

# Sheridan Housing Needs Assessment and Strategy

Presentation

January 12, 2022



GRUEN GRUEN + ASSOCIATES

# Purpose



Estimate existing  
unmet needs for  
housing



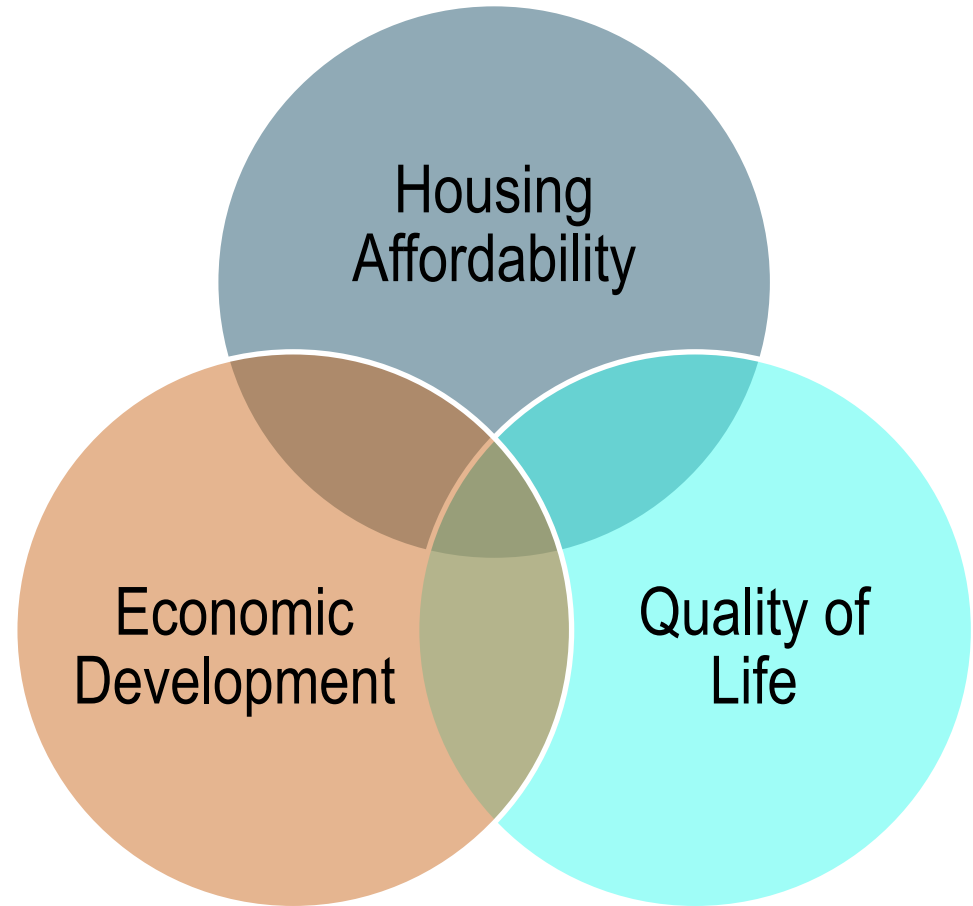
Forecast growth in  
housing needs



Identify strategies  
and policies to  
address housing  
needs

# Housing & Economic Development

- Without adequate affordable housing choices, Sheridan will be at a competitive disadvantage in attracting and retaining beneficial economic development and obtaining services.



# Highlights of Key Findings

- New construction activity remains below pre-2008 levels but has picked up since 2014.
- For-sale housing market is extremely competitive – low available inventory accompanied by price increases.
- Rental housing market also showing the typical signs of an under-supplied market (low vacancy and increasing rents).
- Long-term affordability conditions for homeowners have remained relatively stable. About 19 percent of homeowners were cost burdened in 1999, compared to just under 22 percent by 2019.
- About 37% of renters are cost-burdened, up from 35% in 1999.
- Fewer renters than homeowners spend less than 20% of income on housing.

