with a homeownership rate of 69 percent being similar to the state average (70 percent). The county reported a net loss of 195 housing units from 1990 to 2000 demonstrating decline outside the Rock Port City limits with decreases in both owner- and renter-occupied households (as mentioned above, Rock Port City gained 11 housing units in the same time period). The number of vacant units in the county increased by 44 for the same time period. This corresponded to a decrease of 249 households over the last decade, indicating that the creation of new households (or, in this case, loss of households) in the area occurred at a faster pace than housing replacement (production less destruction).

**Figure 3.1 Vacancy Rates in 2000**



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Figure 3.1 shows the vacancy rates in Rock Port City and Atchison County as compared to the State in 2000. The homeowner vacancy rate in Rock Port City decreased from 2.9 to 1.8 in the period from 1990 to 2000, indicating a tightening of the market. The homeowner vacancy rate in Atchison County increased from 1.8 to 3.5 in the same time period. The homeowner vacancy rate in Rock Port City was lower in comparison to the county and the State at the time of the 2000 Census, perhaps, due to a tightening of the market through the 1990s. In contrast, the renter vacancy rate in Rock Port City was higher in comparison to the county and State at the time of the 2000 Census. HUD states that the minimum acceptable vacancy rate for owner-occupied housing is 1.5 percent. For rental housing, HUD considers a market with fewer than 5 percent vacant units to be too tight.

Both homeownership and rental vacancy rates in Rock Port City appear adequate to provide consumer choice in the housing market. However, overall vacancy rates can mask a community's real housing availability situation. In reality, some of the units can be too expensive, too large or small, substandard, obsolete for today's lifestyles, wheelchair inaccessible, located at unacceptable junctions (too far from jobs or schools), or managed by people who discriminate against certain prospective tenants. In the case of Rock Port City and the county, a number of the units are not actively for sale or rent. The effective vacancy rates, consisting of the units from which tenants can choose, usually aren't known or published.

Table 3.2 Change in Residency from 1995 to 2000

	Rock Port City		Atchison County		Missouri	
	Number	Percent	Number	Percent	Number	Percent
Total Persons Age +5	1,309	100	6,148	100	5,226,022	100
Same house in 1995	815	62	3,872	63	2,803,368	54
Different house in 1995	494	38	2,276	37	2,422,654	46
Same county	354	27	1,257	20	1,229,176	24
Different county	140	11	1,002	16	1,126,115	22
Same state	41	3	521	8	652,746	12
Different state	99	8	481	8	473,369	9
Lived Abroad	0	0	17	0	65,782	1

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.2 shows residence for persons five years of age and over as reported in the 2000 Census. Rock Port City reported that 62 percent of the population lived in the same house for at least five years prior to the 2000 Census. Another 27 percent had moved within Atchison County. Eleven percent moved to Rock Port City from another county as compared to 16 percent in the county and 22 percent in the State. This indicates that the rate at which people moved into Rock Port City in the late 1990s was somewhat weaker than the state average. Efforts to provide land for housing development and promote Rock Port City as an attractive location to live could give the city a competitive advantage.

Table 3.3 Housing Units in Structure, 2000

	Rock Port City		Atchison County		Missouri	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	714	100	3,103	100	2,442,017	100
1 Unit, detached	575	81	2,596	84	1,679,585	69
1 Unit, attached*	9	1	31	1	67,120	3
2-4	95	13	192	6	219,679	9
5 to 9	0	0	79	3	92,267	4
10+	26	4	64	2	176,401	7
Mobile home	9	1	139	4	199,826	8

\* Attached houses (rowhouses, townhouses, and duplexes)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.3 shows the number of housing units available for each type of structure according to the 2000 Census. Rock Port City and the county reported a somewhat larger percentage of low-density housing in comparison to the State (95 and 91 vs. 81 percent, respectively), including single-family homes, townhouses and structures with two to four units. The county reported a slightly larger percentage of mobile homes in comparison to the City. With the large number of low-income households in Rock Port City, mobile housing could provide an affordable housing option.

Table 3.4 Tenure by Bedroom Count in Rock Port City, 2000

	Owner occupied		Renter occupied		Vacant		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Units	440	100	204	100	70	100	714	100
No bedroom	0	0	2	1	0	0	2	0
1 bedroom	16	4	91	45	18	26	125	18
2 bedrooms	159	36	66	32	30	43	255	36
3 bedrooms	188	43	37	18	18	26	243	34
4 bedrooms	56	13	8	4	4	6	68	10
5+ bedrooms	21	5	0	0	0	0	21	3

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.4 shows bedroom count by tenure for Rock Port City as reported in the 2000 Census. Seventy percent of the total housing stock in Rock Port City consisted of two or three bedrooms. Forty three percent of the owner-occupied units had three bedrooms, with 36 percent of the stock consisting of two-bedroom units. In contrast, rental units were comprised mainly of one- and two-bedroom units. Analysis of vacant units by bedroom size shows that units with two bedrooms comprised 43 percent, and with one- and three-bedrooms - 26 percent each of total vacant units.

Table 3.5 2000 Rock Port City Housing Market

<b>Housing Market within Community - Availability from 1 (low) to 5 (high)</b>	
Duplexes for rent:	3
Medium to Large Apartments (2+ bedrooms)	5
Low priced single-family homes (under \$40,000)	2
Medium priced single-family homes (\$40,000 - \$90,000)	4
High priced single-family homes (over \$90,000)	2

Source: <http://www.nwmorcog.org/profiles/rp/housing.htm>

Table 3.5 describes the ranking of Housing Market Availability within Rock Port City. Medium to large apartments (2+ bedrooms) have the highest availability, while low priced single-family homes (under \$40,000) and high priced single-family homes (over \$90,000) – the lowest.

### ***Housing Adequacy***

There are no state-wide building codes in Missouri, and building codes are actually prohibited by law in 93 out of 114 Missouri counties. Even though Missouri cities are allowed to adopt building codes, sometimes large, new developments are intentionally built just outside the city limits. The owners later petition the city for annexation, which complicates other issues, such as fire protection, because the newly annexed structures might not meet city fire codes.<sup>28</sup>

HUD's Housing Quality Standards (HQS) describes the requirements for safe, sanitary, and affordable housing; city codes may require additional features.

Table 3.6 Year Structure Built as Reported in 2000

	<b>Rock Port City</b>		<b>Atchison County</b>		<b>Missouri</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Total Housing Units	714	100	3,103	100	2,442,017	100
1990 to 2000	23	3	153	5	415,684	17
1980 to 1989	25	4	125	4	347,622	14
1970 to 1979	88	12	371	12	443,860	18
1960 to 1969	171	24	503	16	357,273	15
1940 to 1959	196	27	681	22	482,425	20
1939 or earlier	211	30	1,270	41	395,153	16

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.6 shows the age of the housing units in Rock Port City at the time of the 2000 Census as compared to the county and State. The age of structures can help identify the housing units likely to have asbestos or lead paint problems or those homes needing rehabilitation. Forty one percent of the

<sup>28</sup> ABS Consulting, <http://www.absconsulting.com/news/may15.html>

housing units in Rock Port City were over 50 years old (i.e., built prior to 1950) at the time of the 2000 Census, as compared to 52 percent for the county and 23 percent for the State. The large percentage of older homes in Rock Port City and the county in comparison to the State is a strong indicator of the need for housing rehabilitation programs in the area.

