

HOUSING

“During the 2007 ice storm, most of us had a brush with homelessness—and felt powerless to change our circumstances. Many in our area must deal with this reality every day.”

Patty Van Weelden, Housing Assistance Director,
Ozarks Area Community Action Corporation

Everyone needs a place to call home. Springfield and Greene County indicators show strong growth in new housing starts and homeownership rates are up.

Much less visible are those who are without a home. On any day, about 600 individuals are homeless in Greene County. More alarming, over 50% of these are children whose educational achievement, development and future success



depend, at least in part, to housing stabilization.

There is a growing disconnect between

household income and housing prices. Predatory lending and payday loan businesses are booming. Foreclosure rates in Greene County are escalating at an alarming rate.

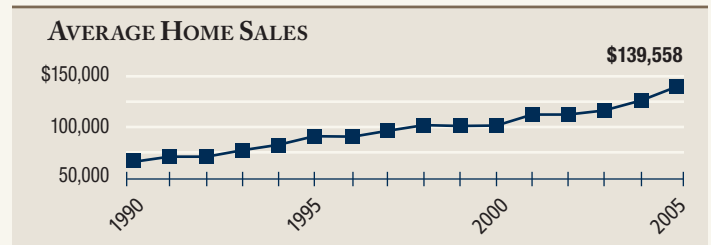
A strong collaborative force of citizens and organizations is at work promoting the Affordable Housing element of Vision 20/20. The plan calls for the creation of a city/county housing office and a local Housing Trust Fund to address the housing needs of our county’s most vulnerable population.

CAN WE AFFORD IT? As Springfield’s population continues to grow at 2.2% annually, residents enjoy the benefits of a stable economy and the cost of living remains well below the national average. Housing costs in Springfield rose 5.1% from 2004 to 2005, but still remain 18.8% below the national average.

In 2004, the median salary in Springfield was \$23,780, an increase of only 4.1% since 2001. Inflation jumped 6.7% during the same period. Housing costs rose 18.2%. Many low- and

moderate-income families are experiencing soaring rent rates and fewer opportunities for homeownership.

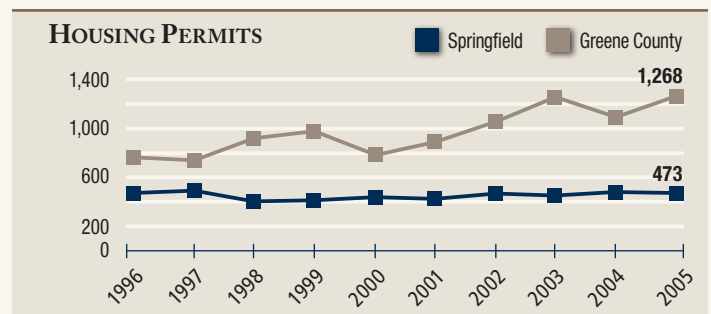
The U.S. Department of Housing and Urban Development has set the standard for calculating housing costs at 30% of adjusted gross household income. Overall, about a third of Springfield households paid more than 30% of their adjusted gross income for housing in 2005.



LOCAL HOUSING DEVELOPMENT. New single family residential development in Greene County (excluding Springfield) hit a record high in 2005 at 1,268 permits issued, up from approximately 1,100 in 2004. Just one year later, county permits for single-family development stabilized at 968.

Springfield permits for new residential construction remained steady at 473 in 2005. Average home sale prices have increased dramatically over the past two years, rising from \$125,000 in 2004 to \$139,550 in 2005 while still remaining at 30% below national averages.

More than 220 new housing units have been developed in downtown Springfield. Urban Districts Alliance reports the average monthly rent for downtown units at \$800 to \$1,000.



HOUSING CHALLENGES.

Local Housing Office and Trust Fund. The Affordable Housing element of the Vision 20/20 plan calls for a city/county housing office to develop housing resources and coordinate information. The plan also calls for creation of a local Housing Trust Fund that would bridge the gap not

covered by state and federal funds, a gap that looms largest for the working poor. Although the City of Springfield has adopted these initiatives as priorities and there is strong support from a coalition of citizens and housing organizations, funding is not available to begin these proposals.

