

# Community Focus Housing

*“Safe, decent and affordable housing is the foundation to the success of a community –it connects to so many other aspects. It has been proven that people succeed, neighborhoods thrive and local economies prosper with the prevalence of a stable housing market.”*

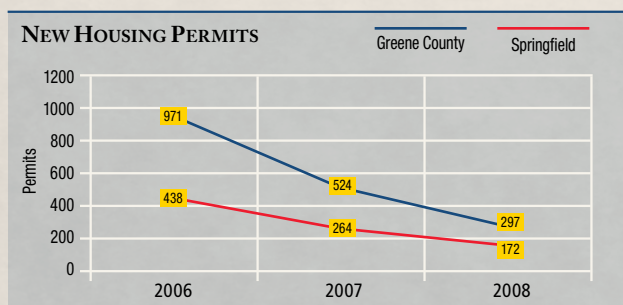
—Tonya Collister, Housing Director  
Consumer Credit Counseling Services

At no time in the past have housing challenges impacted Springfield-Greene County more. Hundreds of people in the community lay homeless at night. At the same time, foreclosures are at an all-time high in this area, leaving individuals uncertain about their future. New construction housing permits issued have been reduced by over 45% in the last year.

Springfield should be proud that a strong collaboration of citizens and agencies is addressing the housing needs of its residents, despite shrinking resources and higher demand for assistance and services. Putting things into perspective before addressing blue ribbons, red flags and challenges, the following statistics on housing availability and housing affordability are in place for Springfield and Greene County.

## Housing Availability

Permits for the construction of new homes in Springfield and Greene County have dramatically decreased in the last four years. In 2005, 1268 permits were issued for new construction compared to 297 in 2008. In Springfield, that number decreased from 473 in 2005 to 172 in 2008. In downtown Springfield, 350 units of housing were completed in 2008. While new housing units are coming online, the Springfield area Continuum of Care found 713 (of which 316 were children under 18) individuals who were homeless during their most recent Point In Time (PIT) Count. While this number is relatively consistent with other PIT Counts, The Kitchen, Inc. reports having a waiting list of 60-90 individuals and families that it does not have the capacity to serve.



## Housing Affordability

Whereas the median salary for Springfield is \$29,416, the income threshold to afford to purchase a 2-bedroom home is \$38,046. The wage needed to afford a 2-bedroom unit at fair market rent is \$11.58 per hour. The fair market rent for a 2-bedroom unit is \$602. One in five families in Springfield earns less than \$15,000 per year. In 2005, 26% of homeowners were paying more than 30% of their adjusted gross income on their mortgage. That number has decreased to 24% for 2008 but goes up to 51% for renters who are paying more than 30% of their income on housing costs.

**GREENE COUNTY MEDIAN HOME SALES PRICE**



## BLUE RIBBONS (2004 – 2007)

- Homeless Services
- Collaborative Efforts
- New Affordable Housing

## CURRENT STATUS OF 2004 – 2007 RED FLAGS

### Lack of Funding for Affordable Housing Needs

In the 2005 *Community Focus* report, lack of funding to meet growing needs for affordable housing was named as a red flag. However, affordable housing was recognized as a blue ribbon in the 2007 *Community Focus* report due to historic tax credits, the Missouri Housing Trust Fund and HUD. In 2008, additional progress was made through several projects addressing affordable housing needs including:

- Habitat for Humanity - Built 11 homes in their Legacy Trails subdivision
- Burrell Mental Health - Received funding for 14 units to address special needs housing
- The Kitchen, Inc. - Began 3 units for housing 6 seniors funded through a CFO grant
- Greene County Senior Services - Distributed over \$250,000 for housing needs