Based on the Census 2000, the number of units built from 1940 to 1980 averaged from 8 to 17 units per year, not taking into account units that have since been destroyed. Production levels averaged 1.4 units per year between 1990-1994 and 2.6 units per year between 1995 and 2000, indicating that current levels are considerably lower than in previous decades.

Table 3.7 Housing Quality Characteristics in 2000

	Rock Port City		Atchison County		Missouri	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	714	100	3,103	100	2,442,017	100
Lacking plumbing facilities	6	1	44	1	32,432	1
Lacking kitchen facilities	11	2	69	2	39,097	2
Crowded Units	3	0	26	1	53,263	2

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.7 shows housing quality characteristics for Rock Port City in comparison to Atchison County and the State as reported in the 2000 Census. Many U.S. households face substandard living conditions and overcrowding,<sup>29</sup> living in housing units that lack hot water, electricity, toilets, bathtubs or showers, and with the number of occupants exceeding the number of rooms in the unit. The percentage of substandard units in Rock Port City is the same as in Atchison County and the State. These units represent a small portion of the total housing stock and require no focused attention. Overcrowding also does not seem to represent a problem in Rock Port City.

Primary data collection similar to the windshield survey conducted by the ODF partners in Grant City is warranted to further investigate the adequacy of the housing stock in Rock Port City.

### Housing Units in Need of Repair

Several programs are available that could help the city in its rehabilitation efforts but require a successful grant application. For example, USDA Rural Development provides low-interest loans or grants through the Section 504 Rural Housing Repair and Rehabilitation Program to very low-income homeowners who are unable to obtain affordable credit elsewhere. Funds can be used for repairs or improvements to remove health and safety hazards, or to complete repairs to make the dwelling accessible for household members with disabilities. Better promotion regarding the availability of this and other programs could serve to increase their usage in the area.

USDA Rural Development also offers the Section 533 Housing Preservation Grant to units of local government and nonprofit organizations for the repair or rehabilitation of low- and very low-income owner-occupied housing or rental property occupied by lower-income households. The grants are competitive and are made available in areas where there is a concentration of need. A combination of these programs would provide for a stronger grant application and increase the impact of the local rehabilitation program.

<sup>29</sup> According to the U.S. Census definition, a housing unit that lacks complete kitchen or bathroom is considered Substandard Housing. Similarly, a housing unit is considered overcrowded if it has more than one person per room.

Besides applying for various grants to enhance rehabilitation efforts in Rock Port City (for example, through USDA Rural Development offices or through the CDBG grants administered by the DED), the city could sponsor a Group Workcamp. This 25-year-old program based in Loveland, Colorado, organizes week-long summer service projects for Christian youth groups across the country. Working in crews of five (four teens and an adult supervisor), participants paint houses, build ramps, replace roofing and install skirting on mobile homes. A full camp of 400 teens and approximately 75 chaperones can rehab up to 75 homes in a one-week camp session. 200 volunteers represent about 8,000 hours of volunteer labor—worth at least \$50,000—to the community. The Camp works in partnership with Cook Inlet Housing Authority that promotes independence through housing.<sup>30</sup>

Youth Build programs, specializing in the rehabilitation and production of affordable housing while enhancing community leadership skills exist throughout the U.S. The program allows people between the ages 16 and 24 to learn construction skills while earning their GEDs.<sup>31</sup>

### ***Interactive Mapping Interface***

The Housing Profiles Protocols: Partnering to Develop Tools to Foster Community Revitalization and Citizen Empowerment's website serves as the main medium for the project partners and community citizen's advisory groups connected with this project to interact with each other and to make information about the project accessible to all.

Although this website serves many purposes and presents information in many forms, the key component of the site is the Interactive Mapping interface (see <http://www.cares.missouri.edu/hpp-odf/imsdata.htm>).

Users will enter the Rock Port City Interactive Mapping interface by clicking on the Rock Port City icon. From there, the user will see aerial photography, digital orthophoto quarter-quadrangles (DOQQs) of the Rock Port City area. This high altitude photography dates from 1995 to 2000. Overlaying the DOQQs are Incorporated Areas, County Boundaries and Roads and Highways. Since no primary data collection was administered for the housing stock in Rock Port, the map does not display the info on houses in the community and the location of schools and parks. However, the website does show such information for two other pilot communities – Grant City and Chillicothe. Besides the Interactive Mapping Interface, the Housing Profile Protocol website contains other information related to the project.

### ***Housing Affordability***

Next, housing needs and affordability are discussed, which include housing values, rental costs and housing cost burdens. When defining “affordability” of housing, the value of the housing stock is compared to the income of the household. Several definitions of “affordability” exist. This study examines both the governmental definitions provided by the Congress in the National Affordable Housing Act, and the conventional mortgage view of affordability.

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<sup>30</sup> For more information, see <http://www.cookinlethousing.org/537.cfm> and <http://www.groupworkcamps.com/2004/sites.asp>

<sup>31</sup> For more information on the program, see <http://www.dhs.state.il.us/chp/op/YSDP/YouthBuild.asp> and <http://www.gazela.org/youthbuild.htm>

Table 3.8 Value for All Owner-Occupied Units in 2000

	Rock Port city		Atchison		Missouri	
	Number	Percent	Number	Percent	Number	Percent
<b>Total</b>	440	100	1,883	100	1,542,310	100
\$0-49,999	186	42	907	48	328,862	21
\$50,000-99,999	197	45	766	41	595,484	39
\$100,000-149,999	40	9	113	6	315,263	20
\$150,000-199,999	8	2	59	3	146,270	9
\$200,000+	9	2	38	2	156,431	10
Median Value	\$57,100		\$51,600		\$86,900	

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.8 shows the value of owner-occupied units in Rock Port City in comparison with Atchison County and the State of Missouri as reported in the 2000 Census.<sup>32</sup> The median value of owned homes in Rock Port City and Atchison County was much lower than the state average. Therefore, Rock Port City and Atchison County housing appeared more affordable in 2000 in comparison to the State.

Median family income for Rock Port City was \$41,625 in 2000, indicating that families could theoretically afford to purchase homes with a market value of \$104,000 (which is 2.5 times their income), plus a down payment. Of the 440 owner-occupied units in Rock Port City, 42 percent were valued at less than \$50,000 as compared to 21 percent in the State. Three hundred and eighty three houses were affordable to families at the median family income level. Fourteen houses were available for sale at the time of the 2000 Census at a price of \$100,000 and lower.

