

DUBOIS COUNTY HOUSING STUDY

November 9, 2023





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Adrienne Nyberg

Jumping Jasper, LLC

Alex Krempp

Krempp Lumber

Allie Tempel

Vincennes University Jasper

Amy Gehlhausen

Qualicare

Arlene Erny

Hoosier Hills Credit Union

Bart Kerstiens,

Premier Properties

Brent Vorst

Jagoe Homes

Bridget Fromme

Northwood Good Samaritan

Chris James

Town of Ferdinand

Dakota Begle

Freedom Bank

Dan Conway

Best Home Furnishings

Darla Blazey

City of Jasper

Debbie Doppenberg

Hoosier Hills Credit Union

Dennis Tedrow

Vincennes University Jasper

Jake Mauntel

America Dream Realty

Jason Hagen

Hoosier Hills

Jason Nord

*Jasper Engines &
Transmissions*

Jeff Braun

Meyer Distributing

Jeremy Betz

Betz Construction

Joyce Fleck

Tri-Cap

Kevin Smith

*Dubois County Community
Foundation*

Kyle Chase

Seufert Construction

Kyleigh Kluemper

Legacy Living

Linda Schroering

Century 21, Schroering Realty

Lindsey Burger

Northwood Good Samaritan

Lynn Wagner

*Memorial Hospital &
Healthcare Center*

Matt Schaick

Meyer Distributing

Max Verkamp

Indiana Furniture

Megan Durlauf

Dove House

Meredith Voegerl

*Memorial Hospital &
Healthcare Center*

Mike Kluesner

Dubois County Council

Morgan Thewes

Purdue Westgate

Neil Elkins,

*Indiana Office of Community
and Rural Affairs*

Nick Stevens

Old National Bank

Nicole Cyrill

TNM3 Properties

Paul Lake,

City of Huntingburg

Rossina Sandoval

*Southwest Dubois School
Corporation*

Ruger Kerstiens

Premier Properties

Scott Denhart

MasterBrand

Shane Lindhauer

*Bee Hive Homes, Assisted
Living and Memory Loss Care*

Simon Rojas

Pfaff Construction

Tawana Lynch

Vine Street Lofts

Valerie Schmidt

*Southwest Indiana Workforce
Board*

Dubois Strong Staff:

Brenda Heeke

Dubois Strong, Office Manager

Ed Cole

Dubois Strong, President

Samantha Gray

Dubois Strong, Marketing Specialist

Special thanks to:

Angela C. Geisler

Dubois County Assessor

Prepared by:



RDG Planning & Design
www.rdgusa.com





An aerial photograph of a rural landscape, featuring rolling hills, a dense forest, and a road. The image is overlaid with a semi-transparent green filter. The text "EXECUTIVE SUMMARY" is centered in the upper half of the image.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Dubois County Housing Study is built on a variety of data to form a picture of the Dubois County housing market today. The study lays out recommendations the county, cities, and community partners can take to begin building an affordable, safe, and sustainable housing market for all. The following is a summary of the information and takeaways from each chapter of the study.

CHAPTER 1: MARKET ASSESSMENT

This chapter summarizes the characteristics of Dubois that strongly impact the housing market. A thorough understanding of demographics and housing conditions provide the first steps in crafting the housing study.



POPULATION

- Since 1990, Dubois County's annual growth rate has been around 0.6%.
- The county is expected to easily support or exceed this growth rate in the coming decade.



EMPLOYMENT

- The county's unemployment rate is just below 3%, indicating near full employment.
- Industries like Manufacturing, Retail Trade, Construction, and Wholesale Trade have seen growth. These industries typically offer middle to lower income pay rates.
- Manufacturing is historically important for the county's economy and has supported modest home ownership.
- The aging population has resulted in only 50% of the population being in the labor force. Demand for workers remains high due to an aging workforce and low unemployment.



INCOME

- Household income has increased, with the county overall and Ferdinand experiencing the largest increases.
- Huntingburg has experienced little to no growth in household income.
- An increase in young or retiree households can affect median household income.
- The largest income growth is observed in those making over \$100,000 a year.
- Approximately 37% of households make less than \$50,000 a year.



