



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
February 16, 2022

Department Housing

Director Approval April Nutt

AGENDA ITEM Consider approval of the Housing Needs Analysis findings.

SUMMARY RECOMMENDATION City Staff recommends approval.

BACKGROUND In order to establish Rural Housing Incentive Districts, a housing needs analysis must be performed, and the following findings must be determined:

1. There is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.
4. The future economic well-being of the City depends on the Governing Body providing additional incentives for the construction or renovation of quality housing in the City.

SUGGESTED MOTION I move to approve the Housing Needs Analysis, dated January 2022, as presented to the City Commission on January 27, 2022.

SUPPORTING DOCUMENTS Housing Needs Analysis, January 2022

Housing Needs Analysis

Independence, Kansas
January 2022

INTRODUCTION AND PURPOSE

Housing is crucial to the quality of life and wellbeing for a community and its individuals and families; but the availability of adequate or affordable housing also plays a vital role in community economic development. The lack of affordable and adequate housing in a community hinders growth, as it becomes difficult to attract new business, industry, and residents. Slow growth or even no growth communities need new housing to replace units that have been removed or are in poor condition.

This Housing Needs Analysis has been developed pursuant to K.S.A. 12-5244(a). The intent of this analysis is to determine if there exists a shortage of quality housing in Independence, Kansas. In addition, this analysis is needed to submit to the Secretary of Commerce for approval in order to establish Rural Housing Incentive Districts (RHID) within the city limits of Independence, as a potential tool to assist in the development of new housing units.

The Secretary of Commerce has established four findings that must be made when conducting a Housing Needs Analysis for a RHID. They are:

1. There is a shortage of quality housing in various price ranges in the city or county despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in such city or county.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of such city or county.
4. The future economic well-being of the city or county depends on the governing body providing additional incentives for the construction or renovation of quality housing in such city or county.



FINDING #1

“There is a shortage of quality housing of various price ranges in Independence, Kansas despite the best efforts of public and private housing developers”

Quality Housing

Quality Housing is defined by the Secretary of Commerce as units that pass inspection under Section VIII Housing Quality Standards of the US Department of Housing and Urban Development or households that can be classified as not having housing problems. Since most housing units in Independence are not subject to HQS inspections, this factor is measured using the housing problems criteria.

Housing problems include:

1. Units with physical defects (lacking complete kitchens or bathrooms);
2. Units with overcrowding (more than one person per room); and
3. Units carrying a cost burden of greater than 30% (housing costs, including utilities, exceed 30% of gross income).

Each of these criteria is evaluated as follows:

Units with Physical Defects

The Secretary's housing shortage indicator for physical defects is a minimum of 96% of the units are without defects. Defects are measured using a lack of complete plumbing and kitchen facilities. Communities with more than 4% (owner occupied) and 5% (rental) of the units having defects are considered to have a housing shortage.

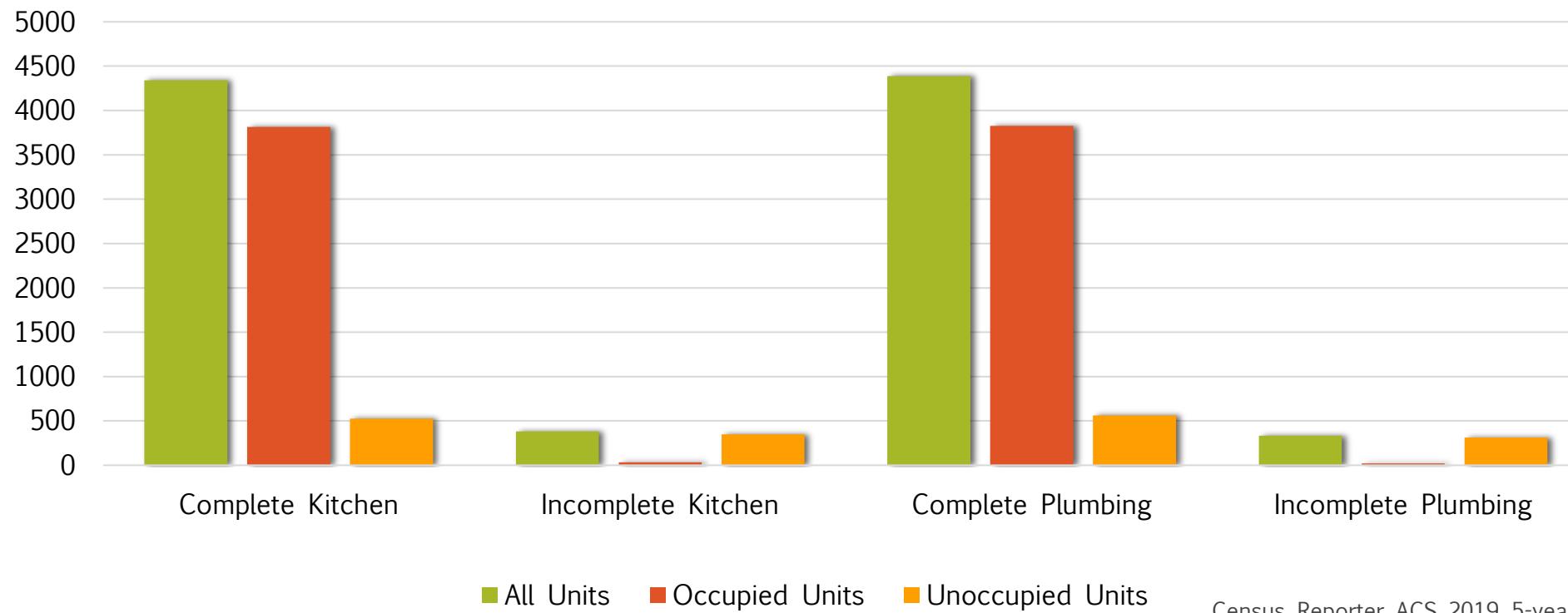
- While data is not available with rental and homeowner occupied units separated, there are a total of 382 units (8.1%) that lack complete kitchens and 333 units (7.1%) that lack complete plumbing.
- Determination: Independence has a shortage of units with complete kitchen and complete plumbing facilities, with 8.1% and 7.1% respectively, of units that have incomplete facilities. This factor exceeds the Secretary's threshold of 4% owner occupied and 5% rental.

		Complete Kitchen	Incomplete Kitchen	Complete Plumbing	Incomplete Plumbing
Total Units	4720	4338	382	4387	333
% of All Units		91.9%	8.1%	92.9%	7.1%
Occupied Units	3847	3813	34	3825	22
% of Occupied Units		99.1%	.9%	99.4%	.6%
Unoccupied Units	873	525	348	562	311
% of Unoccupied Units		60.1%	39.9%	64.4%	35.6%

Complete/Incomplete Facilities

The lack of complete facilities for housing units is recorded in two areas: kitchen and plumbing. Complete kitchen requires a sink w/faucet, a stove, a refrigerator. Complete plumbing requires hot & cold running water and a bathtub or a shower.

Complete Facilities



Census Reporter ACS 2019 5-year

Units with Overcrowding

Another measure the Secretary uses is overcrowding. A shortage of housing for larger households is deemed to exist if large households (those with 6 or more persons) exceeds the number of large units (those with 4 or more bedrooms).

- With 497 of owner-occupied large units available and 48 large household present and 71 renter occupied units available and 54 large households present, the number available exceeds the number needed.
- Determination: Independence does not have a housing shortage of larger units. This factor does not meet Secretary's threshold.

	Owner Occupied Housing Units	Renter Occupied Housing Units
Occupied Housing Units (3847)	2385	1462
Units with bedrooms of 4 or more	497	71
Large Households (6 or more person)	48	54
Average Household Size	2.3	2.03

Units with A Cost Burden

The final factor used to determine if a shortage of quality housing exist is the cost burden. If a housing shortage exists, the number of households in each income category exceeds the number of units in the corresponding price category, where the cost of the unit (monthly rental, mortgage payment, or units without a mortgage) cannot exceed 30% of gross household income.

Demonstrated in the following 6 slides households pay more than 35% of household income for rent. This equates to 30.3% or 453 rental households that are cost burdened. An additional estimated 10.2% or 149 households pay between 30.0% and 34.9% of household income for rent, making the total percentage of cost burdened rental units approximately 40.5% or 602 households. Owner-occupied units are less cost burdened, with 10.4% or 249 of households with a mortgage and 8% or 189 households without a mortgage paying more than 30% of gross household income towards housing.

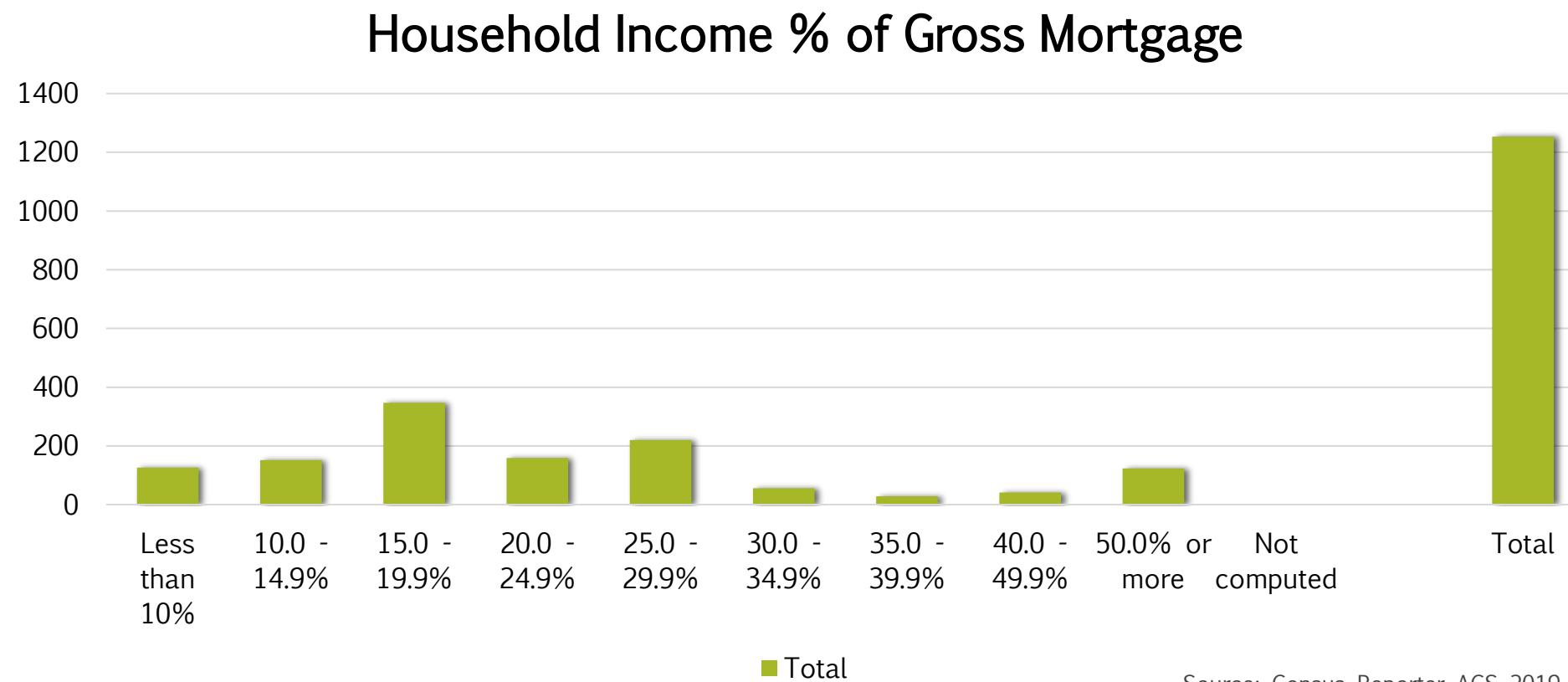
Determination: A significant portion (40.5% rental; 10.4% owner-occupied with a mortgage and 8% owner-occupied without mortgage) of Independence's households are cost-burdened. This exceeds the Secretary's threshold and a shortage of affordable, quality housing exists.

Owner-Occupied Housing Units Gross Mortgage as a Percentage of Household Income

- 10.4% of the owner-occupied units are paying more than 30% of their income for their mortgage. According to HUD, paying more than 30% of one's income for housing is considered "cost burdened" making it difficult to afford other necessities such as food, transportation or medical needs.
- Of major concern 5.2% of owner-occupied units are paying more than 50% of household income for housing.