Median family income for Atchison County was \$38,279 in 2000, indicating that families could purchase homes valued at up to \$95,660. Of the 1,883 owner-occupied units in Atchison County in 2000, about 85 percent were valued at less than \$96,000, indicating that the remaining houses were unaffordable to families at the area median income level.

<sup>32</sup> The data on value (also referred to as "price asked" for vacant units) were obtained from answers to long-form questionnaire Item 51, which was asked on a sample basis at owner-occupied housing units and units that were being bought, or vacant for sale at the time of enumeration. Value is the respondent's estimate of how much the property (house and lot, mobile home and lot, or condominium unit) would sell for if it were for sale. If the house or mobile home was owned or being bought, but the land on which it sits was not, the respondent was asked to estimate the combined value of the house or mobile home and the land. For vacant units, value was the price asked for the property. Value was tabulated separately for all owner-occupied and vacant-for-sale housing units, owner-occupied and vacant-for-sale mobile homes, and specified owner-occupied and specified vacant-for-sale housing units.

Table 3.9 Monthly Mortgage Cost in 2000

	Rock Port city		Atchison		Missouri	
	Number	Percent	Number	Percent	Number	Percent
<b>Total</b>	198	100	832	100	1,001,099	100
\$0-299	8	4	26	3	18,150	2
\$300-499	59	30	232	28	111,140	11
\$500-699	57	29	297	36	327,041	33
\$700-999	51	26	194	23	194,017	19
\$1000-1,499	23	12	73	9	235,851	24
\$1,500+	0	0	10	1	114,900	11
Median Mortgage Cost	\$586		\$574		\$861	

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.9 shows mortgage costs of owner-occupied units with a mortgage in Rock Port City as compared to Atchison County and the State (2000 Census). The median monthly mortgage cost in Rock Port City and Atchison County was considerably lower in comparison to the State. Of the 440 owner-occupied units in Rock Port City in 2000, only 198 were paying on a mortgage. In Atchison County, 832 of the 1,883 owner-occupied households were paying on a mortgage, indicating that 55 percent of homeowners in Rock Port City and 44 percent in the county owned their homes free and clear at the time of the 2000 Census.

Table 3.10 Gross Rent for Renter-Occupied Units in 2000

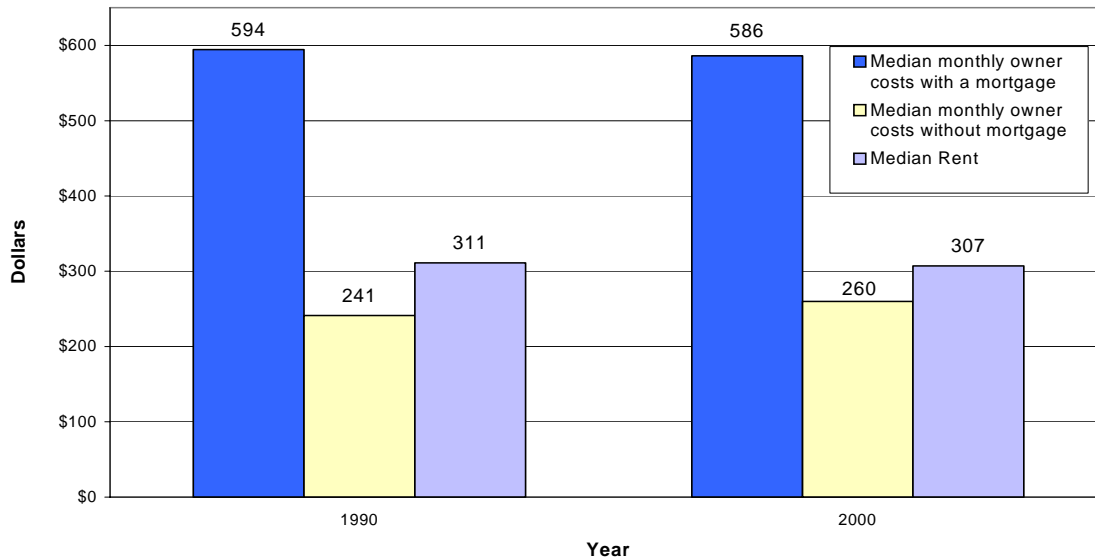
	Rock Port city		Atchison		Missouri	
	Number	Percent	Number	Percent	Number	Percent
Total	204	100	740	100	632,945	100
With Cash Rent	187	92	604	82	593,360	94
Less than \$200	55	27	117	16	41,625	7
\$200-299	34	17	154	21	54,058	9
\$300-499	80	39	259	35	220,781	35
\$500-749	16	8	60	8	201,199	32
\$750 or more	2	1	14	2	75,697	12
No Cash Rent	17	8	136	18	39,585	6
Median Gross Rent	\$307		\$317		\$484	

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.10 shows gross rent paid for renter-occupied housing units in Rock Port City as compared to Atchison County and the State of Missouri (2000 Census). The 2000 median gross rent was \$307 in Rock Port City and \$317 in the county as compared to \$484 in the State. The majority of renters in both Rock Port City and the county paid rent below \$500 (83 and 72 percent of renters, respectively), while the majority of renters in the State paid rent in the range from \$300 to \$749. A significantly larger percentage of renters in Rock Port City (27 percent) and the county (16 percent) paid less than \$200 a month in comparison to the State (7 percent). Eight percent of renter households in Rock Port City paid no cash rent, compared to 18 percent for the county and 6 percent reported for the State.



**Figure 3.2 Rock Port City  
Median Rent and Median Monthly Owner Costs  
1990 and 2000 (in real \$2000)**



Source: US Census Bureau  
Analysis by CPAC

Figure 3.2 illustrates the level of median monthly housing costs for Rock Port renters and homeowners (with and without a mortgage) for 1990 and 2000, expressed in 2000 dollars. Median monthly owner costs with a mortgage decreased from \$594 to \$586 (1 percent decrease), median monthly owner costs without mortgage increased from \$241 to \$260 (8 percent increase), and median rent decreased from \$311 to \$307 (1 percent decrease).

**Table 3.11 Rock Port City Monthly Housing Costs  
As a Percentage Of Household Income in 1999**

	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Total Housing Units *	408	100	204	100
Less than 10 percent	114	28	29	14
10 to 14 percent	112	27	27	13
15 to 19 percent	52	13	33	16
20 to 24 percent	38	9	46	23
25 to 29 percent	21	5	20	10
30 to 34 percent	18	4	9	4
35 to 39 percent	12	3	3	1
40 to 49 percent	4	1	2	1
50 percent or more	31	8	16	8
Not computed	6	2	19	9

\* Selected Housing Units

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.11 shows monthly housing costs as a percentage of household income in Rock Port City. For owner-occupied housing units, two thirds of households spent less than 20 percent of their monthly income on housing, 19 percent of all households spent between 20 and 34 percent, and 12 percent of

households spent 35 or more percent on housing in 1999. Overall, 82 percent of all owner-occupied households in Rock Port City spent less than 30 percent of their income on housing, while 16 percent of all households spent 30 or more percent of their monthly income on housing in 1999.