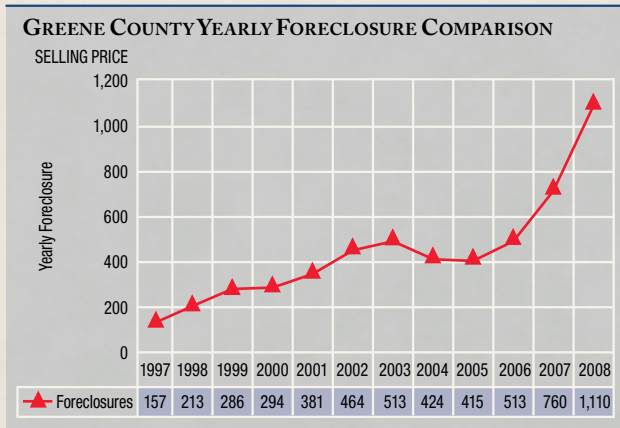


### Local Housing Office & Trust Fund

The 2007 *Community Focus* report first identified funding concerns for initiatives related to the Affordable Housing element of the *Vision 20/20* plan. Specifically, the plan called for Springfield and Greene County to develop housing resources including a local Housing Trust Fund. To date, the funding concern still exists. The creation of a local Housing Office & Trust Fund, as outlined as a priority in the Affordable Housing Element of *Vision 20/20*, has been unaddressed due to lack of funding and challenges associated with addressing those funding needs.

### Foreclosures

The negative outcomes of rising foreclosure rates in the Springfield area were addressed in the 2007 *Community Focus* report. In 1997, there were 157 foreclosures in Greene County. Steadily, that number has risen throughout this decade, rising from 513 in 2006 to 760 in 2007. Unfortunately, foreclosure numbers peaked to 1,110 in 2008, with no signs of decreasing in 2009.



Concerns regarding foreclosures have been recognized in the Springfield-Greene County community. Therefore, initiatives have been developed to help address rising foreclosure rates and their negative impacts including:

- Neighborhood Stabilization Program - Springfield received a \$1.5 million grant from the US Department of Housing and Urban Development for the development and implantation of a community land trust that will purchase 20-25 foreclosed

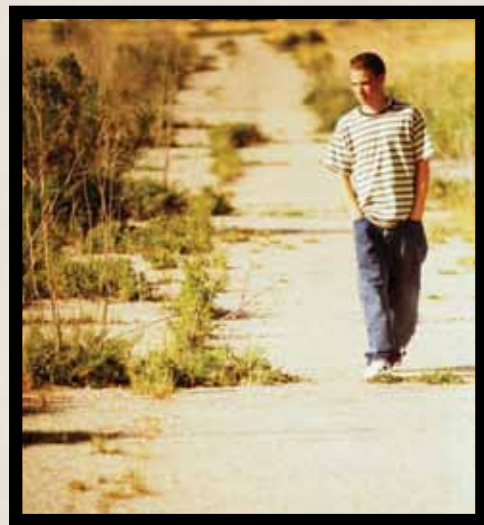
homes, rehabilitate them and sell the house itself to a qualified buyer. The land the house sits on will remain in the land trust, thus creating permanent affordability and helping to stabilize the neighborhood.

- Housing Counseling for Springfield and Greene County - Two local housing counseling agencies have received additional dollars for the training and hiring of more counselors to help families in need facing foreclosure.

## EMERGING ISSUES

### ◆ Vacancy Rates Due to Foreclosures

There is a ripple effect of foreclosures for property owners within the same neighborhood. In *The Municipal Cost of Foreclosure: A Chicago Case Study* (February, 2005), it was shown that, in the most conservative estimates, property values decrease by 1% for every conventional foreclosure within a 1/8 mile radius. In addition, crime rates increase and code enforcement goes up, putting a strain on a community already devastated by budget cuts. Because of the ongoing foreclosure and credit crisis, there are more vacant homes in Springfield and Greene County than ever.



### ◆ Homeless Children and Adolescents

Springfield Public Schools reports a 25% increase in the number of homeless youth served during the 2007-08 school year. In a 2007 report by Community Partnership's Homeless Youth Committee, 45% of 264 high-risk youth surveyed reported previous homelessness. Successfully identifying and serving these vulnerable populations are keys to sustaining a healthy community into the future.

### ◆ Shrinking Financial Resources to Address Homelessness & Housing

Because of economic developments within the past year, funding for homeless and housing-related programs has become more difficult. From foundations that have suspended grant programs to fewer dollars in the Missouri Housing Trust Fund, agencies are facing increasing competition for diminishing resources. This shrinking pool of available resources comes at a time when demand for services is increasing, and many who never needed assistance before are turning to providers for help.