Column	Number	Percent
Less than 10%	126	5.3%
10.0 – 14.9%	152	6.4%
15.0 – 19.9%	347	14.5%
20.0 – 24.9%	159	6.7%
25.0 – 29.9%	220	9.2%
30.0 – 34.5%	56	2.3%
35.0 – 39.9%	29	1.2%
40.0 – 49.9%	41	1.7%
50% or more	123	5.2%
Not computed	0	0%

Owner-Occupied Housing Units Gross Mortgage as a Percentage of Household Income



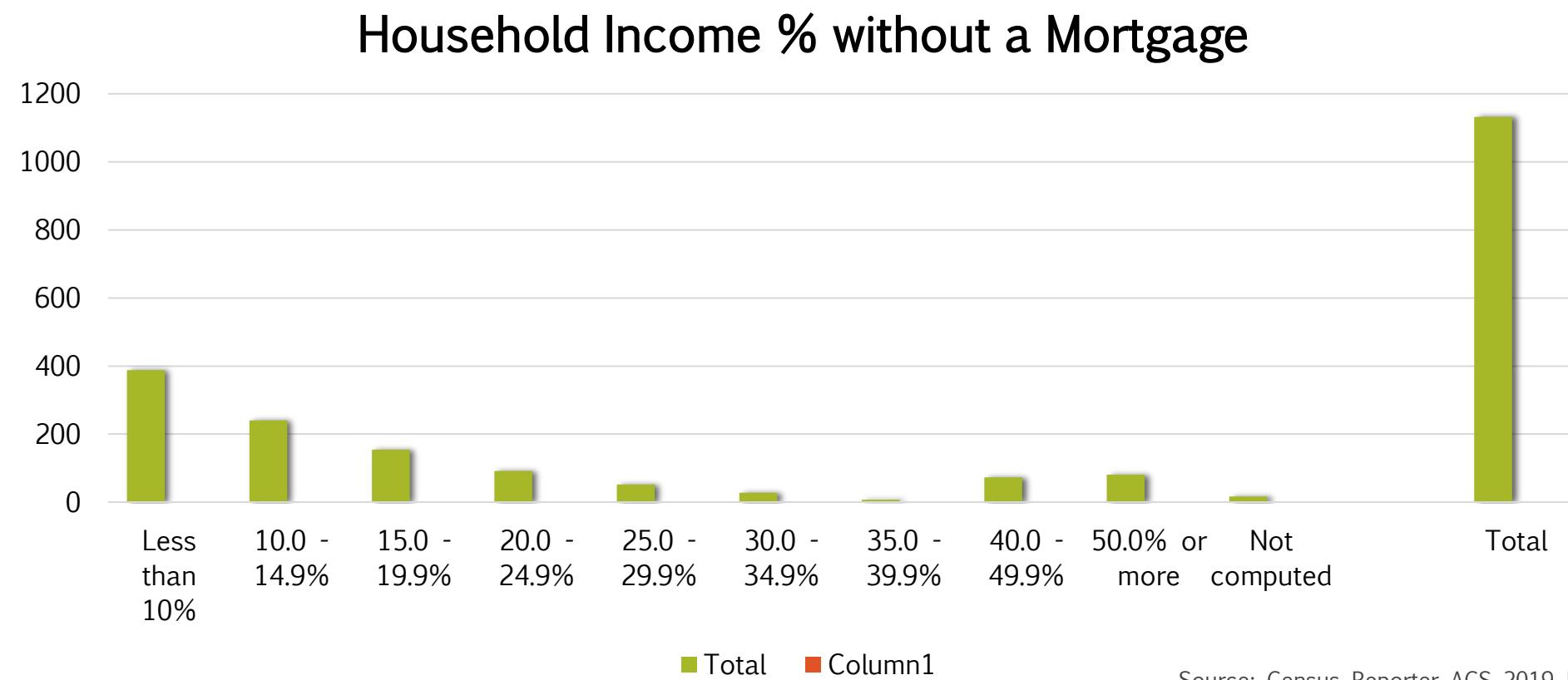
Source: Census Reporter ACS 2019 5-year

Owner-Occupied Housing Units without a Mortgage as a Percentage of Household Income

- 8% of the owner-occupied units without a mortgage are paying more than 30% of their income for housing. 81 households or 3.4% are paying more than 50% towards their housing unit.
- This may demonstrate a concern with the age of the homes within Independence. Older homes have added costs for repairs as well as increased utility expenses as they are normally not energy efficient.

Column	Number	Percent
Less than 10%	388	16.3%
10.0 – 14.9%	240	10.1%
15.0 – 19.9%	154	6.5%
20.0 – 24.9%	92	3.9%
25.0 – 29.9%	52	2.2%
30.0 – 34.5%	28	1.2%
35.0 – 39.9%	7	0.3%
40.0 – 49.9%	73	3.1%
50% or more	81	3.4%
Not computed	17	0.7%

Owner-Occupied Housing Units without a Mortgage as a Percentage of Household Income



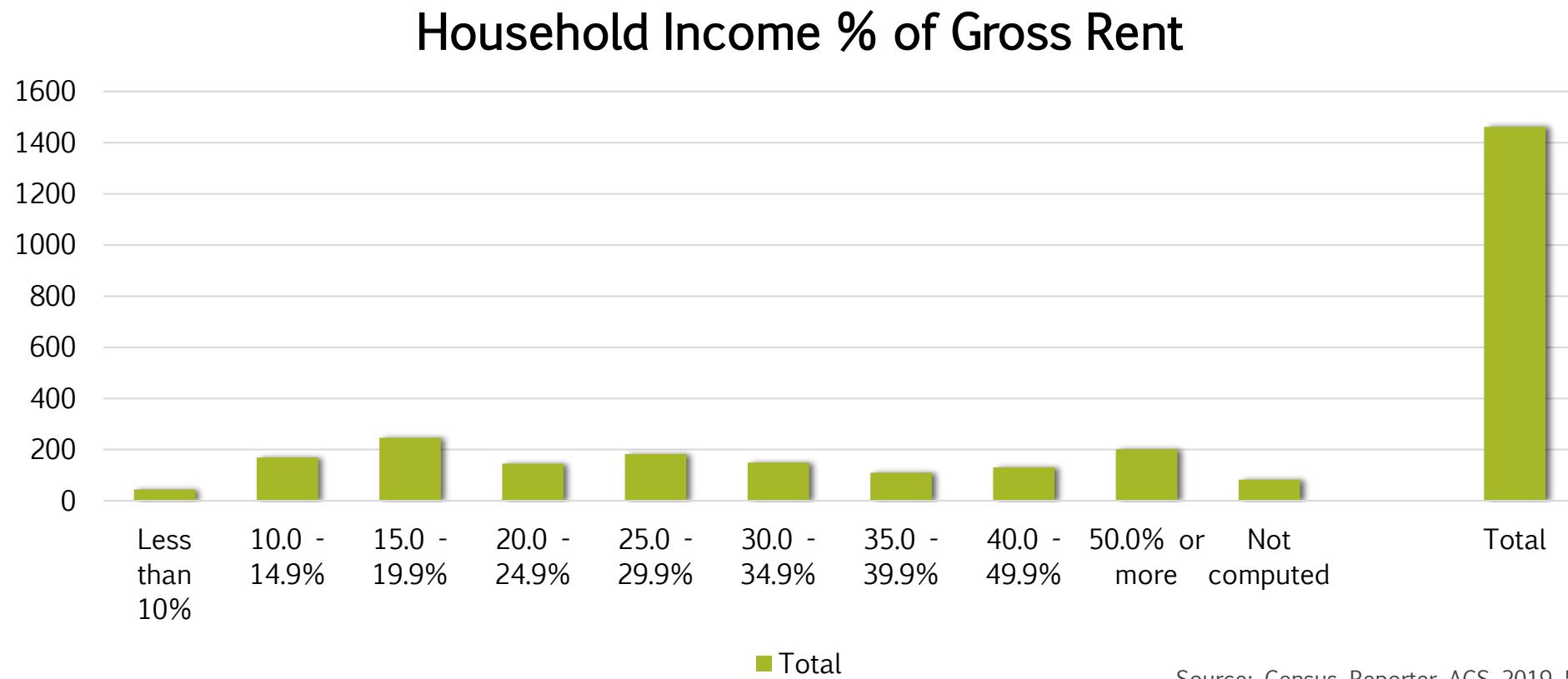
Gross Rent as a Percentage of Household Income

- 40.5% of the occupied rental units are paying more than 30% of their income for rent. According to HUD, paying more than 30% of one's income for housing is considered "cost burdened" making it difficult to afford other necessities such as food, transportation or medical needs.

Column	Number	Percent
Less than 10%	44	3%
10.0 – 14.9%	169	11.6%
15.0 – 19.9%	246	16.8%
20.0 – 24.9%	145	9.9%
25.0 – 29.9%	183	12.5%
30.0 – 34.5%	149	10.2%
35.0 – 39.9%	110	7.5%
40.0 – 49.9%	131	9%
50% or more	202	13.8%
Not computed	83	5.7%

Source: Census Reporter ACS 2019 5-year

Gross Rent as a Percentage of Household Income



Source: Census Reporter ACS 2019 5-year

PRICE RANGE DATA

Price range data can be collected using US Census Bureau data or local data, based upon current selling prices of owner-occupied units and the categories of current contract rents for rental units. This analysis uses local market data for both owner-occupied units and rental units.

Owner-Occupied Housing Market

The following data shows houses for sale in the Independence area (north Montgomery County and Wilson County) according to the Wichita State University Center for Real Estate using data provided by the Southeast Kansas Association of Realtors. The following slide shows the number of houses available for sale with the current sale price as of November 6, 2021. A majority (65.2%) of the houses available for sale are valued less than \$99,999. Only 21.1% of total available houses fall in the \$100,000 to \$199,999 range. This is the housing range most sought after.

It is deemed a seller's market when months of inventory is between zero and four months. Which means supply is relatively low and sellers have more control in setting terms and raising prices. Demonstrated in the following slide all price ranges fall within that 0 to 4 months supply of inventory except for one that is at 4.2 months. The Independence area is a seller's market.