The following situation exists for renter-occupied housing units: 44 percent of households spent less than 20 percent of their monthly income on housing costs, 37 percent spent between 20 to 34 percent, and 10 percent of households spent 35 or more percent of their income on housing in 1999. About 76 percent of all renters spent less than 30 percent of their monthly income on housing, with 15 percent spending 30 or more percent of their monthly income on housing. The values have not been calculated for 9 percent of the renting households.

Table 3.12 Household Income in 1999 by Value for Specified Owner-Occupied Housing Units

H/h income	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 or more
Units	37	78	95	71	81	25	21
Value less than \$10,000	2	2	2	0	0	0	0
Value \$10,000 to \$19,999	2	8	4	2	0	0	0
Value \$20,000 to \$29,999	6	8	22	10	8	0	0
Value \$30,000 to \$39,999	6	12	8	6	6	0	0
Value \$40,000 to \$49,999	11	11	15	7	14	0	2
Value \$50,000 to \$59,999	4	10	6	15	8	4	1
Value \$60,000 to \$69,999	2	16	17	3	7	0	0
Value \$70,000 to \$79,999	0	4	7	8	14	2	4
Value \$80,000 to \$89,999	0	3	4	9	9	5	5
Value \$90,000 to \$99,999	2	2	4	2	6	4	0
Value \$100,000 to \$199,999	2	2	4	7	6	10	7
Value \$200,000 to \$299,999	0	0	2	2	1	0	2
Value \$300,000 to \$499,999	0	0	0	0	2	0	0
Value \$500,000 or more	0	0	0	0	0	0	0

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Table 3.12 depicts how many Rock Port households that earn a certain amount of income own a house within each housing value range (Census 2000). In general, people with higher incomes tend to reside in more expensive housing units.

Table 3.13 Household Income in 1999 by Gross Rent for Renter-Occupied Housing Units

H/h income	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 or more
Units	56	62	41	33	6	6	0
With cash rent:	50	60	34	33	6	4	0
Less than \$100	0	2	0	0	0	0	0
\$100 to \$199	29	17	4	3	0	0	0
\$200 to \$299	6	17	4	4	3	0	0
\$300 to \$399	13	14	12	13	3	0	0
\$400 to \$499	2	7	7	5	0	4	0
\$500 to \$599	0	1	7	6	0	0	0
\$600 to \$699	0	0	0	2	0	0	0
\$700 to \$799	0	0	0	0	0	0	0
\$800 to \$899	0	0	0	0	0	0	0
\$900 to \$999	0	0	0	0	0	0	0
\$1,000 to \$1,249	0	2	0	0	0	0	0
\$1,250 to \$1,499	0	0	0	0	0	0	0
\$1,500 to \$1,999	0	0	0	0	0	0	0
\$2,000 or more	0	0	0	0	0	0	0
No cash rent	6	2	7	0	0	2	0

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing

Similarly, Table 3.13 depicts how many Rock Port households that earn a certain amount of income rent housing units within each cash rent range (Census 2000).

In general, housing is considered affordable if less than 30 percent of the household income goes to housing expenses including rent and utilities if renter-occupied, or mortgage payment, taxes, insurance and utilities if owner-occupied.

Table 3.14 2002 Atchison County Housing Affordability Standards

Moderate Income	115% AMI x 2.5 = \$112,988
Median Income	100% AMI x 2.5 = \$98,250
Low Income	80% AMI x 2.5 = \$78,600
Very Low Income	50% AMI x 2.5 = \$49,125
Area Median Income (AMI) = \$39,300	

Source: U.S. Department of Housing and Urban Development, Office of Policy Development and Research

Table 3.14 shows the cost of a house that would be affordable to various income groups in 2002. Theoretically, households could afford to purchase homes with a market value of 2.5 times their income, plus a down payment. Using the area median income (AMI) for a family of four, this table shows the estimated cost of a house that a family living in Atchison County could afford. For a household at 115 percent of the median income, affordable housing would cost less than or equal to \$112,988 (plus downpayment). At 100 percent of AMI, the affordable cost is \$98,250. Low-income households at 80 percent of AMI could afford no more than \$78,600 and very low-income households at 50 percent of AMI could afford to pay no more than \$49,125 for a house.

Table 3.15 2002 Atchison County Housing Cost Burden Limits

Moderate Income	115% AMI / 12 x 30% = \$1,130
Median Income	100% AMI / 12 x 30% = \$983
Low Income	80% AMI / 12 x 30% = \$786
Very Low Income	50% AMI / 12 x 30% = \$491
Area Median Income (AMI) = \$39,300	

Source: U.S. Department of Housing and Urban Development, Office of Policy Development and Research

Table 3.15 shows the limit at which the cost of housing becomes a burden for various income groups in Atchison County. This represents the maximum amount of rent or mortgage payment a family could make that would be considered affordable to them. For families at 115 percent of the AMI, the affordable monthly housing cost is \$1,130 and for those at 100 percent AMI the affordable monthly cost is \$983. Low-income families could afford to pay no more than \$786 per month and very low-income families could afford no more than \$491 per month.

Single Family Residential (Homeownership) Housing Affordability

Governmental Definition:

Title 42, Subchapter II, Section 215 of the National Affordable Housing Act, defines affordable housing as follows:

**“Affordable Housing:** Housing where the occupant is paying no more than thirty percent (30%) of gross income for gross housing costs, including utility costs.

**Homeownership:**

Housing that is for purchase (with or without rehabilitation) qualifies as affordable housing if it: (1) is purchased by a low-income, first-time home buyer who will make the housing his/her principal residence; and (2) has a sale price that does not exceed the mortgages limit for single family housing in the area under HUD's single family insuring authority under the National Housing Act.<sup>33</sup>

The maximum mortgage dollar amount under HUD's single family insuring authority is \$164,950 for a one-family dwelling effective January 1, 1997 (Section VI: Mortgage and Loan Insurance and Coinsurance, administered by the Office of Housing).<sup>34</sup> As mentioned above, the median value of existing owner-occupied housing units, units that were being sold and vacant for sale (i.e., house and lot, mobile home and lot, or condominium unit) in Rock Port City was \$57,100 in 2000. Thus, for existing housing in Rock Port City, the median value is approximately 65 percent less than the HUD limit. Therefore, based on the definition (2) of affordable housing for homeownership in the National Affordable Housing Act, only 16 housing units in Rock Port City that have a value in excess of \$164,950 will not qualify as affordable.