HOUSING

- Most rental options are in the largest communities with water and sewer services.
- A low rental rate can indicate an imbalance in the market.
- Construction data suggests a shortage of multi-family units.
- Vacancy rates are low, but the actual number of available units may be less than reported.
- Most vacant units are classified as "other" and are unoccupied due to various reasons.



CONSTRUCTION ACTIVITY

- Construction activity in Dubois County is dominated by single-family detached units.
- Demand for multi-family options remains high, with near full occupancy of rentals.
- Real estate agents reported a limited number of units listed for sale.

DUBOIS COUNTY COMMUNITIES

Population trends and housing findings of Ferdinand, Jasper, and Huntingburg:

FERDINAND

- Population in Ferdinand declined from 1990 to 2010 but remained stable in 2020.
- The city's aging population suggests that maintaining population indicates in-migration.
- New construction has filled quickly, showing growth potential.
- Access to the interstate and Dubois County jobs offers opportunities for stable growth.
 - *Capitalizing on these opportunities could reverse historical population loss trends, requiring additional housing to reach a population of approximately 2,239.*

JASPER

- Jasper serves as a manufacturing and commercial hub for southwest Indiana.
- A strong local job market has driven consistent growth, averaging just under 1.75% annually since the 1990s.
- Continued growth is expected, reaching a population of over 19,500 by 2035 if the current growth rate is maintained.
- Recent rental construction has focused on low-income housing, but there is high demand for new market-rate units.
- Median household income and competitive pay rates suggest support for new market-rate housing.

HUNTINGBURG

- Huntingburg has seen growth just under 1% annually since the 1990s.
- New construction has been in demand but hasn't led to population growth as the people per household has declined.
- A 1% annual growth rate could lead to a population of nearly 7,400 over the next 10 years.
- Census estimates may not fully capture recent increases in values, rents, and incomes.
- Huntingburg offers an affordable market and potential for new market-rate housing with infrastructure assistance.



HOMES SALES

- Demand for housing has steadily increased over the past 10 years.
- Median home values have grown by about 15%.
- Sale prices have grown by almost 29% since 2019.
- Days on market are down, indicating price increases due to a limited supply.
- Even with increasing interest rates, prices are likely to continue to rise.



RENTAL HOUSING

- Census reported over 130 vacant rental units, which seemed high compared to participant input.
- A survey was conducted with the county's largest landlords and property managers, yielding seven responses, accounting for 21% of Census-identified renter units in 2020.
- The survey sample reported a 1.4% vacancy rate.
- 75% of the surveyed units were 1- or 2-bedroom units in multi-family structures.
- 57% of respondents stated it takes less than a week to find new renters for vacant units.
- The most frequent rental range for multi-family units was \$500 to \$800.
- No dominant pattern for rental rates in duplexes, townhomes, and single-family units, possibly due to varying unit ages.



AFFORDABILITY

- The county-wide Value to Income ratio is 2.58, indicating most owner-occupied households are not cost-burdened.
- High ratios in certain areas may reflect data anomalies or older households without mortgages.
- Nearly 15% of renters in the County are cost-burdened, and approximately 38% of the County's homeowners are also burdened by housing costs.

DEMAND 2035

- Dubois County's aging population is balanced by consistent in-migration and higher birth rates.
- Job openings and a high quality of life support a growth rate of 0.75% to 1.0%.
- Housing demand could require over 2,900 units by 2035 if the county grows by 1%, but just over 2,200 if the growth rate is 0.75%.



CHAPTER 2: HOUSING GOALS

Chapter two is built up upon the voices and experiences of Dubois County's residents, real estate agents, builders, employers, officials, and the financial community. These individuals have shared their perspectives to make a well rounded plan. Input from these voices and other stakeholders was gathered through in-person meetings and a community survey.