# Highlights of Key Findings

## Comparison of Sheridan County Housing Inventory to Households by Price/Rent Afforded

	Existing Supply <sup>1</sup> # Units	Households Able to Afford Units <sup>2</sup> #	Existing Housing Surplus or (Gap) # Units
<b>RENTERS (monthly rent)</b>			
Below \$375	557	705	(149)
\$375 to \$874	2,002	1,090	912
\$875 to \$1,249	1,083	631	452
\$1,250 to \$1,874	410	850	(440)
\$1,875 to \$2,499	83	402	(319)
\$2,500 to \$3,749	0	293	(293)
\$3,750 and above	0	163	(163)
<b>OWNERS (home value)</b>			
Below \$75,000	886	312	574
\$75,000 to \$169,999	1,198	1,340	(142)
\$170,000 to \$244,999	1,753	1,286	467
\$245,000 to \$364,999	2,661	1,455	1,206
\$365,000 to \$484,999	1,366	1,536	(170)
\$485,000 to \$729,999	789	2,057	(1,268)
\$730,000 and above	463	1,131	(668)

<sup>1</sup> Estimate of occupied housing inventory, as of 2019.

<sup>2</sup> Affordable costs equal 30 percent of income. Note that higher-income households can afford housing in lower price brackets.

Sources: U.S. Census Bureau, 2019 American Community Survey; Gruen Gruen + Associates

# Highlights of Key Findings

## Projected Need for Additional Workforce and Senior Housing over 10 Years (Sheridan County)

	Single-Family # Units	Multi-Family # Units	10-Year Total # Units
Below 80% AMI	168	168	336
80% to 120% AMI	147	41	188
Above 120% AMI <sup>1</sup>	410	58	468
<b>TOTAL</b>	<b>725</b>	<b>265</b>	<b>990</b>

<sup>1</sup> Category also includes senior households than already own housing free/clear of debt. Income of these households will have less (if any bearing) on housing selection and housing affordability.

Source: Gruen Gruen + Associates

# Highlights of Key Findings

- Workforce housing needs are estimated at about 700 units - 50 percent of the total projected need.
- Senior housing and non-workforce housing needs are estimated at about 300 units- 21 percent of total projected need.
- Housing replacement needs are estimated at 360 units over the next 10 years. Approximately 60 percent of the housing replacement need estimate is attributable to the replacement of units that are 65 years or older.

# Recommended Strategies & Policies

- **Encourage The Production of Market-rate Housing**
  - Promotes affordability by helping to satisfy the demand of higher-income households, which would otherwise compete for (and bid up the price of) existing units.



# Recommended Strategies & Policies

- **Change Plant Investment Fee From Fixed to Sliding Scale Based on Size of Housing Unit**
- **Expand Public Infrastructure to Locations That Will Allow For The Creation of New Neighborhoods and In-fill Housing Developments Capable of Serving a Variety of Future Housing Needs**
- **Identify Locations at Which to Increase Allowable Densities Per Acre and Change Zoning to Encourage Residential/Mixed Uses**
  - Rezone some presently commercial or industrial lands in commercial corridors such as Coffeen Avenue to encourage their redevelopment into residential development and/or mixed-use developments.

# Recommended Strategies & Policies

- **Support existing employers adding jobs and new employers to provide employer-assisted housing**
  - Give economic development or zoning incentives for those employers that do provide such assistance to encourage their retention and attraction.
- Opportunities may exist for local relatively larger employers and educational and healthcare institutions **to collaborate with financial institutions and builders to reduce the risks and financing costs of housing development and redevelopment.**

# Recommended Strategies & Policies

- **Encourage Shared Equity Homeownership Programs or Community Land Trusts**
  - CLTs increase affordability by removing the cost of the land from the sale price of a home.

## Recommended Strategies & Policies

- **Anticipate The Need For A Greater Amount and Variety of “Senior Housing” Services**

# Recommended Strategies & Policies

- **Harmonize city, town, and county standards to increase the predictability and consistency of regulations that apply to the siting of manufactured housing developments.** The city of Sheridan has already begun to review and clarify its codes related to modular housing.

# Recommended Strategies & Policies

- **Facilitate the development of feasible affordable housing projects.**
  - Without suitable available housing for lower income households, economic development and the provision of hospitality and leisure services and other amenities residents and visitors enjoy may be diminished.
  - Both non-monetary and monetary incentives to bridge feasibility gaps could be considered.

# Recommended Strategies & Policies

- **Assist households accessing and staying in housing:**
  - Promote mobility for Housing Choice Voucher holders
  - Alter codes or fees for residential renovations
  - Encourage investment in housing maintenance and rehabilitation
- Do not adopt inclusionary zoning policies.