**Mortgage View:**

Mortgage industry normally requires a minimum down payment of 20 percent of the appraised value of a house, which results in a *loan-to-value ratio* (the amount of a loan divided by the market value of the property as determined by a qualified appraiser) of 80 percent for conventional home loans.<sup>35</sup> All conventional home loans have a maximum repayment term of 30 years.

Mortgage companies use the so-called *qualifying ratios* to determine how much money they will lend to a home-buyer. The qualifying ratio is the ratio of the borrower's fixed monthly expenses to his gross income. The ratio is expressed as two numbers, ex: 28/36, where 28 is called the *front-end ratio*, and 36 – the *back-end ratio*. The front-end ratio, also known as *the housing-to-income ratio* is the maximum percentage of a borrower's gross monthly income (before income taxes) that would cover the cost of PITI (principal, interest, taxes and insurance) and homeowners association dues. In the case of a 28 percent Front-End Ratio, a borrower could qualify if the proposed monthly PITI payments were 28 percent or less of the borrower's gross monthly income.

The back-end ratio, also known as the total *debt-to-income ratio* is the maximum percentage of a borrower's gross monthly income (for conventional loans) or net *effective* income (for FHA or VA loans) that can be dedicated for PITI, homeowners association dues AND any other consumer monthly debt payments such as car or personal loans and credit card debt. The industry standard is that if the back end ratio exceeds 38 percent, then the buyer must either pay off debts or request a

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<sup>33</sup> Chapter 215, Section 215.263 of Missouri Revised Statutes defines affordable housing as: "all residential structures newly constructed or rehabilitated, which a person earning 115 percent or less of the median income for the person's county, as determined by the United States Bureau of Census, could afford if spending 29 percent of that person's gross income annually on such housing."

<sup>34</sup> Legal authority: Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)); 24 CFR Part 203.

<sup>35</sup> Loan-to-value ratio requirements can be increased up to 97 percent (Fannie Mae/Freddie Mac) and even 100 percent (bank CRA Portfolio) when first-time buyers do not have great sums of cash, but do earn steady incomes and are purchasing modestly priced homes.

smaller dollar amount of mortgage. Most conventional lenders utilize a 28/36 or a 25/33 ratio.<sup>36</sup> For first-time buyers special programs extend the front-end ratio to 33 percent. This allows the buyer to dedicate a greater portion of their income to servicing a home loan, which results in the ability to afford a larger loan amount.

Payment of real estate taxes in housing and community development can become a major political issue in terms of all citizens paying their "fair share" for governmental goods and services. In order to provide an incentive to move to a targeted area, a city or county may provide an abatement or waiver of real estate taxes.

In order to compare housing values with the income levels for Rock Port, monthly mortgage payments can be calculated (assuming a fixed rate conventional loan and currently prevailing interest rates in Missouri). As an example, we will examine how many Rock Port households could afford a modern house of \$150,000, if one were to become available on the market (either an existing or newly constructed house).

Table 3.16 demonstrates the effect of change in interest rate by 0.75 percent on the monthly payments, and subsequently, on the number of Rock Port households who can afford to purchase \$150,000 house. With 6 percent interest rate, 177 Rock Port households (or, 27 percent of all households) can afford to purchase \$150,000 house. Under lower interest rate of 5.25 percent, the number of households who could afford such a house increased to 196, or 30 percent of all Rock Port households.

Table 3.16 Effect of a Change in Interest Rates on Housing Affordability<sup>1</sup>

	Mortgage Rate	House Price	Amount of Loan <sup>2</sup>	Monthly Mortgage Payment (Principal and Interest) <sup>3</sup>	Monthly Real Estate Taxes and Hazard and Mortgage Insurances <sup>4</sup>	Total Monthly Expense	Total Annual Expense	Minimum Income Needed <sup>5</sup>	Number of Rock Port Households That Can Afford House
	6.00%	\$150,000	\$135,000	\$809.39	\$286.00	\$1,095.39	\$13,145	\$46,945	177
	5.25%	\$150,000	\$135,000	\$745.47	\$286.00	\$1,031.47	\$12,378	\$44,206	196
Difference	-0.75%	\$0	\$0	-\$63.92	\$0	-\$63.92	-\$767	-\$2,739	19

1. No consideration is given to possible appreciation or depreciation of the property.  
2. Assuming a 10% downpayment (equal \$15,000).  
3. Assuming 30 year loan.  
4. A) Real Estate Taxes are calculated based on 2001 levies for Atchison County Ambulance District, Roal District, Library, Fire Protection District Rock Port R-II School District, General Revenue, Solid Waste Landfill, Road & Bridge, Health, Senate Bill 40, as well as the levies for Rock Port City. General Revenues, Health and Special Funds.  
B) Hazard insurance is calculated as 5.2% of the total housing price;  
C) 50 basis point fee is assumed for private mortgage insurance.  
5. For a conventional mortgage, a house is considered affordable for a particular household if monthly mortgage payments, property taxes and insurance are 28% or less of the gross monthly household income.

If we were to do these calculations for the median asking price of existing homes, then the annual minimum income needed is \$16,828 (assuming 5.25% interest rate, 10 percent downpayment and 30 year loan). There are 464 households (or 71 percent of all households) in Rock Port City who can afford such a house. The remaining 194 city households will have problems securing a mortgage of the median housing value (\$57,100) based on a conventional mortgage lender definition.

<sup>36</sup> Government loan ratios are slightly higher, between 29 and 41 percent. A Veteran (VA) loan can have a total monthly payment of 41 percent of the gross monthly income providing there is no additional debt. When a 29/41 ratio is exceeded, the lender is responsible for explaining why it believes the mortgage is an acceptable risk.

## Rental Housing Affordability

### Governmental Definition:

Title 42, Subchapter II, Section 215 of the National Affordable Housing Act, defines affordable rental housing as follows:

#### **“Rental Housing:**

A rental housing unit is considered to be an affordable housing unit if it is occupied by a low income household or individual and bears a rent that is lesser of (1) the Existing Section 8 Fair Market Rent (FMR) for comparable units in the area or, (2) 30 percent of the adjusted income of a household whose income equals 65 percent of the median income for the area...”

Using the first definition, HUD defines fair market rent rates for Rock Port City as<sup>37</sup>:

Table 3.17 Section 8 Fair Market Rents for Existing Housing  
Atchison County, 2001-2004  
(not inflation-adjusted)

	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedroom	Average
2001	\$241	\$277	\$357	\$463	\$532	\$374
2002	\$251	\$288	\$371	\$481	\$553	\$389
2003	\$254	\$292	\$377	\$489	\$562	\$395
2004	\$254	\$292	\$377	\$489	\$562	\$395

Source: HUD User, Policy Development and Research Information Service  
<http://www.huduser.org/datasets/fmr.html>

The second definition involves calculating the affordability based on the adjusted income<sup>38</sup> that is based on the 65 percent of the median income. 1999 median household income for Rock Port City was \$28,571 (from Census 2000), and 65 percent of the City median income was \$18,571. Adjusted income is calculated on a case-by-case basis and includes deductions from net income for unreimbursed health care expenses, child care expenses, etc. Assuming a total deduction of \$5,900/household per year, the total adjusted income would be \$12,671/household. Based on the HUD definition, housing expenses cannot exceed 30 percent of the adjusted income, which in a case with Rock Port City would be \$317/month, or \$3,800/year.