Active Listings by Price Range

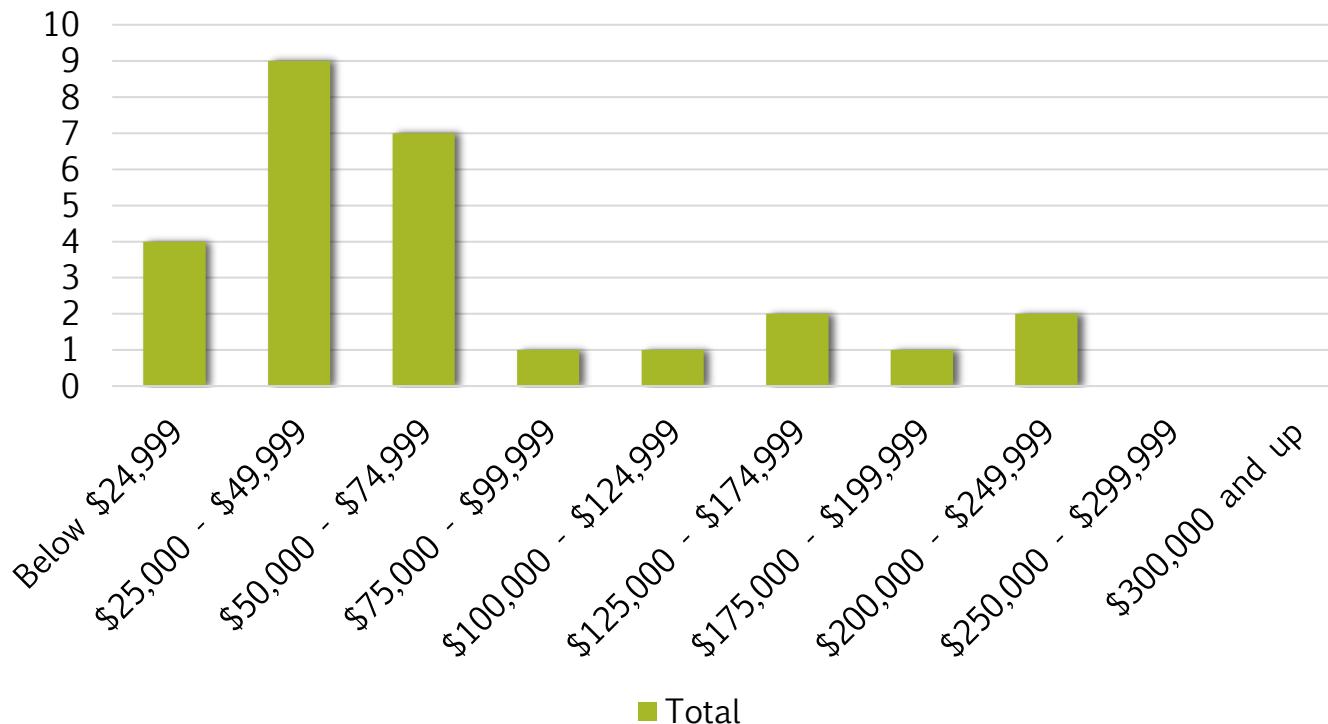
Price Range	Active Listings		Months' Supply	List Price		Days on Market		Price as % of Orig.	
	Number	Percent		Average	Median	Avg.	Med.	Avg.	Med.
Below \$25,000	7	5.9%	1.4	18,543	19,500	53	63	77.4%	86.0%
\$25,000-\$49,999	20	16.9%	2.3	37,480	38,450	127	67	95.3%	100.0%
\$50,000-\$99,999	50	42.4%	3.7	74,452	72,450	127	47	98.9%	100.0%
\$100,000-\$124,999	5	4.2%	1.3	117,680	119,000	58	61	93.8%	100.0%
\$125,000-\$149,999	9	7.6%	1.8	132,656	131,500	142	44	103.1%	100.0%
\$150,000-\$174,999	3	2.5%	1.2	169,600	174,900	51	70	100.0%	100.0%
\$175,000-\$199,999	8	6.8%	4.2	192,350	194,450	60	66	96.5%	100.0%
\$200,000-\$249,999	7	5.9%	2.5	235,071	234,500	93	26	99.3%	100.0%
\$250,000-\$299,999	4	3.4%	4.0	270,375	263,750	40	37	97.4%	100.0%
\$300,000-\$399,999	1	0.8%	1.7	350,000	350,000	67	67	93.3%	93.3%
\$400,000-\$499,999	1	0.8%	2.0	435,000	435,000	54	54	100.0%	100.0%
\$500,000-\$749,999	2	1.7%	N/A	657,500	657,500	76	76	100.0%	100.0%
\$750,000-\$999,999	1	0.8%	N/A	866,000	866,000	42	42	112.5%	112.5%
\$1,000,000 and up	0	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Current listing as of November 6, 2021

This data covers the Independence and Cherryvale area of Montgomery county and includes Wilson County.

Snapshot of Active Listings by Price Range within City of Independence

December 2, 2021



On December 2, 2021, only 21 homes were for sale in Independence.

- 62%, or 13 homes, listed for sale were below \$49,999.
- 26%, or 7 homes, were listed between \$50,000 to \$74,999.
- 26%, or 7 homes, were listed above \$100,000.
- Only 4 homes are listed between the preferred price range of \$100,000 to \$199,999.
- With only 21 housing units, of the 4720 housing units identified by the US Census being on the market ,this equates to only 0.44% of the housing inventory available for sale.

Source: Realtor.com

Independence Area Housing Market 3-year Historic Comparison

In comparing the past 3-years of home listing and sales, the Independence area is trending as a seller's market, where demand exceeds supply, demonstrated in the next 5 slides. These slides demonstrate homes are selling at a higher price, on the market for fewer days, and fewer are available creating a shortage in supply.

- Home sales for 2021 were up 14% over 2020 and up 16.87% over 2019.
- Contracts written for 2021 were up 56% over 2020 and up 11.8% over 2019.
- Sales volume per 1000 were up 26.6% over 2020 and up 46.6% over 2019.
- The average sale price for 2021 was up 11% over 2020 and up 25.4% over 2019.
- The median sale price for 2021 was up 7.5% over 2020 and up 25.6% over 2019.
- Average days on the market for 2021 (91 days), 2020 (142 days), and 2019 (139 days).
- Median days on the market for 2021 (55 days), 2020 (88 days), and 2019 (110 days)

Please note the 4th slide down, the graph “History of Active Listings” is a strong visual demonstrating the lack of available housing.

October MLS Statistics		Current Month			Year-to-Date		
Three-year History		2021	2020	2019	2021	2020	2019
Home Sales Change from prior year		47 -7.8%	51 50.0%	34 -15.0%	464 14.0%	407 2.5%	397 -6.8%
Active Listings Change from prior year		118 -43.5%	209 -35.3%	323 -15.2%	N/A	N/A	N/A
Months' Supply Change from prior year		2.6 -50.0%	5.2 -37.3%	8.3 -9.8%	N/A	N/A	N/A
New Listings Change from prior year		50 -15.3%	59 -26.3%	80 -16.7%	526 -12.0%	598 -19.7%	745 -13.7%
Contracts Written Change from prior year		50 66.7%	30 -18.9%	37 -7.5%	465 56.0%	298 -28.4%	416 -3.9%
Pending Contracts Change from prior year		45 -2.2%	46 53.3%	30 -21.1%	N/A	N/A	N/A
Sales Volume (1,000s) Change from prior year		5,291 -14.0%	6,154 66.9%	3,687 -6.2%	46,814 26.6%	36,983 15.8%	31,936 -5.9%
Average	Sale Price Change from prior year	112,574 -6.7%	120,671 11.3%	108,432 10.4%	100,893 11.0%	90,867 13.0%	80,443 0.9%
	List Price of Actives Change from prior year	119,703 19.5%	100,131 -8.8%	109,847 7.1%	N/A	N/A	N/A
	Days on Market Change from prior year	60 -57.4%	141 -8.4%	154 14.1%	91 -35.9%	142 2.2%	139 2.2%
	Percent of List Change from prior year	94.8% 1.3%	93.6% 5.5%	88.7% -4.8%	95.0% 2.5%	92.7% -0.2%	92.9% 0.1%
	Percent of Original Change from prior year	92.4% 1.0%	91.5% 8.5%	84.3% -5.3%	92.4% 3.1%	89.6% 2.4%	87.5% -0.6%
Median	Sale Price Change from prior year	81,200 -31.8%	119,000 103.4%	58,500 -24.5%	75,250 7.5%	70,000 16.9%	59,900 -7.8%
	List Price of Actives Change from prior year	81,500 8.8%	74,900 7.0%	70,000 18.6%	N/A	N/A	N/A
	Days on Market Change from prior year	55 -28.6%	77 -37.4%	123 16.0%	55 -37.5%	88 -20.0%	110 6.8%
	Percent of List Change from prior year	97.3% 2.7%	94.7% 2.6%	92.3% -2.0%	97.4% 1.8%	95.7% 0.0%	95.7% 1.2%
	Percent of Original Change from prior year	95.1% 2.7%	92.6% 4.0%	89.0% -3.9%	95.7% 2.9%	93.0% 0.8%	92.3% 0.9%

Independence Area Home Sales Historic Comparison

Number of Closed Listing Analysis

Month	2019	2020	2021
January	25	35	36
February	22	20	53
March	33	32	39
April	52	30	39
May	46	29	51
June	37	50	55
July	52	50	60
August	50	53	45
September	46	57	39
October	34	51	47
November	37	42	
December	40	41	

Independence Area Home Sales Historic Comparison Closed Listings

Average Price of Closed Listing Analysis

Month	2019	2020	2021
January	62,188	89,980	98,078
February	81,943	73,593	85,700
March	60,716	76,385	96,817
April	69,489	75,590	84,839
May	77,532	68,669	108,483
June	102,399	86,951	103,310
July	74,837	99,365	96,075
August	88,010	83,400	109,141
September	78,862	101,197	114,751
October	108,432	120,671	112,574
November	180,408	111,949	
December	77,074	92,705	

Median Price of Closed Listing Analysis

Month	2019	2020	2021
January	47,900	49,000	80,500
February	51,675	50,500	58,000
March	36,000	58,950	75,000
April	58,500	65,000	60,000
May	66,500	60,000	87,000
June	73,500	67,500	83,000
July	51,950	79,300	79,900
August	77,500	71,000	85,000
September	69,500	74,000	77,000
October	58,500	119,000	81,200
November	72,000	89,950	
December	50,500	70,200	

Independence Area Home Sales Historic Comparison Closed Listings

Average Days on Market
Closed Listing Analysis

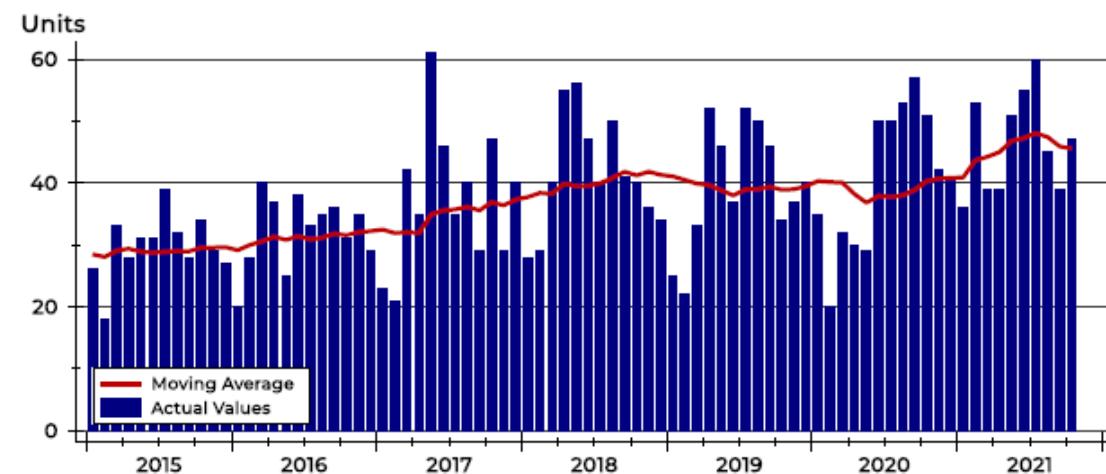
Month	2019	2020	2021
January	116	137	91
February	141	106	111
March	124	115	114
April	143	116	67
May	173	206	132
June	148	133	113
July	156	151	60
August	114	155	83
September	112	140	82
October	154	141	60
November	180	148	
December	134	211	

Median Days on Market
Closed Listing Analysis

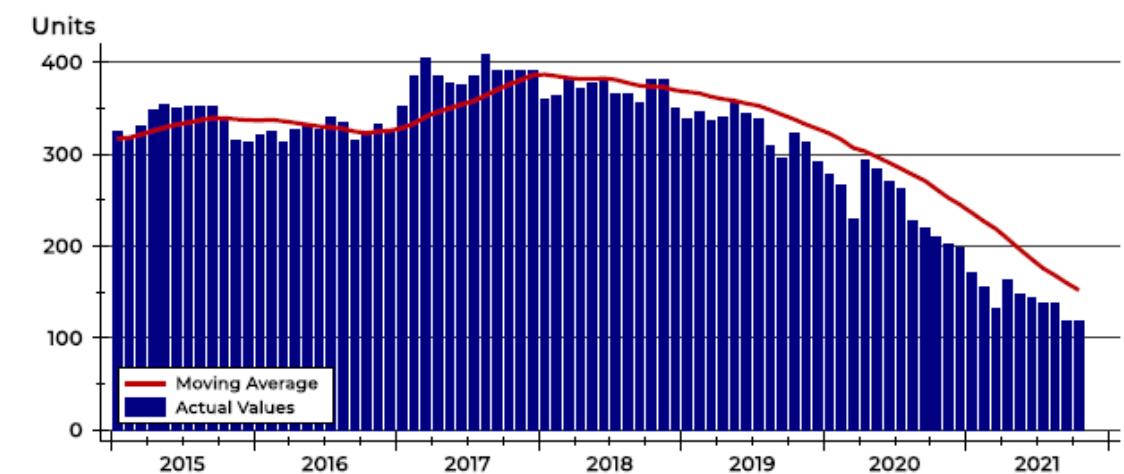
Month	2019	2020	2021
January	108	88	68
February	133	77	61
March	120	67	94
April	109	96	31
May	126	167	56
June	114	84	51
July	123	90	33
August	88	106	58
September	85	87	52
October	123	77	55
November	113	87	
December	93	108	