COMMUNITY INSIGHTS

QUALITATIVE ASSESSMENT

COMMUNITY LISTENING SESSIONS

Key themes included:

- **Overall Market.** Dubois County needs more people to fill existing jobs, affordable housing through partnerships, and community amenities for retention and recruitment. Housing diversity has improved, but demand remains high. More training in the trades is necessary, and finding developable land with sewer access is a major issue.
- **Rental Market.** The rental market shows limited vacancies despite new construction, with properties filling up quickly. Wage growth lags behind housing costs, but the county has low poverty levels. Rising rents make financing new rentals easier. Affordable short-term rentals for interns or traveling workers are a challenge, and employer participation in the housing market is limited.
- **Ownership Market.** In the ownership market, sales are slightly down, but property values are up, leading to bidding wars for quality homes. Cash buyers are still present despite rising prices. Rental construction is viewed as beneficial, and there's demand for more housing units. Higher interest rates may discourage existing homeowners from moving. Some interest in "pole barn" houses, but affordability has decreased. Finding housing often depends on personal connections or luck, which can be challenging for newcomers.
- **Low Maintenance Options.** Low maintenance options like duplexes and independent senior living units are in high demand and quickly occupied. Recent units in this category have sold exceptionally well, with 19 out of 24 selling immediately, even without being seen in person. There is a noticeable trend of retirees downsizing and young first-time home buyers showing interest, particularly in areas like Hunters Crossing.
- **Infrastructure.** Infrastructure faces challenges with lot development, limited supply, and cost increases. Demand isn't the issue; it's the cost of maintaining infrastructure and personal risk for developers. Partnerships and cost-sharing, including Tax Increment Financing and state REDI funds, are being leveraged to address these challenges.
- **Older Housing Stock.** Contractors are in high demand, but there is less enthusiasm for rehab work. Buyers seem to be less interested in purchasing older homes that require renovation.
- **Codes.** There's a need for greater flexibility within residential districts, including smaller setbacks for efficient land use and easier integration of different lot sizes and product types within the same development. The absence of zoning at the county level is seen as both an advantage and a drawback.

DEVELOPMENT POTENTIAL

PHYSICAL ASSESSMENT

A suitability map for Dubois County identifies areas suitable for development based on factors like population centers, terrain, and infrastructure. Most of the county is deemed suitable, with the edges of Huntingburg being the best. To encourage development, targeted programs and incentives are recommended in Jasper, Huntingburg, and Ferdinand, focusing on areas with access to city services.

HOUSING GOALS

FIND WAYS TO SHARE RISK

New Development. Find effective ways to share financial risks in new development projects, given the rising costs that deter private market investment in lot development. Cities are increasingly assisting in lot development and participating in the sharing of these financial risks to promote sustainable growth.

Infill Development. Private markets usually consider redevelopment sites risky, so communities in the County will need to identify infill sites and collaborate by assisting in site preparation and sharing development risks. This can lead to benefits like increased property values and new residents supporting local businesses.

INCREASE VARIETY OF HOUSING OPTIONS

Dubois County's housing market faces affordability and availability issues due to a lack of housing variety. The predominant focus on single-family homes and limited rental housing options hampers flexibility. To create a healthier housing market, it's vital to provide diverse ownership choices that accommodate residents' evolving needs throughout their lives, from apartments to family homes and downsizing options in later years.

SECURE & CONSERVE EXISTING HOUSING

Secure and conserve existing housing to provide affordable housing options, especially for households earning less than 120% of the Area Median Income (AMI). This approach not only promotes affordability but also reduces the environmental impact. Given recent appreciation rates in existing housing, securing the affordability of some units is crucial to make homeownership more accessible for moderate to lower-income households and should be part of the long-term strategy.

LEVERAGE EXISTING LOTS & ADD NEW LOTS

Leverage existing lots and add new lots for housing development, particularly focusing on increasing affordable housing options. This involves addressing the challenge of rising infrastructure costs and the need to provide more affordable lots. Additionally, there is an opportunity to encourage landowners to sell developable land adjoining communities, promoting a sense of legacy and community-building in the region.

CHAPTER 3: A PATH FORWARD

HOUSING STRATEGY

Chapter 3 explores strategies for implementing the goals found in Chapter 2. It focuses on how local governments, organizations, builders, and other partners can work together to meet the housing needs in Dubois County. The strategies identified will not overcome all housing challenges but should be seen as a first step in a journey that is regularly re-evaluated.