According to the National Affordable Housing Act, the lesser of the two figures should be used in calculating affordable housing, or in this case, \$317/month (for a 2-bedroom housing unit or larger). As mentioned before, the median rent in Rock Port City is \$307. Therefore, the median rent in Rock

<sup>37</sup> “Fair market rents (FMRs) determine the eligibility of rental housing units for the Section 8 Housing Assistance Payments Program. Section 8 Rental Certificate program participants cannot rent units whose rents exceed the FMRs. FMRs also serve as the payment standard used to calculate subsidies under the Rental Voucher program. The U.S. Department of Housing and Urban Development annually estimates FMRs for 354 metro areas and 2,350 nonmetro county FMR areas. FMRs are gross rent estimates. They include the shelter rent plus the cost of all utilities except telephones. HUD sets FMRs to assume that a sufficient supply of rental housing is available to program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible.” Source: HUD, Office of Policy Development and Research.

<sup>38</sup> See Glossary for the definition of adjusted income.

Port City is 3 percent lower than the “affordable” limits determined by the National Affordability Act. National Low Income Housing Coalition (NLIHC) offers another approach to determining rental affordability. The coalition ranks states with regards to *rent* affordability based on a housing wage for two-bedroom Fair Market Rent, with higher rank being less affordable.<sup>39</sup> According to the coalition’s report, “Out of Reach: America’s Growing Wage –Rent Disparity”, in 2001, Missouri ranked #12, with California being the least and Puerto Rico – the most affordable. In 2002, Missouri ranked higher (#19) with Massachusetts being the least and Puerto Rico – the most affordable. In 2003, Missouri ranked #20, with DC being the least affordable (followed by Massachusetts and California) and Puerto Rico – the most affordable. In 2002, the Housing Wage in Missouri was \$10.80. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's Fair Market rent. This is 210 percent of the minimum wage (\$5.15 per hour).

As mentioned before, median rent in Rock Port City in 2000 was \$307 (Census 2000). From NLIHC website, “in order to afford this monthly rent, one needs to make at least \$5.90 per hour, or \$12,280 per year. This calculation assumes you will spend no more than 30 percent of your income on rent (the generally accepted standard of affordability). If you earn minimum (\$5.15/hour), then you will have to work 46 hours per week to have an income high enough to afford this rent.”

Table 3.18 2002 Family Income, Atchison County vs. Missouri<sup>40</sup>

Location	2002 Estimated Median Family Income (HUD)		Maximum Affordable Monthly Housing Cost by % of Family AMI			
	Annual	Monthly	30%	50%	80%	100%
Missouri	\$54,586	\$4,549	\$409	\$682	\$1,092	\$1,365
Atchison County	\$39,300	\$3,275	\$295	\$491	\$786	\$982

Source: <http://www.nlihc.org/cgi-bin/>

In 2000, there were 843 renter households in Atchison County, or 31 percent of the total county households. For an extremely low income family earning 30 percent of the Area Median Income, monthly rent of \$295 or less is considered affordable (vs. \$409 in the State as a whole). For a family earning 100 percent of the Area Median Income in Atchison County, monthly rent of \$982 or less is considered affordable (as opposed to \$1,365 in the State of Missouri).

Table 3.19 Income Needed to Afford Fair Market Rent, Atchison County vs. Missouri, 2002

Location	Amount					Percent of Family AMI				
	Zero Bedrooms	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	Zero Bedrooms	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
Missouri	\$14,473	\$17,692	\$22,457	\$29,910	\$33,346	27%	32%	41%	55%	61%
Atchison County	\$10,160	\$11,680	\$15,080	\$19,560	\$22,480	26%	30%	38%	50%	57%

Source: <http://www.nlihc.org/cgi-bin/>

"Affordable" rents represent the generally accepted standard of spending not more than 30 percent of income on housing costs.

AMI = Area Median Income (HUD, 2002).

\*FMR as proposed by HUD for 2003 (see Table 3.17).

<sup>39</sup> <http://www.nlihc.org/oor2002/table9.htm>

<sup>40</sup> For explanation of the calculations, see <http://www.nlihc.org/oor2002/wherefrom.htm>

From Table 3.19, for a 2 bedroom unit to be affordable, a renter in Atchison County would need an annual income of \$15,080 (vs. \$22,457 in the State of Missouri). Thus, the income needed to afford a 2 bedroom unit in Atchison County at the Fair Market Rent represents 38 percent of the AMI (vs. 41 percent in the State as a whole).

**Table 3.20 Housing Wage, Atchison County vs. State, 2002**

	Hourly Wage Needed to Afford (@ 40 hrs./wk.)					Percent Change in 2BR Housing Wage (2001-2002)	As % of Minimum Wage (MO=\$5.15)				
	Zero Bedroom FMR	One Bedroom FMR	Two Bedroom FMR	Three Bedroom FMR	Four Bedroom FMR		Zero Bedroom FMR	One Bedroom FMR	Two Bedroom FMR	Three Bedroom FMR	Four Bedroom FMR
Missouri	\$6.96	\$8.51	\$10.80	\$14.38	\$16.03	0.81%	135%	165%	210%	279%	311%
Atchison County	\$4.88	\$5.62	\$7.25	\$9.40	\$10.81	1.68%	95%	109%	141%	183%	210%

Source: <http://www.nlihc.org/cgi-bin/>

As demonstrated in Table 3.20, a renter household in Atchison County would need to earn \$7.25 per hour for a 2 bedroom unit at Fair Market Rent to be affordable (vs. \$10.80 for the State of Missouri). Thus, the housing wage for a 2 bedroom unit in Atchison County represents 141 percent of the minimum wage (as opposed to 210 percent for the State as a whole).

**Table 3.21 Necessary Work Hours per Week, Atchison County vs. State, 2002**

Location	Work Hours/Week Necessary at Minimum Wage to Afford (MO=\$5.15)				
	Zero Bedroom FMR	One Bedroom FMR	Two Bedroom FMR	Three Bedroom FMR	Four Bedroom FMR
Missouri	54	66	84	112	125
Atchison County	38	44	56	73	84

Source: <http://www.nlihc.org/cgi-bin/>

From Table 3.21, a renter earning the minimum wage in Atchison County must work 56 hours per week to afford a 2 bedroom unit at the Fair Market Rent (vs. 84 hours in the State as a whole). To be able to afford a 4 bedroom unit at the Fair Market Rent, a renter earning the minimum wage in Atchison County must work 84 hours per week (vs. 125 in the State as a whole).