Independence Area Home Sales Historic Comparison Closed vs Active Listings

History of Closed Listings



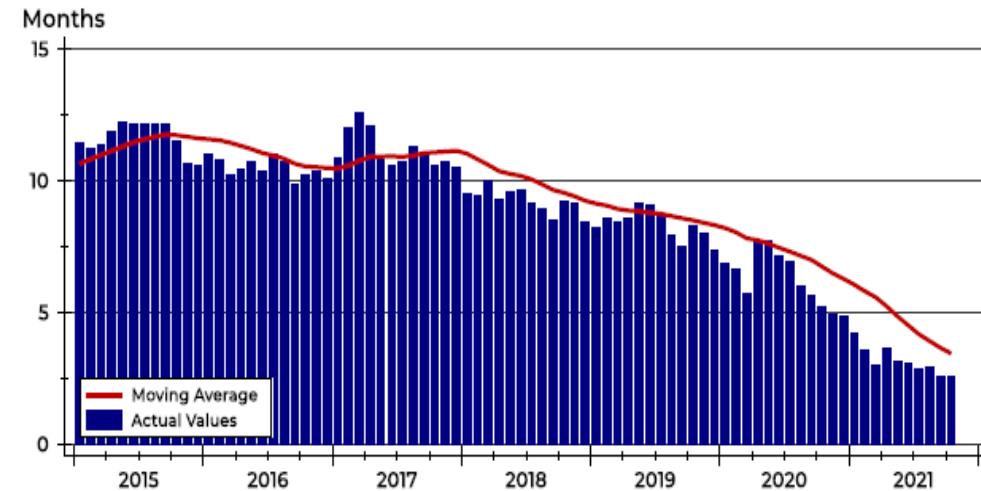
History of Active Listings



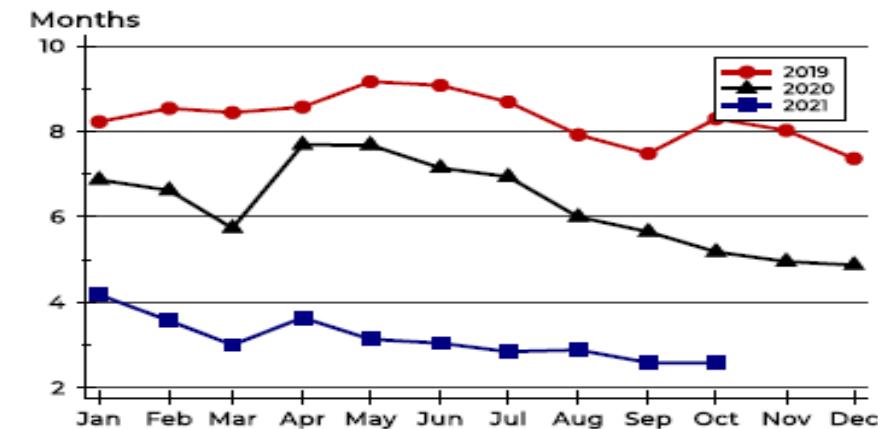
Independence Area Months' Supply Analysis

Month	2019	2020	2021
January	8.2	6.9	4.2
February	8.5	6.6	3.6
March	8.4	5.7	3.0
April	8.6	7.7	3.6
May	9.2	7.7	3.1
June	9.1	7.1	3.0
July	8.7	6.9	2.8
August	7.9	6.0	2.9
September	7.5	5.7	2.6
October	8.3	5.2	2.6
November	8.0	5.0	
December	7.4	4.9	

History of Month's Supply



Months' Supply by Month



Rental Housing Market

The current rental market mirrors the owner-occupied housing market. As of December 10, 2021, the landlords that were registered with the City of Independence number 162. An attempt was made to contact all registered landlords; 102 participated in the survey, 3 refused to participate, and 57 were unable to be reached. They either failed to return phone calls, or the number provided was no longer a valid number.

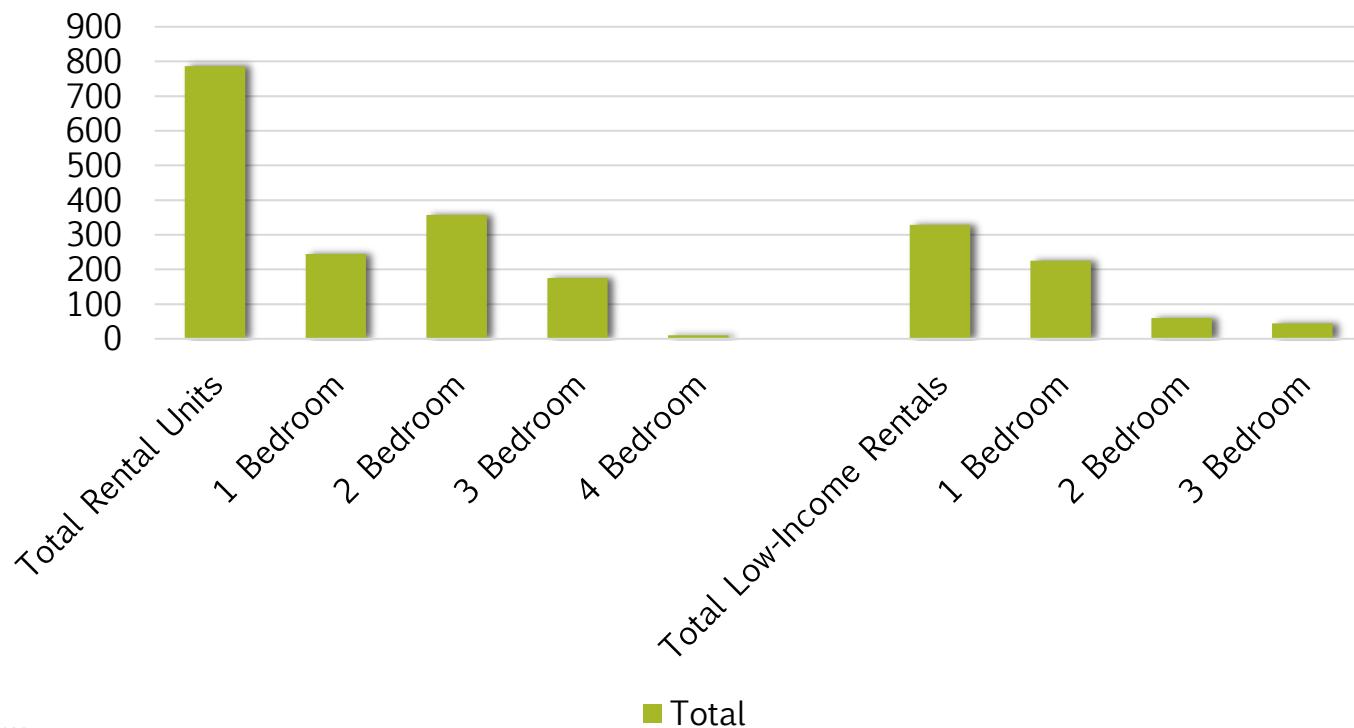
787 units were represented by the 102 participating landlords. Of those 787 units only 43 were vacant or 5% of the rental units. Of those 43 available units 27 (or 63%) are in a low-income, age restricted housing program which restricts those eligible to rent the unit; therefore, there are only 16 (or 2%) units available for rent with no restrictions. Of the 16 market rate units available there is only 1 single-family unit available, the other 15 are in an apartment complex.

NOTE: According to the Census Report ACS 2019 5-year, Independence has 1462 rental units. Through the efforts of IHA to obtain information concerning Independence's rental stock only approximately 53% are represented in this data.

DETERMINATION: According to PropertyManagement.com, Kansas 2021 average vacancy rate is 8.3% with the national vacancy rate at 6.2%. Independence vacancy rate demonstrated through participating landlords is at 5%, below both the State's and the Nation's average.

Independence Rental Housing Data

December 10, 2021



Market Rate Housing Data

1 Bedroom \$400 Average
\$400 Median

2 Bedroom \$570 Average
\$600 Median

3 Bedroom \$689 Average
\$735 Median

4 Bedroom \$1143 Average
\$1600 Median

Independence Rental Housing Data

- Of the 787 rental units participating in the survey, 329 units or 41.8% are part of a low-income program therefore limiting those eligible to rent the units.
- One determination that could be noted is that more market rate single-family rental housing is needed. Of the 43 units available to rent, 42 are part of an apartment complex only 1 single-family unit was noted as available.

Total 787 Units	Market Rate	% of Total
1 Bedroom	20	2.5%
2 Bedroom	297	37.7%
3 Bedroom	131	16.6%
4 Bedroom	10	1.2%
Low-Income		
1 Bedroom	225	28.6%
2 Bedroom	60	7.6%
3 Bedroom	44	5.5%
4 Bedroom	0	0%

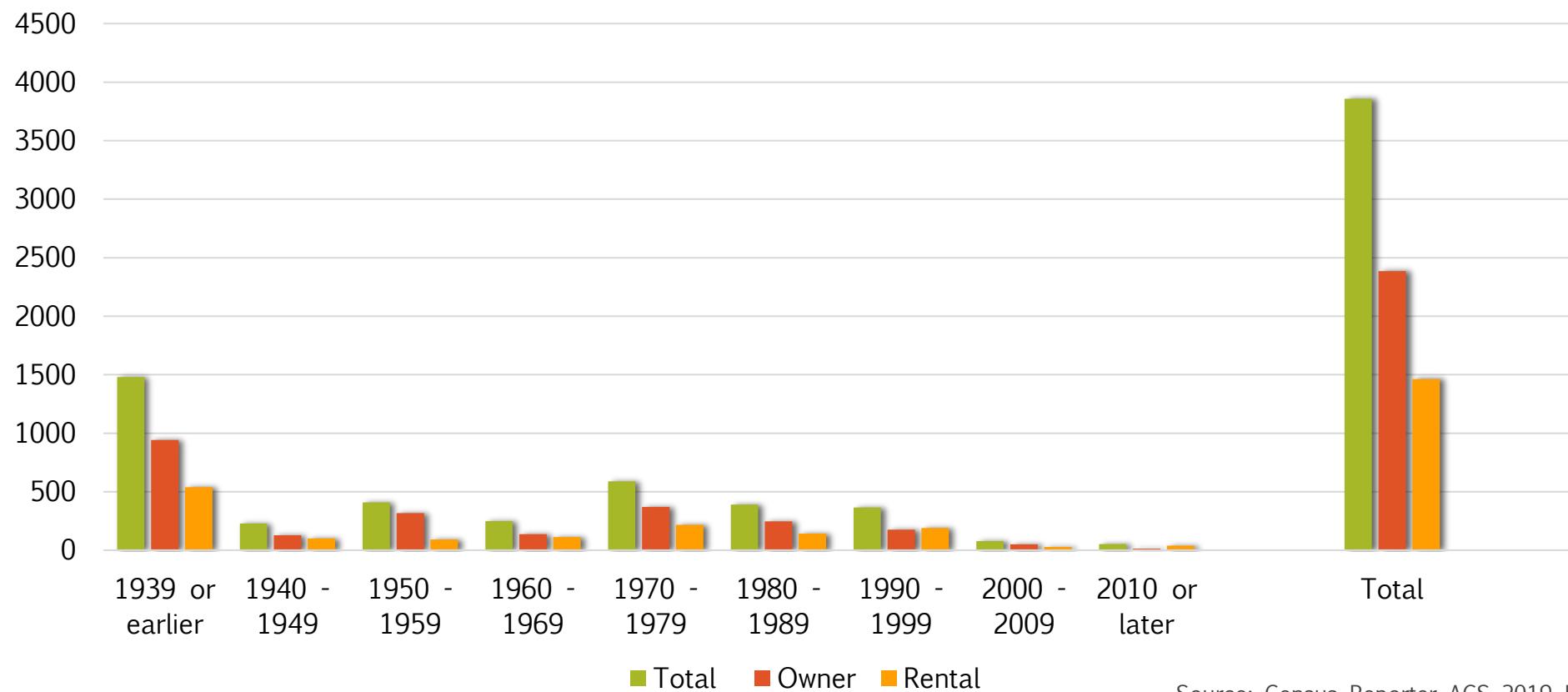
AGE and CONDITION OF INDEPENDENCE HOUSING STOCK

Another housing shortage indicator established by the Secretary of Commerce is when 40% or more of a community's housing stock is older than 50 years old. The City of Independence has an aging housing stock with 61.6% of its housing stock being older than 50 years old; therefore, Independence far exceeds the minimum threshold set by the Secretary.

In addition, Montgomery County has identified that Independence's housing stock has 40% of the units that have been identified as having a significant degree of deferred maintenance.

An older housing stock presents two primary concerns for the City: 1) older housing tends to be in poorer condition than new housing thus costing more to maintain and normally lacks energy efficiency, and 2) older housing does not always meet the market demands of modern consumers.