Foreclosures. High home values have created an opportunistic atmosphere that leaves many households in financial ruin. According to the National Association of Realtors' chief economist, "...sub prime lenders granted mortgage loans with low starter (teaser) interest rates to high-risk borrowers without sound underwriting. Many of these loans were made to borrowers with little or no documentation of their financial capacity to service debt and required little or no down payment, leaving borrowers with virtually nothing at stake in the property if something went wrong." The result is a national epidemic of foreclosures.

National foreclosure rates rose 45% over the past year. Foreclosure rates in Springfield increased 20% from 2005 to 2006 and 300% since 1997.

The ripple effect of foreclosures is far reaching. Poor credit and poor rent history are creating a larger reliance on supportive services, straining the limited housing resources available for low income families, seniors, disabled and the homeless.

Public and Assisted Housing. Federal resources for subsidized housing are not meeting local needs. In fact, due to increased costs of rental housing, fewer families are being served with the same dollars. Applicants for housing assistance can expect to wait 18 months to three years to access services.

Shelter for the Homeless. Springfield Metropolitan Statistical Area Continuum of Care reports nearly 600 individuals on any given night are seeking refuge in shelters located in our community; 320 of these are children.

Disconnect. According to the Center for Housing Policy's 2006 report, Springfield families earning above \$43,000 annually should be able to purchase a median priced home.

HUD's 2006 fair market rent rate for a two-bedroom unit in Springfield-Greene County is \$524. This means a person must earn at least \$10.08 per hour to afford a two-bedroom housing unit. The disconnect between income and housing costs can be further demonstrated by the fact that one in five households has an income of less than \$15,000 per year.

Senior and Disabled Housing. Over 450 qualified elderly and disabled households are in the current assistance application pool but are not being served due to lack of funding. Sixty-seven percent of households served by the Housing Authority of Springfield are elderly and disabled.

People with Mental Illness. Local psychiatric units report a sharp increase in demand for supportive housing. One facility designed for inpatient care for a maximum of 10 days is allowing

individuals to remain hospitalized for up to 90 days due to the shortage of supportive housing beds.

ADDRESSING THE NEED...TOGETHER.

Developers, public service providers, elected officials and community leaders are pooling resources to create quality, affordable housing opportunities.



The City of Springfield is a champion of local affordable housing initiatives, through the use of federal Community Development Block Grant and HOME funds

and the American Dreams Down Payment Initiative, the local loan program for shelter providers aimed at decentralizing homeless services on Commercial Street.

The City also provides strong support to the Urban Neighborhoods Alliance to revitalize center city housing stock.

NEW AFFORDABLE HOUSING. Through historic tax credits, the Missouri Housing Trust Fund and HUD, many of Springfield's treasured edifices have been given new life as affordable housing units. Examples include:

Affordable Homes Development will construct 31 two- and three-bedroom apartments which will rent for \$385 and \$424 per month, financed through the Missouri Housing Development Commission's low-income housing tax credit program. Bond financing through the Department of Economic Development, resources from MHDC as well as a Community Development Block Grant will drive the development of 32 single family homes leasing for \$605 a month.

Carlson-Gardner Properties: Historic renovations of four buildings located on Walnut Street were completed in 2005, creating 32 affordable one- and two-bedroom apartments with a rent range of \$347 to \$422. This renovation was recognized with a Preserve Missouri Award from Missouri Preservation.

Affordable Housing Action Board released four new units in 2005 and three new units in 2006 priced below HUD fair market rent.

Habitat for Humanity built eight homes in 2005 and 10 in 2006.

Senior Housing: In 2005, Greene County voters passed a Senior Services Fund that is helping citizens age 60 and older remain in their homes. Of the \$1.4 million collected in 2006 through this property tax, nearly \$184,900 was awarded for housing related needs.

Homeless Services: Continuum of Care secured over \$750,000 from HUD to support homeless services in Christian, Greene and Webster counties. The City of Springfield provided \$20,000 to support this funding.

Special Needs Housing: In 2005, Burrell Behavioral Health broke ground on a 14-unit housing facility for individuals with disabilities, through a special grant from HUD.