*Mortgage View:*

Using 28 percent as the maximum amount of total household income that can be spent on housing costs (used by mortgage companies in determining how much of a home loan a borrower can afford), the minimum income of \$13,157 is required to afford the median rent in Rock Port City.

There are a total of 139 households or 21 percent of all Rock Port households that have an annual income of less than \$13,157. Therefore, the rent levels in Rock Port City are not affordable for approximately one-fifth of the City's households.

Thus, our calculations indicate that the average household (and family) in Rock Port City can afford the majority of housing values for both the owner- and renter-occupied markets. However, in



examining the various definitions of “affordable housing”, a gap between the housing values and housing costs for a low-income segment of Rock Port population is apparent.

An alternative way to determine housing affordability range for homeowners and renters was proposed by Aquila Corp (Table 3.22). The table relates household income range with housing costs. A positive balance denotes a surplus of housing within the affordability range of each income group, whereas a negative balance implies a shortage.

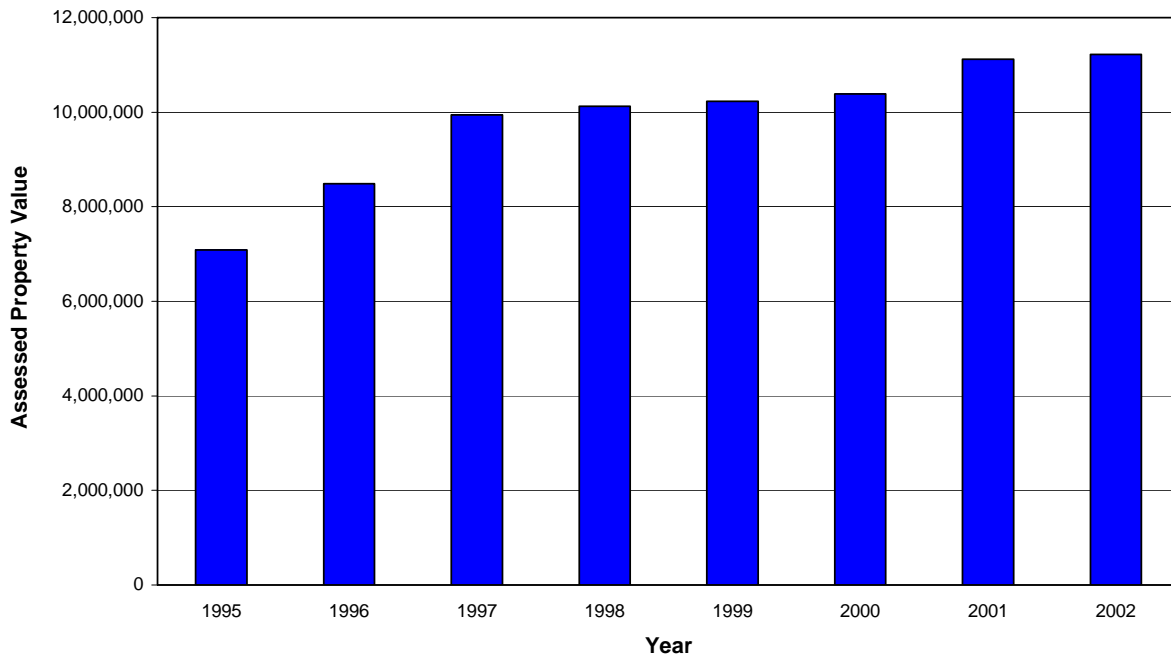
**Table 3.22 Rock Port City Income Distribution and Housing Affordability Ranges**

Income Range	Number of Households	Affordable Range for Owner Units	Number of Owner Units	Affordable Range for Renter Units	Number of Rental Units	Total Affordable Units	Balance
\$0-24,999	290	\$0-49,999	186	\$0-299	89	275	-15
\$25,000-49,999	204	\$50,000-99,999	197	\$300-499	80	277	73
\$50,000-74,999	93	\$100,000-149,999	40	\$500-699	16	56	-37
\$75,000-99,999	33	\$150,000-199,999	8	\$700-999	0	8	-25
\$100,000+	24	\$200,000+	9	\$1000+	2	11	-13

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing; and Aquila Corp.

The results of Table 3.22 illustrate a surplus of owner units priced between \$50,000 and \$99,999 and rental units priced at \$300-\$499, corresponding to the household income range of \$25,000-50,000. All other housing price ranges demonstrated a shortage.

**Figure 3.3. Rock Port Assessed Property Values (in 2001 Dollars), 1995-2002**



Source: Missouri State Auditor's Office  
Analysis by CPAC

Figure 3.3 illustrates changes in assessed property values in Rock Port City from 1995 to 2002 (in 2001 dollars). Between 1995 and 2002, assessed property values grew by 58 percent (in real terms).

Table 3.23 Building Permits, Atchison County, 1990-2002

Year	Building Permits Issued				Valuation in thousands of dollars			
	Total Units	1 Unit	2-4 Units	5+ Units	Total Value	1 Unit Value	2-4 Units Value	5+ Units Value
1990	35	3	0	32	527	138	0	389
1991	23	4	0	19	435	204	0	231
1992	1	1	0	0	69	69	0	0
1993	31	7	0	24	698	407	0	291
1994	28	6	0	22	576	309	0	267
1995	34	6	3	25	741	313	124	304
1996	38	6	2	30	786	316	105	365
1997	34	7	0	27	739	411	0	328
1998	8	8	0	0	656	656	0	0
1999	25	1	24	0	1,002	102	900	0
2000	6	6	0	0	541	541	0	0
2001	2	2	0	0	149	149	0	0
2002	5	3	2	0	267	153	114	0

Source: U.S. Department of Commerce, Bureau of the Census, <http://econ.missouri.edu/epar/rcip/BUSECC/COUNTIES/BP/CC227BP.htm> and SOCDs Building Permits Database, <http://socds.huduser.org/permits/index.html>

Data on building permits for Rock Port City came from SOCDs (State of the Cities Data Systems) Building Permits Database. This database contains data on permits for residential construction issued by about 18,000 jurisdictions collected in the Census Bureau's Building Permits Survey. Between 1993 and 2002, there were total of 270 building permits issued in Atchison County – of which 22 were issued in Rock Port City.

### ***Barriers to Affordable Housing***

Three types of costs, raw land, site improvement and construction costs, can and do influence the cost of the residential structure.

**Raw Land Costs** – Raw land costs can be impacted by additional costs required to ensure that a site has adequate city services and other zoning and subdivision requirements. For a lot to be suitable for development, it must be served by adequate public utilities and roads, and the developers are required to provide these services to lots within subdivisions. City zoning regulations are not usually regarded as restraining on land supply or as negatively affecting land costs in regard to density.

**Site Improvement Costs:** is parking allowed on both sides of the street? Are sidewalks required on both sides of the street? What is the minimum lot frontage? Carefully chosen minimum lot frontage reduces the linear costs of roads and utilities per housing unit.