Age of Occupied Housing Units



Source: Census Reporter ACS 2019 5-year

Age of Occupied Housing Units

- 61.6% of the occupied housing stock is older than 50 years constructed prior to 1970.
- 62 % of the occupied housing stock is owner occupied, with 38% renter occupied.
- 4.7% of the occupied housing stock has been constructed since 2000.

Years	Number	% of housing stock
1939 or earlier	1481	38.0%
1940 - 1949	229	6.0%
1950 - 1959	410	10.7%
1960 - 1969	250	6.5%
1970 – 1979	588	15.2%
1980 - 1989	391	10.1%
1990 - 1999	365	10.0%
2000-2009	79	2.1%
2010 or later	54	1.0%
Total	3857	99.6%

Source: Census Reporter ACS 2019 5-year

Independence Housing Units by CDU Codes

- 40% of the Independence Housing stock is rated as “Fair” or below, meaning that 40% of the housing stock is characterized as having a significant degree of deferred maintenance or greater than normal wear and tear present relative to its age.
- Only 4% of Independence’s housing stock is rated as “Good”. Meaning only 4% is above average of ordinary standard of maintenance and upkeep in relation to its age.

CDU Code	Number	% of housing stock
Unsound	71	2%
Very Poor/VP-	44	1%
Poor/Poor-	241	7%
Fair/Fair -	1082	30%
Average/+/-	2005	56%
Good/Good +	147	4%
Very Good/VG+	0	0%
Excellent	0	0%

NEW CONSTRUCTION

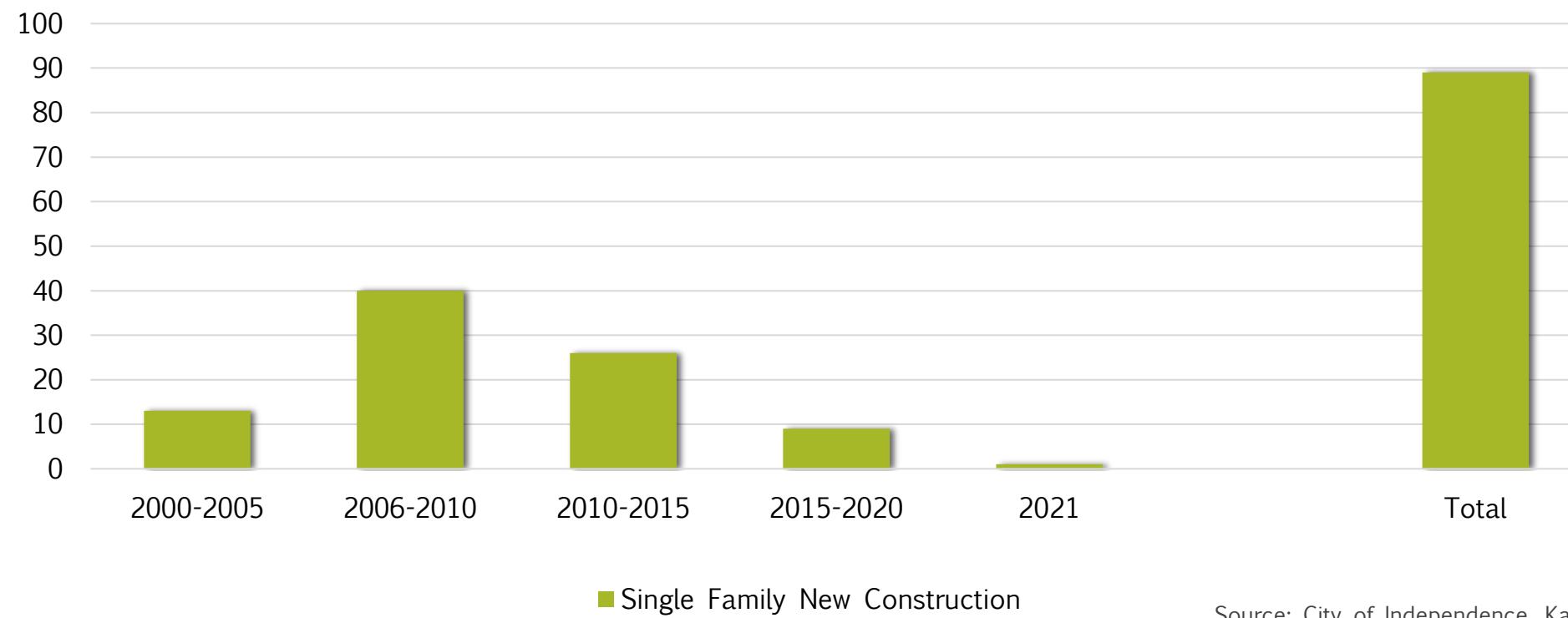
Another measure the Secretary uses when assessing a housing shortage is the number of new units. If the number of new units (those one-year-old or less) is less than 1.5% of the total housing stock, a housing shortage exist. Using Census Reporter ACS 2019 5-year occupied household units' number of 3857, with only 10 single-family and 0 multi-family units being constructed since 2015 that is averaging only .04% constructed per year in comparison to the existing number of occupied units. This is well below the 1.5% threshold.

In order for the minimum threshold to be met, 57 units would need to be constructed in 2021 alone. In 2021, there has been 1 new unit constructed.

DETERMINATION: New housing construction is almost non-existent, with less than 0.02% of all housing stock constructed in 2021. This is less than the Secretary's minimum threshold of 1.5% and a housing shortage exists based upon this criteria.

New Construction Single Family 2020-2021

Single Family New Construction



■ Single Family New Construction

Source: City of Independence, Kansas

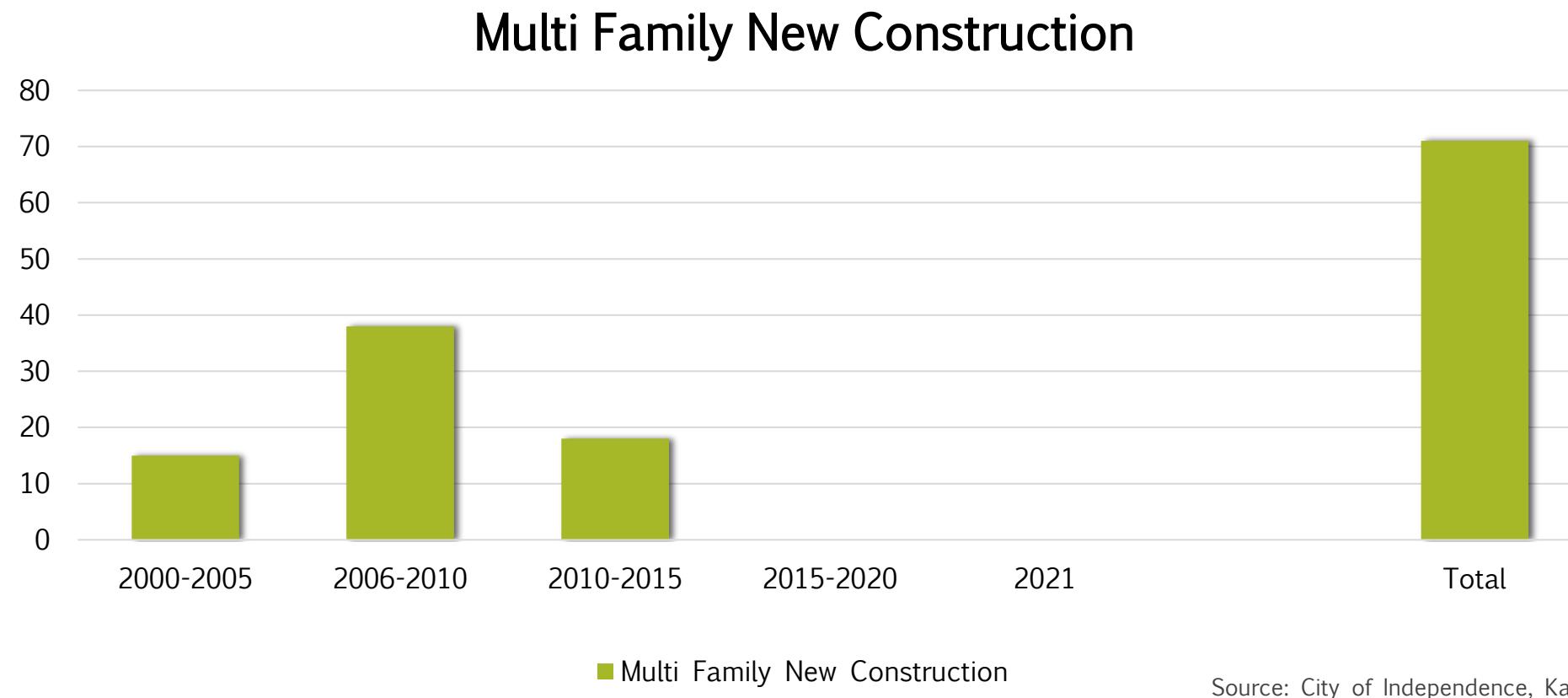
New Construction Single Family 2000-2021

- 41% of single-family home construction has been conducted by private individuals with only 3 or 3% being constructed since 2015.
- 59% of single-family homes have been constructed with either Federal, State, and/or local subsidy with only 7 or 8% being constructed since 2015.

Units	Number	% of units constructed
Private Market Rate	25	28%
Manufactured	12	13%
Private Low Income (LIHTC)	18	20%
Private Moderate Income	6	6%
IHA Low Income	16	18%
IHA Moderate Income	14	15%

Source: City of Independence, Kansas

New Construction Multi Family 2020-2021



New Construction Multi Family 2000-2021

- 10% of the multi-family units have been constructed by private individuals with 0 or 0% being constructed since 2015.
- 90% of the multi-family units have been constructed with either Federal, State, and/or local subsidy with 0 or 0% being constructed since 2015.

Source: City of Independence, Kansas

Units	Buildings/Units	% of units constructed
Private Duplex Market Rate	2 (4 units)	6%
Private Triplex Market Rate	1 (3 units)	4%
Private Triplex Low Income (HOME)	4 (12 units)	17%
Private Group Home Low Income (HOME)	1 (6 units)	8%
Private Apartment Low Income (LIHTC)	1 (18 units)	25%
IHA Duplex Low Income (LIHTC)	8 (16 units)	23%
IHA Triplex Low Income (LIHTC)	4 (12 units)	17%

VACANCY RATE

The Secretary's threshold for household unit vacancies is below 1% (owner-occupied) and 5% (rentals). According to the Census Reporter ACS 2019 5-year, Independence has a vacancy rate of 22.7% for all units, both owner-occupied and rental. Of the total 873 vacant units, it states there are 17.3% or 151 are for sale, 13.4% or 117 are for rent, 4.1% or 36 are for rent but not occupied, 1.9% or 17 are seasonally vacant, and another 63.2% or 552 as other vacant. What is meant by the 552 "other vacant" units is not known. These units may be vacant as they are not considered not habitable, they may be vacant for remodel, they may be vacant because the property owner chooses to retain the property without residing in it. This is a large number not to be identified as to why it is vacant.

The challenge with the above numbers is the current data would argue that these statistics are outdated. Currently the market only has 21 homes available for purchase which is only .0088% of the number of housing units listed as owner-occupied which totals 2385. As noted through contacting participating landlords there were only 43 total units available to rent, with 27 of those units being age and income restrictive. The Independence Housing Authority is working with clients through our Tenant Based Rental Assistance program, with 9 currently struggling to find a unit to rent. Clients are given a 60-day period to find a rental unit, IHA has currently extended that time for 5 clients for an additional 60 days.

Independence does have an older housing stock with many homes in varying stages of disrepair. Some of these vacant homes may be due to the conditions of the units. They are considered too far gone for rehabilitation. Both public and private efforts are being made to stop this decline of the Independence housing stock.

Determination: There is inconclusive information to determine whether Independence meets the Secretary's minimum threshold for vacancy rates.

PUBLIC AND PRIVATE HOUSING DEVELOPMENT EFFORTS

As illustrated by the median age of the City's units, housing starts in Independence have been almost non-existent for a number of years. For the past 21 years, there have been only 91 new single-family homes constructed and only 71 new multi-family units constructed. With the total overall units constructed of 162, which 44 or 27% of these units have been constructed privately with 118 or 73% being constructed with either Federal, State, or Local funds assisting. Since 2015, there have only been 3 single-family homes constructed, with all 3 being custom built homes, and 0 multi-family units constructed. The divide between what it costs to construct versus what the house will appraise for and what a family can afford continues to widen greater with each year. Rural communities will not grow without housing development assistance from the Federal, State, and Local governments.