**Construction Costs** – Construction costs are influenced by the type of structure, the materials required by code, and minimum floor area requirements. City regulations can lower costs by allowing attached housing, manufactured housing, and mobile home parks.

# Conclusions: Housing Needs and Opportunities

The ODF partners developed the “Housing Profile and Needs Assessment” protocol that can be utilized in any Missouri community.

In general, the causes of housing need include anticipated growth, unit condition and limited housing choices. Sources affecting future housing needs include housing production, impact of new employers and replacement of existing units. Housing need is also affected by the rents that can be charged in the local market and the cost to build and operate rental housing. Housing need or demand can be segmented into low-income rental, market rate rental and single-family owner homes.

The homeownership rate in Rock Port was 68 percent in the 2000 Census. A homeownership rate in line with the national average of 75 percent (for rural communities) might be more desirable. This may be difficult in relation to new construction given current construction costs and that 25 percent of Rock Port households have income below \$15,000. As demonstrated earlier, these households would have problems securing a mortgage of the median housing value for Rock Port (\$57,100) based on the conventional mortgage definition. Forty five percent of Rock Port households have incomes below \$25,000. However, increasing homeownership rates via a purchase/rehabilitation program is a more plausible option.

## ***Maintaining/Increasing Homeownership***

To maintain/increase homeownership in Rock Port, a team of homebuyer education and credit counseling agency(s) would need to be created. The team’s task would be collaborative work aimed at saturating the local market with credit-worthy, prepared homebuyers. A flyer should be developed on how to become a homebuyer<sup>41</sup>, which would list the available credit counseling and education services in the Rock Port area. Employers who expressed an interest in hosting education classes at their place of business should be contacted and programs scheduled. Education on financial fitness could be provided at the high school level to teens to help them avoid getting themselves into credit trouble.

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<sup>41</sup> Several flyers and publications of this type are available from different organizations, some free of charge. See, for example: a) “Effective Housing Counseling”, Neighborhood Reinvestments, <http://www.nw.org/network/homeframex.asp?searchfor=12>;  
b) “Homeowners Insurance for Home Purchase Counselors and Homeowners”, *Ibid.*,  
c) “Financial Fitness Guide for Potential Homebuyers”, Neighborhood Reinvestment, <http://www.nw.org/nwis/nw/network/strategies/campaign/publications/pdf/finfitstartup.pdf>;  
d) “Guide to Homeownership”, Fannie Mae Customer Education Group, order via 800-732-6643;  
e) “Opening the Door to a Home of Your Own. Home Buying Guide”, Fannie Mae, <http://www.homebuyingguide.org/>;  
f) “HUD Homebuyer’s Kit”, <http://www.hud.gov/buyhome.html>;  
g) “Improve your Homeownership Customer Tracking Strategy”, NeighborWorks Customer Tracking Toolbox, order via 607-273-8374;  
h) “Looking for the Best Mortgage: Shop, Compare, Negotiate”, Federal Reserve Bank, [http://www.federalreserve.gov/pubs/mortgage/mortb\\_1.htm](http://www.federalreserve.gov/pubs/mortgage/mortb_1.htm);  
i) “10 Steps to Homeownership”, Colorado Housing Finance Agency, [http://www.colohfa.org/hf\\_10steps.shtml](http://www.colohfa.org/hf_10steps.shtml).

Education within the local housing delivery system could also expand knowledge and use of existing programs and help boost homeownership in Rock Port.<sup>42</sup> Realtors from the surrounding areas and mortgage lenders could hold quarterly meetings where a guest speaker from an organization would describe their funding program(s) in detail and encourage expanding utilization. The local banks could describe their mortgage lending programs, and a booklet could be developed for realtors and homebuyers to use in determining programs applicable to the buyer. Other presenters could include USDA Rural Development, U.S. Department of Housing and Urban Development, Missouri Department of Commerce, Missouri Department of Economic Development and University of Missouri research centers. Because the products offered by these agencies change as do people in the housing delivery system, repeat visits could keep the local groups informed.

A meeting with potential builders (local and regional) should be scheduled to discuss the results of the housing needs assessment, emphasizing the need for lower-priced housing to serve families in the low- to moderate-income range. Incentives that would encourage the potential builders to build units more affordable to median income families should be identified and researched as to feasibility. Alternative housing structures should be considered such as condominiums or townhouses that might provide more affordable housing and create choice in the market.

### ***Expanding Rental Housing***

More quality rental housing (both market-rate and government subsidized rental housing) is needed for families in Rock Port. Housing with a universal design (accessible/adaptable) should be emphasized. Experienced developers could then be identified and approached about building market-rate units in Rock Port City. Government-subsidized housing with support services provided on site should be considered. Housing with day care or job training facilities on site would greatly benefit single mothers with incomes below the poverty level. There also may be a need for additional government-subsidized units for seniors but more analysis is needed to determine the size of the market.

### ***Preserving Existing Neighborhoods***

A neighborhood preservation task force should be formed to review current policies and practices and suggest methods for improving efforts to preserve existing neighborhoods. Substandard units should be scheduled for demolition or repair. Repetitive application to agencies that provide funds for rehabilitation should be coordinated between the city, county and nonprofit agencies. These funds could then be made available for owner and/or rental rehab. A proactive, as opposed to a complaint-driven, code enforcement process should be implemented. A mass effort, such as that provided by the summer workcamps, should be considered to maximize impact on local neighborhoods.

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<sup>42</sup> Local government and housing agency(s) could benefit from a comprehensive list of “Tools and Resources for Housing Development”. See Appendix B.

In conclusion, this report is developed to aid Rock Port City in processing housing information and identifying housing needs and resources.

For a community to conduct a comprehensive housing market analysis, the analysis should embrace the following areas<sup>43</sup>:

- Real estate housing market analysis (examines the current housing conditions in the community);
- Economic conditions;
- Community demographics; and
- Neighborhood conditions (examines physical infrastructure of the neighborhoods).

Local political climate should also be taken into consideration (affordable housing production is only feasible with the support from the local government whose task is to facilitate access to subsidies. Local government is also in charge of zoning and building approvals).

Comprehensive market analysis can serve as an effective planning tool. Market analysis is often required by lenders and public sector funders for large housing projects. The results of the analysis are then used for housing development (they underline the demand for the housing project and help the developer determine what the range of achievable sale price is).

This report is intended to establish priorities for assisting residents with their housing needs and to select programs that best respond to identified housing problems. The results of the study should be used to create awareness of local housing and economic development conditions; to establish action plans for community housing development and promotion; to document market feasibility for housing developers, lenders and appraisers; and to facilitate obtaining funding from federal, state and other sources.

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<sup>43</sup> The following info is based on “Home Ownership Development Toolbox”, developed by the Ohio Corporation for Housing, <http://www.occh.org/Resource%20Files/Tool%20Box/html/market/a.html>