Independence lost 103 housing units, all of which were single-family units, during the 2007 flood event. Following this hardship, Independence was awarded funds through SB417, LIHTC and the Moderate-Income Housing Grant Program all through the Kansas Housing Resources Corporation. Thankfully, through these Kansas Housing Resources Corporation programs, Independence between both private and public development constructed 48 single-family homes and 46 multi-family units. Had these various programs not been available to assist with Independence's housing needs, there is a strong chance that these 94 units would not have been constructed. Once again demonstrating that in rural Kansas, financial funding or other innovative incentives are needed to develop new housing.

Independence Housing Authority

- The City of Independence established the Independence Housing Authority (IHA) on May 8, 1972, by City Resolution. The intent of establishing IHA was for the purpose to obtain HUD funding through the Section 8 New Construction program to construct Penn Terrace Apartments, a 99-unit senior low-income apartment complex. The Penn Terrace Apartments opened in May of 1978. It was not until 1998 did IHA work to expand its services to the City. In 1998, IHA was awarded a Tenant Based Rental Assistance Grant and constructed its first HOME funded duplex. Since that time, IHA has either constructed or partnered to construct the following:
- (2005) Earl Street: 2 single-family homes (low-income)
- (2007 thru 2017) Eisenhower Subdivision: 28 single family-homes (14 low-income and 14 moderate-income)
- (2010) McKinley Housing: 28-unit Low Income Tax Credit Project.
- (2012) Martin Estates: 18 single-family Low Income Tax Credit Project.
- (2013) Martin Estates Phase II: 6 single-family Moderate-Income Grant Project.
- (2022) Jefferson Subdivision: 20 single-family Moderate-Income Project.
- In addition, IHA has assisted with the City's FEMA housing buy-out program, providing management and administrative services for a defunct CHDO, administering a CDBG Home-Owner Rehabilitation Grant, supported efforts for Private Developers to construct Low-Income Tax Credit projects, and established an Upper Story Grant Program for the Central Business District.

City/Independence Housing Authority Housing Efforts Past 5 Years

INDEPENDENCE LAND BANK

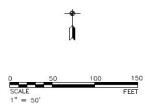
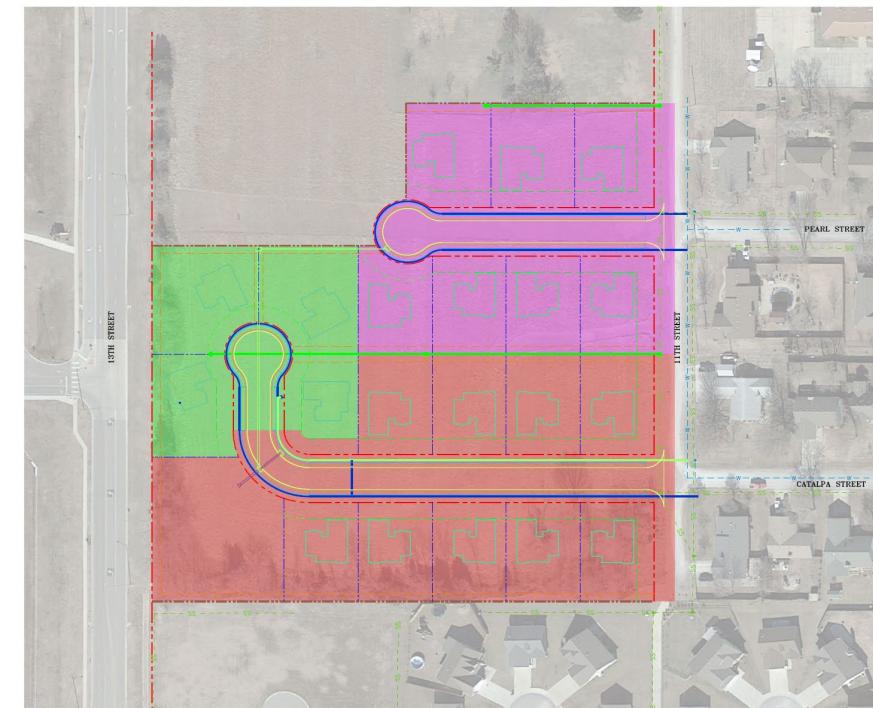
In 2021, the Independence Housing Authority (IHA) requested the City of Independence establish the Independence Land Bank (ILB), with IHA providing initial funding, administrative services, and over-seeing the day-to-day operations of the ILB. One of the ILB goals is to obtain ownership of homes that have been abandoned or neglected by property owners for one of the following purposes: give local investors an opportunity to rehabilitate the homes for rent or sale, allow an individual to rehabilitate a home for their personal residence, or allow IHA to rehabilitate 1 to 2 homes annually for the purpose of homeownership for a low-income family.

NEIGHBORHOOD EXTERIOR GRANT PROGRAM

- In 2021, the City of Independence (City) in partnership with the Independence Housing Authority (IHA) established the Neighborhood Exterior Grant Program. The city will annually set aside \$50,000 with IHA providing \$25,000. The program helps homeowners who live in Neighborhood Revitalization Districts, or have property valued at \$100,000 or below by Montgomery County, or rated average minus or below by Montgomery County reinvest in their properties and improve neighborhoods. Two or more neighboring homeowners must submit co-applications to participate. The City of Independence will reimburse each co-applicant a portion of the actual costs of exterior improvements to their home. Homeowner minimum investment of \$1000 with a reimbursement of \$500 (50%) with a maximum homeowner investment of \$10,000 with a reimbursement of \$5000 (50%) of all eligible expenses.
- Add picture of a successful project and the success of 2021

JEFFERSON SUBDIVISION

In 2020, the Independence Housing Authority (IHA) purchased land to construct a 20-unit single-family home subdivision. IHA received a \$200,000 Moderate-Income Housing Grant for infrastructure from Kansas Housing Resources Corporation. IHA is currently working on establishing a Rural Housing Incentive District (RHID) for this project. Once the RHID is in place, IHA will begin phase one construction installing infrastructure for the first 9 homes. Once infrastructure is in, IHA will begin the construction of the first 9 homes to be sold to moderate-income qualifying buyers.



- PHASE III
- PHASE II
- PHASE I



Central Business Historic Downtown District Upper Story Housing Program

Starting in 2015 to date, the Independence Housing Authority (IHA) established a grant program assisting Central Business District building owners with rehabilitating their upper story floors into apartments. The program provides reimbursement of 25% of eligible costs not to exceed \$15,000. The goal of the program is to assist in addressing the need for housing and contribute to the revitalization of Independence's beautiful historic downtown while assisting property owners to fully utilize their buildings. To date IHA has assisted with 13 units.

ESTABLISHED MINIMUM STANDARDS FOR RENTAL PROPERTY

The City of Independence adopted Ordinance 4028 with amended Ordinance 4029, 4034, 4043, and 4173. The purpose of the ordinance is to protect the public health, safety, and general welfare of the residents in rental properties by adopting minimal standards for rents. Landlords are required to obtain a Residential Landlord Occupation License with an annual renewal. Properties will be inspected upon initial registration of unit or upon the City receiving a complaint. The minimum standards required are Section 8 of the U.S. Housing Act of 1937 (42 USC 1437(f)) the Housing Quality Standards.

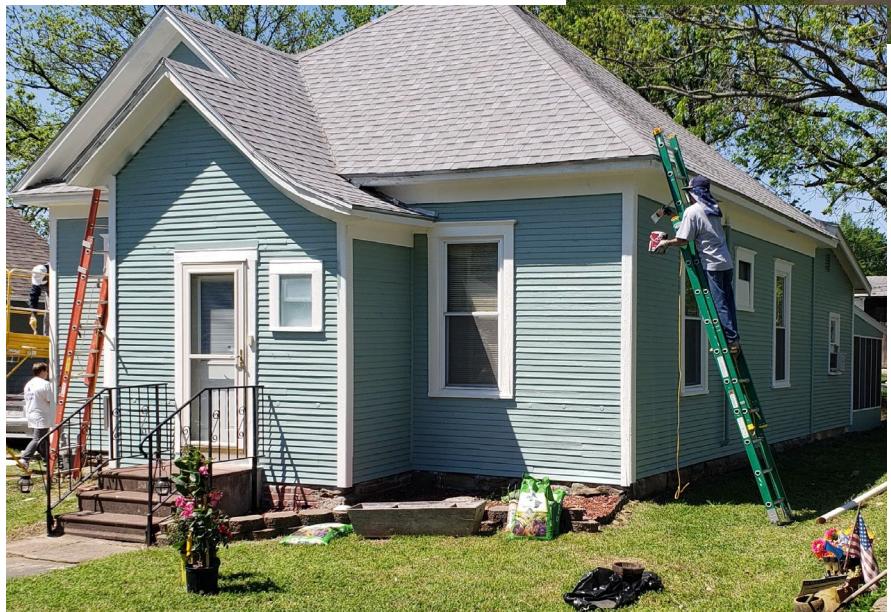
DEMOLITIONS

The City of Independence and the Independence Housing Authority annually partner in setting aside funding for the purpose of removing dangerous and dilapidated structures. 72 homes have been removed between 2016 and 2021.

IHA deferred their funds for 2021 to establish the Independence Land Bank.

Of note, Independence lost 103 single-family homes in the 2007 flood event of which 97, or 94%, were occupied.





Private Housing Efforts Past 5 Year

COMMUNITY MISSION FOR IMPROVED HOUSING

Community Mission for Improved Housing (CMIH) is a grass roots faith-based organization established in 2015, with a mission to serve the Independence area by helping the poor, people with disabilities, the elderly, and Veterans and their families repair their homes, building relationships among neighbors and bringing hope and spiritual renewal to our community. CMIH has completed 32 home projects since 2015. Projects have consisted of repairing foundations, replacement of floor joints, installing sheet rock on ceiling and walls, complete gut and shoring up of floor and walls in living rooms and bathrooms, installing handicapped accessible railing in bathrooms, installing handicapped accessible ramps in front of several homes, roof replacements, and painting the exterior of homes.

This organization receives funding through private donations and private business grants.

Private Housing Efforts Past 5 Years

LOVE INDEPENDENCE DAY

In 2016, the Independence Chamber of Commerce established “Love Independence Day”. Love Independence Day is the last Saturday in April where every community member, business, or organization is encouraged to do random acts of kindness. The Independence Housing Authority (IHA) in partnership with the Community Mission for Improved Housing (CMIH) identifies owner-occupied homes in need of minor exterior repair and exterior painting. A preference has been given to those homes that are located on the community’s main thoroughfares. 4 to 5 local businesses adopt a home to paint, with 1 home being painted by an ad hoc group. Each year 4 to 6 homes are part of this amazing day of kindness.

To date, 23 homes have been part of this program.



SUMMARY FINDING #1

The City of Independence has a housing shortage when measured against a variety of indicators used by the Department of Commerce. Because of a lack of move-up and professional entry level housing, homebuyers and renters in these groups have influenced the market in lower price ranges, thereby effectively squeezing lower-income households into cost-burdened situations. The City and the Independence Housing Authority have developed several programs and incentives to encourage new development and rehabilitation. Private organizations and developers have also participated in rehabilitations and development efforts, both with and without incentives. Despite the best efforts of the City, IHA, private organizations, and developers, a shortage of quality housing exists. The establishment of Rural Housing Incentive Districts could be used to positively impact the market, offering new homes in a variety of price ranges that would make room for lower-income renters and home-owners in the market without cost burdening them, while also expanding the number of units available in the above \$100,000 price range. It is projected that 570 new or vacant rehabilitated units are needed to meet the needs of the community over the next decade.

FINDING #2

“The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in such city or county.”

The second finding required by the Secretary is that there is a shortage of quality housing which is expected to persist. This can be demonstrated by examining housing development activity, rehabilitation efforts and available land. A housing shortage exists if demolitions outpace new construction.

New Construction vs. Demolition Ratio

As previously stated, Independence has had 3 single-family homes and 0 multi-family units constructed since 2015 and have had 72 homes removed by the City through the condemnation process. The 72 homes removed by the City does not include the number of homes that have been lost due to fire or removed by private individuals.

DETERMINATION: Demolition has outpaced new housing starts in the past 6 years, resulting in a net loss of 69 housing units. This exceeds the Secretary's threshold, and a housing shortage exists.

Year	New Construction	Demolition with City Funding
2015 to 2021	3	72

Source: City of Independence, KS

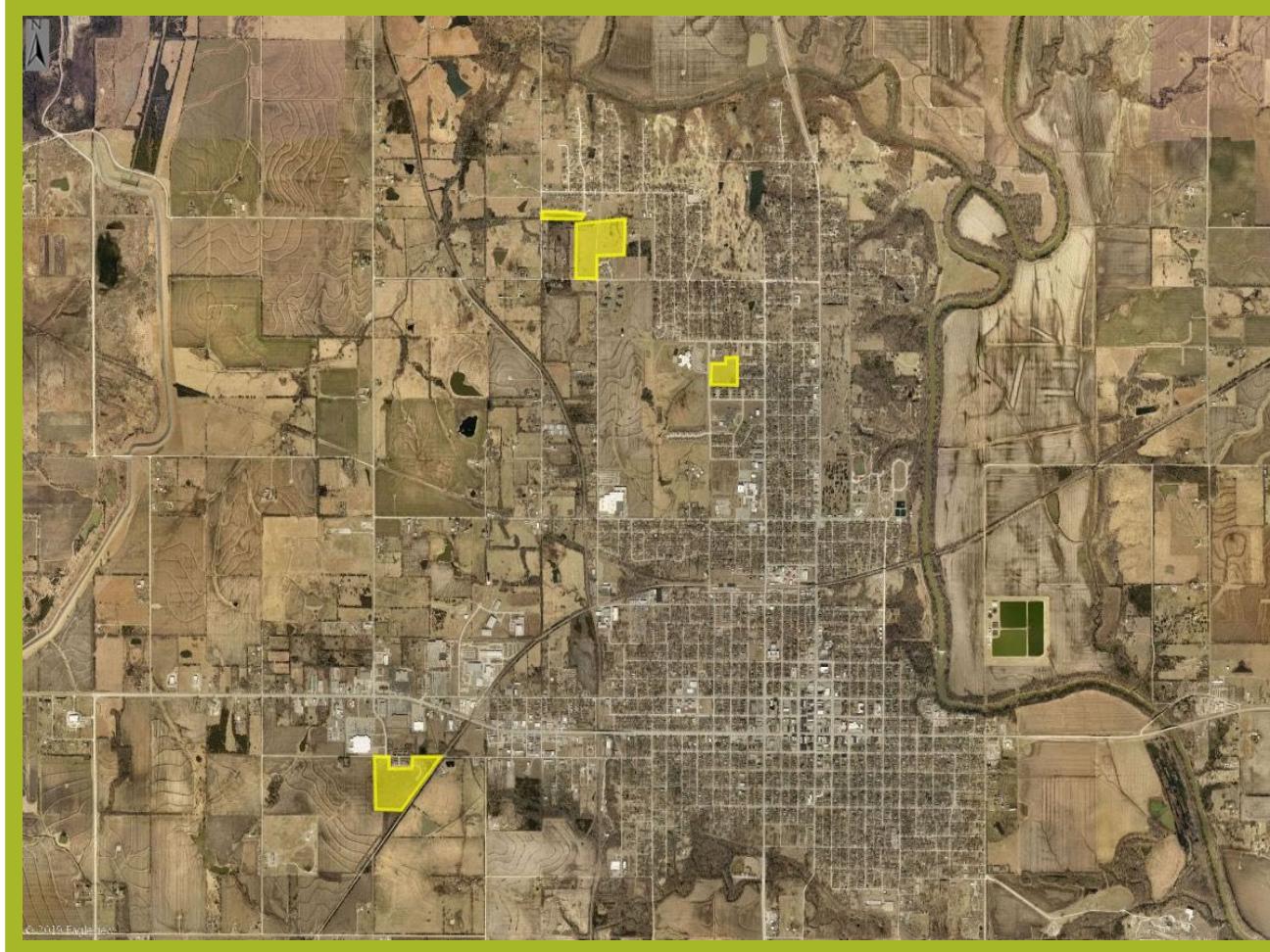
Rehabilitation Efforts

The Montgomery County Appraisers assigns a rating to residential units, with the following designations:

Ideally, most units in a community would be rated in the “Average” range, with a somewhat even distribution of units above and below that mark. The CDU Code data provided demonstrates the housing condition distribution for Independence. While the majority (60%) of housing is rated as Average, only 147 or 4% rate above average. Another 40% of housing units are rated below the Average rate, with more than 356 or 10% of housing units are rated Poor, Very Poor, or Unsound.

DETERMINATION: Despite considerable efforts to encourage rehabilitation, rehabilitation efforts have not kept ahead of the maintenance needs of the housing stock and a housing shortage exists.

CDU Code	Number	% of housing stock
Unsound	71	2%
Very Poor/VP-	44	1%
Poor/Poor-	241	7%
Fair/Fair -	1082	30%
Average/+-	2005	56%
Good/Good +	147	4%
Very Good/VG+	0	0%
Excellent	0	0%



Platted Land Available for Development

This map shows locations of platted subdivisions that are not built out. None of these platted locations have all of their infrastructure installed, the majority do not have any infrastructure. Approximately 133 residential lots have been platted that are vacant and do not presently have a building permit issued.



Available Land for Development Unplatted

This map shows potential development sites that are presently unplatted. The RHID tool could help to encourage development by removing special assessments and making housing more affordable.

DETERMINATION: There is residential land available, however, few units are built in any given year. A shortage of new housing units exists.

SUMMARY FINDING #2

Based upon the number of demolitions, number of vacant lots, the current construction rates, and the disconnect of what it costs to construct versus what new construction will appraise for in Independence, the shortage of quality housing can be expected to persist. Adding special assessments to existing taxes, as a means to fund infrastructure, will only deter new construction of single-family or multi-family units as buyers will not be able to afford the units. The Rural Housing Incentive District would expand the lower limit of qualifying homebuyers. It would also increase the pool of rental units available.

“The shortage of quality housing is a substantial deterrent to the future economic growth and development of such city or county.”

FINDING #3 ECONOMIC DEVELOPMENT

Economic Development has always been a focus of any community, but in September 2018 the City of Independence conducted and adopted a Community Based Strategic Plan. The central purpose of this plan was to provide Independence with a tool that could be used by elected officials and city staff to guide goal setting and focus efforts on those things that residents identified as highest priority. The methodologies utilized were stakeholder focus groups, citizen surveys, business meetings, and announcements at special events. In all, the committee was able to gather over 500 responses through a citizen survey and synthesize that input into clear priorities. Almost 200 individuals participated in the various stakeholder meetings and community dialogue sessions. Participants in the process were also able to provide key initiatives and improvements they would like to see implemented. Through the efforts of this citizen's survey, 5 Primary Directives were identified as follows:

1. Economic Development
2. Infrastructure
3. Beautification
4. Parks & Recreation
5. Community Spirit & Unity

Primary Directive #1 was “Economic Development”. The City of Independence listened to the citizens and took action. The City re-established the Economic Development Advisory Board, revamped the building permitting process and the building department, established the Blight and Beautification Community Advisory Committee, and participates in the Chamber of Commerce BEST Committee.

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT ADVISORY BOARD

The Economic Development Advisory Board recommends and reviews, on an ongoing basis, the city's economic development policies which may pertain to, but are not limited to, preparation of an economic development strategy, a policy on providing ad valorem tax abatement, granting economic development incentives as permitted by law, establish guidelines for considering the above requests, and study other economic development concerns as determined by the board or recommended by the City Commission.

BUILDING DEPARTMENT

In addition, the City of Independence dedicated itself to be known as a “business-friendly” community. Following an evaluation of the building department and its building permitting process; the City chose to completely revamp the process and over-haul the building department. The building permitting process was simplified and an internal committee was formed to provide a one stop all inclusive review process. The revamping of the process has created a more comprehensive thorough review; providing the patron a better customer service experience. In addition, the building department was relocated to be under the administrative arm of the City. The City saw the value in dividing the responsibilities of the department into two jobs, a dedicated building inspector and the City added the position of a dedicated code enforcement officer. The changes have been successful and appears to meeting the goal of being a “business-friendly” community.

ECONOMIC DEVELOPMENT BLIGHT AND BEAUTIFICATION COMMUNITY ADVISORY COMMITTEE

In 2019, the City of Independence established the Blight and Beautification Community Advisory Committee. This committee provides City staff with community input on issues such as code enforcement, condemnation, demolition, vacant housing registry, commercial building registry, rental housing license registration, other housing issues, and overall community beautification. The first activity for this committee was the establishment of the “Quick Win”. The “Quick Win” was held March 1, 2019, through May 31, 2019. This is where dumpsters were located throughout the community each weekend during March through May for community members to clean up their yards, garages, sheds, alleys or whatever needed to be disposed of, at no charge. Prior to this period, those who were in violation of the environmental codes were notified and encouraged to participate. Those who failed to comply, were cited following this grace period. In addition, this committee held a community wide meeting to discuss citizens concerns and gather community input. This group also gathered the faith-based community leadership together to discuss how they could interact and assist with community members who might need code enforcement assistance and other community beautification efforts.

ECONOMIC DEVELOPMENT BUSINESS & ENTREPRENEUR SUPPORT TEAM

The Business & Entrepreneur Support Team (BEST) is a Chamber of Commerce committee that engages a diverse group of civic leaders and professionals with the singular objective of helping local businesses succeed. Formed in 2020 at the height of the COVID-19 pandemic, the team offers insights from experts in economic development, business operations, marketing, municipal governance, entrepreneurial training, financing and community engagement. Consultations are designed for a free-flowing exchange of information, ideas, and advice to help owners optimize their experience in sustaining or growing their business in Independence. The BEST Committee has already seen many successes.

“We are so grateful for your input and help. Your suggestions will be incorporated into our plan immediately. Your enthusiasm for Independence business is definitely genuine and infectious! We were already excited, but meeting with the BEST team made us feel like we are on the right track, giving us some great resources for all of our questions.” - Prospective Business Owner.

ECONOMIC DEVELOPMENT COMMERCIAL GROWTH

While the City of Independence has had limited economic growth and development over the course of the past decade, the pace of new commercial construction, commercial renovations and new businesses going into existing structures has seen an uptick over the past 24 months. Many new entrepreneur retailers and restauranteurs have opened for business in Independence's historical downtown building district such as; Bows and Britches Children's Boutique, Sunflower Nutrition, Apricot Lane (Franchise), Prairie Fox, The Pink Kitty, Dickey's Barbeque (Franchise) and soon to open Cask and Grove Premium Oils and Vinegars. In addition, others who have opened are High Roads Coffee, Domino's Pizza (Franchise), and Scooter's (Franchise).

The following 3 slides will show the commercial building permits issued in 2019, 2020, and 2021.

2019 Commercial Building Permits

Most of the 2019 commercial building permits were for service industries with a permitted valuation of \$1,937,752. The second largest permit category was for restaurants, with a valuation of \$527,380. The balance of the annual permit value was \$705,250 for retail, education, and public.

There were approximately 33 FTE employees added as a result of the investment in the Independence community through these building permits.

Build Type	Business Type	Permit Valuation
Renovation (Peter Pan)	Retail	\$267,000
New Construction (North 10 th)	Education	\$420,000
Renovation (North Penn)	Service	\$28,500
New Construction (West Main)	Service	\$800,000
Renovation (North Penn)	Service	\$12,350
New Construction (South 20 th)	Service	\$17,500
Renovation (North Penn)	Service	\$421,750
Renovation (East Maple)	Public	\$18,250
Renovation (North Penn)	Restaurant	\$527,380
Renovation (Cement)	Service	\$592,652
Renovation (North Penn)	Service	\$65,000
TOTAL		\$3,170,382

Source: City of Independence, KS

2020 Commercial Building Permits

Most of the 2020 commercial building permits were for retail with a permitted valuation of \$766,000, this was mainly from one retail store that was already located in Independence, they were just constructing a new facility. The balance of the annual permit value was \$331,459 for service and manufacturing.

There were approximately 2 FTE employees added as a result of the investment in the Independence community through these building permits.

Build Type	Business Type	Permit Valuation
Renovation (North Penn)	Retail	\$6,000
Renovation (North Penn)	Service	\$53,459
Renovation (East Main)	Service	\$5,000
Renovation (East Main)	Service	\$88,000
Renovation (Peter Pan)	Retail	10,000
New Construction (West Main)	Retail	\$750,000
New Construction (North Penn)	Manufacturing	\$185,000
TOTAL		\$1,097,459

2021 Commercial Building Permits

2021 has been an exciting year for what is new on the horizon for Independence in 2022. Most of the 2021 commercial building permits were for manufacturing with a permitted valuation of \$24,000,000. The second largest permit category was for restaurants, with a valuation of \$1,372,000. The balance of the annual permit value was \$488,223 for retail and service.

There are approximately 5 FTE employees with a wage range of \$11 to \$18 per hour added to the Independence employment base to date, with another new restaurant opening in 2022. Currently it is unknown the number of new employees the restaurant will bring, but the wages should range from \$9 to \$15 per hour. In addition, the construction of a \$24,000,000 warehouse will add “dozens of employees” with a wage range of \$12 to \$29 per hour.

Build Type	Business Type	Permit Valuation
New Construction (ARCO Place)	Service	\$125,000
Renovation (East Main)	Service	\$150,000
New Construction (West Main)	Restaurant	\$22,000
New Construction (Multiple Sites)	Service	\$110,000
Renovation (North 6th)	Service	\$13,223
Renovation (West Main)	Service	\$40,000
Renovation (North Penn)	Restaurant	\$150,000
New Construction (North 25 th)	Restaurant	\$700,000
New Construction (Enterprise Drive)	Warehousing	\$24,000,000
Renovation (North 8th)	Service	\$20,000
Renovation (Peter Pan)	Retail	\$30,000
New Construction (North 10 th)	Restaurant	\$500,000
	TOTAL	\$25,860,223

ECONOMIC DEVELOPMENT INDEPENDENCE VALUATIONS

YEAR	VALUATION
2018	\$48,964,697
2019	\$47,765,990
2020	\$47,236,904
2021	\$47,050,341
2022	\$47,593,555
2022 vs. 2021	\$543, 214 increase of 1.01%

ECONOMIC DEVELOPMENT WAGES/EMPLOYMENT/UNEMPLOYMENT

		Total All Occupations Employment	Mean (Average Wage)	Mean Annual	Entry Level Hourly	Entry Level Annual	Experienced	Experienced Level Annual	Unemployment Rate
Montgomery County	2020 Population 31,486								
	2020	15,530	\$ 17.72	\$ 36,852.00	\$ 9.47	\$ 19,692.00	\$ 21.84	\$ 45,432.00	3.50%
	2021	13,440	\$ 19.00	\$ 39,512.00	\$ 9.95	\$ 20,704.00	\$ 23.52	\$ 48,916.00	3.20%
		-2090	\$ 1.28	\$ 2,660.00	\$ 0.48	\$ 1,012.00	\$ 1.68	\$ 3,384.00	-0.30%
Crawford County	2020 Population 38,972								
	2020	18,840	\$ 17.55	\$ 36,512.00	\$ 8.76	\$ 18,227.00	\$ 21.95	\$ 45,654.00	3.50%
	2021	18,200	\$ 17.95	\$ 37,341.00	\$ 9.08	\$ 18,880.00	\$ 22.39	\$ 46,572.00	2.50%
		-240	\$ 0.40	\$ 829.00	\$ 0.32	\$ 653.00	\$ 0.44	\$ 918.00	-1.00%
Labette County	2020 Population 20,184								
	2020	8,780	\$ 19.22	\$ 39,988.00	\$ 10.13	\$ 21,076.00	\$ 23.77	\$ 49,443.00	3.60%
	2021	7,710	\$ 19.22	\$ 39,975.00	\$ 10.10	\$ 21,002.00	\$ 23.78	\$ 49,461.00	2.90%
		-1,070	\$ -	\$ (13.00)	\$ (0.03)	\$ (74.00)	\$ 0.01	\$ 18.00	-0.70%
Cherokee County	2020 Population 19,362								
	2020	5,500	\$ 23.13	\$ 48,109.00	\$ 12.13	\$ 25,240.00	\$ 28.63	\$ 59,543.00	2.60%
	2021	5,320	\$ 22.98	\$ 47,792.00	\$ 12.87	\$ 26,764.00	\$ 28.03	\$ 58,306.00	2.30%
		-180	\$ (0.15)	\$ (317.00)	\$ 0.74	\$ 1,524.00	\$ (0.60)	\$ (1,237.00)	-0.30%

ECONOMIC DEVELOPMENT RETAIL SALES



City of Independence Sales Tax - 1% City

Comparison and History
January - December 2021

Month	Fiscal Year	% Change	% Change					
	2016	2017	2018	2019	2020	2021	FY 20-21	YTD
January	155,458	150,653	163,240	172,377	169,033	163,252	-3.4%	-3.4%
February	178,180	179,791	165,834	178,399	200,053	187,879	-6.1%	-4.9%
March	150,239	139,664	145,833	167,292	149,607	178,907	19.6%	2.2%
April	155,915	160,947	155,702	139,790	172,804	167,798	-2.9%	0.9%
May	175,729	166,595	183,899	187,854	166,798	205,282	23.1%	5.2%
June	156,021	145,881	147,180	158,263	179,353	206,304	15.0%	6.9%
July	167,882	164,178	167,392	169,308	179,594	181,396	1.0%	6.0%
August	155,386	164,255	174,341	180,142	221,770	196,182	-11.5%	3.3%
September	160,338	146,156	159,813	186,618	166,847	196,679	17.9%	4.8%
October	164,757	155,995	163,360	164,463	177,190	179,011	1.0%	4.5%
November	158,752	158,730	160,797	159,872	183,599	169,058	-7.9%	3.3%
December	160,228	188,874	188,888	168,474	188,275	211,568	26.0%	6.0%

Total:	\$ 1,828,888	\$ 1,898,720	\$ 1,855,089	\$ 2,023,851	\$ 2,135,822	\$ 2,243,303	
% change		-2%	3%	4%	0%	5.0%	

Annual Budget	\$ 2,135,922	\$ 2,243,303	\$ 107,381
	\$ 1,931,101	\$ 1,935,000	\$ 3,899

Actual Over (under) Budget \$ 204,821 \$ 308,303

% Over PY Actual 6.0%

YTD % of Budget Collected 116.8%

Actual % Over Budget 16.8%

ECONOMIC DEVELOPMENT FUTURE MONTGOMERY COUNTY PROJECTS

Project	Projected Jobs
Bartlett Grain (Mg. County)	50
Coffeyville Resources (Coffeyville)	10 to 15
FedEx Distribution Center (Independence)	Dozens
Precision Railways (Independence)	15

Project	Project Cost
Bartlett Grain (Mg. County)	\$325,000,000
Coffeyville Resources (Coffeyville)	\$50,000,000
FedEx Distribution Center (Independence)	\$24,000,000
Precision Railways (Independence)	\$2,000,000
Government Projects County/City roads, sewer and water line upgrades, City Hall renovations, park and zoo upgrades, & others	\$74,000,000

TOTAL \$500,000,000

SUMMARY FINDING #3

The Independence economy is growing, as 2021 had several economic indicators demonstrating positive-growth. The 2022 forecast indicates continued positive economic growth opportunities. With the current list of projects and the potential of existing industry expansions, the challenge facing Independence is the lack of housing. Independence currently has an out migration of employees working in Independence and living elsewhere. According to the Montgomery County Action Council's website, Independence has 416 non-residential commuters. 360 of those commuters have more than a 40-minute commute time. If the lack of available housing in Independence is not addressed all of these positive economic growth indicators will reverse. It would be unfortunate not to aggressively pursue housing solutions. The following is a summary of those 2021 and 2022 positive growth indicators.

- Commercial building permits values were significantly up with 2021 being \$24,762,764 over 2020 and \$22,689,841 over 2019.
- The City of Independence's valuation for 2022 over 2021 is an increase of \$543,214 (or 1.01%).
- Montgomery County, in comparison to the 3 other largest counties in the southeast region, has seen wages increase in 2021 over 2020 significantly. The mean average wage for all occupations in Montgomery County has increase from \$17.72 in 2020 to \$19.00 in 2021.
- Independence sales tax has seen a year over year increase since 2018. Independence serves as a regional sales center, drawing shoppers from a large geographic area. For 2021 vs. 2020, sales tax was up 5.5%.
- Montgomery County, in 2021, has announced over a ½ a BILLION in commercial development and governmental projects.

“The future economic well-being of the city or county depends on the governing body providing additional incentives for the construction or renovation of quality housing in such city or county.”

FINDING #4 ECONOMIC DEVELOPMENT HOUSING LINK

Access to affordable and stable housing in good neighborhoods is associated with positive health, education and economic outcomes for individuals and families. In addition, having a sufficient supply of housing affordable to households all along the income spectrum is also critical to supporting vibrant and sustainable local economies.

As stated, affordable housing across the income spectrum is vital to the health of a community. There are many federal programs available to assist in the development of low-income housing. Fortunately, Independence has participated in several of these programs and has successfully constructed over 400 low-income housing units. A few of the programs Independence participated in are; Low-Income Housing Tax Credits, HUD Section 8 New Construction, HOME Funds, and TCAP Funds. In addition, Independence has participated in Community Development Block Grant Home-Owner Rehabilitation Grants to assist low-income families in making much needed repairs to their home. Low-income units are vital to the positive health of a community, but work-force and moderate-income housing are just as vital. Unfortunately, there are very few programs available to assist a community in the development of housing in this income spectrum.

Kansas Housing Resources Corporation identified this as a mitigating challenge to the economic growth of communities several years ago and established the Moderate-Income Housing Grant. This has been a successful program across the State of Kansas, with many neighboring states and others establishing similar programs. Independence has benefited from this program on 3 occasions. Funding was received to assist with the infrastructure of 21 of the Eisenhower Subdivision single-family homes, as well as funding to assist in the vertical construction of 14 of these homes. Another MIH grant assisted in covering the appraisal gap in the construction of 6 single-family homes in the Martin Subdivision. Most recently, Independence has received a \$200,000 MIH grant to assist in the construction of infrastructure for 20 single-family homes in the newly established Jefferson Subdivision.

ECONOMIC DEVELOPMENT HOUSING LINK

Ever grateful for the \$200,000 MIH grant, the Independence Housing Authority is still in need of assistance in additional funding to develop the Jefferson Subdivision. Including the land cost and the estimated infrastructure costs, IHA anticipates each lot cost to be approximately \$50,000 before a house is even constructed. Current estimates for new construction per square foot is \$ 165. With input from a community wide housing focus group held in 2018 and again in 2021, with representatives of varying community stakeholders, the focus group in both meetings identified work-force/moderate-income housing as the greatest need. The consensus was a 3 to 4 bedroom, 2 bath, 1600 sq ft to 1800 sq ft ranch style home as the most desired. With the current estimated cost of \$ 165 per sq ft, the construction of a 1600 sq ft home will be approximately \$264,000 with an 1800 sq ft home costing approximately \$297,000. These homes, with the lot costs included, are projected to cost \$314,000 to \$347,000 respectively. These numbers are without a developers profit and overhead. Even with low interest rates, these homes will not be attainable by moderate-income families and in rural communities will not meet the loan required appraisal without some type of development subsidy. Establishing Rural Housing Incentive Districts at multiple building sites around Independence, including Independence's historical downtown central business district, is a necessary tool in having any hope of addressing the housing shortage issue.

It is vital for local, state, and federal governmental entities to focus on establishing programs that will assist in the construction of work-force/moderate-income housing units as they have historically low-income housing programs. A community's overall economic health and viability is dependent on all housing types being available.

SUMMARY FINDING #4

For years, various stakeholders in the Independence community have discussed the lack of housing as a hindrance to community growth, advancement of economic development, bringing new jobs and businesses, and the need to expand the tax base.

It is vital for local, state, and federal governmental entities to focus on establishing programs that will assist in the construction of work-force/moderate-income housing units as they have historically low-income housing programs. A community's overall economic health and viability is dependent on all housing types being available. The loss of people living in a community has a trickle-down effect in the community. When people don't live in the community, they work; they don't pay taxes, their children don't attend local schools, they don't shop locally, and they don't spend their leisure time attending community events and festivals.

Conversely, employers need employees to live close to where they work. Studies have shown, employees who live in the communities where they work are better employees. As employers see lower absentee rates, less employment turn-over, thus reducing training costs and when an employee stays with a company for more than 24 months, there are fewer worker compensation claims.

Economic development is tied to a quality housing stock for new employees – without the latter, it is hard to attract the former.

The City of Independence's aging housing stock is declining. The future economic well-being of Independence depends upon developing new housing to meet the needs of a variety of consumers. Additional incentives are needed to spur development of this housing.