HOUSING STRATEGIES

FIND WAYS TO SHARE RISK

- Housing Funding Pools
- Lending Consortium
- Housing Trust Fund
- Economic Development Funds

INCREASE VARIETY OF HOUSING OPTIONS

- Create a Development Fund
- Review Zoning & Subdivision Codes
- Establish Pattern Books
- Long-Range Planning

SECURE & CONSERVE EXISTING HOUSING

- Establish and Fund Healthy Home Programs
- Review Zoning Codes
- Rental Rehabilitation Programs
- Establish Ownership Rehab Programs

LEVERAGE EXISTING LOTS & ADD NEW LOTS

- Site Preparation
- Land Development
- Redevelopment







INTRODUCTION

INTRODUCTION

REASON FOR A PLAN

Housing impacts the quality of life for residents in Dubois County, for people interested in moving to the area, and for businesses seeking to recruit and retain employees. Due to the importance housing has on the entire community, leaders completed a housing study in 2015. That study served the county well, but the county and nation have experienced changes in the way we live and work, and leaders saw the need to address these changes in an updated housing study.

A housing study serves several purposes. First, how much housing is built and the housing people need/want do not always correlate. This is not because builders and owners/renters do not want it too. Instead, other forces often influence decisions and when the market does not self-correct, interventions in the market are necessary. Through community engagement, interviews, community tours, and market analysis, a housing assessment identifies the market gaps and strategies to meet the housing needs of various households.

WHY NOW?

The importance of housing and the increasing cost to build and maintain it has been rising in national prominence. Dubois County has not been immune to changes in the housing market. Recent years have shown an increase in the cost to own or to rent a home in Dubois County.

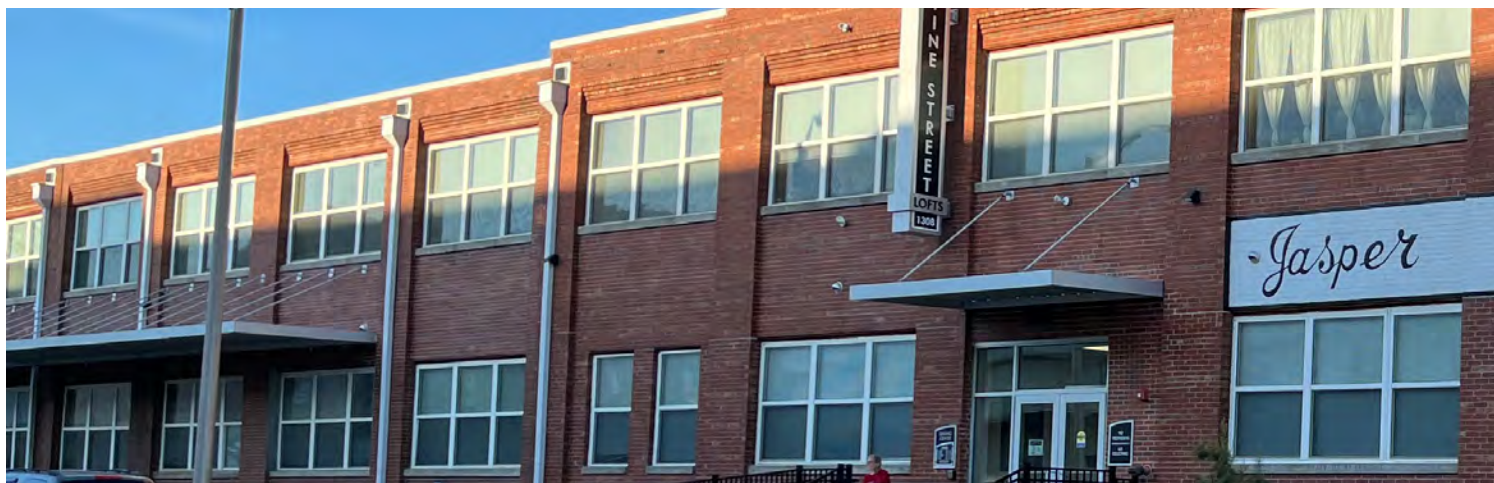
Local factors in Dubois County:

- Struggle by employers to attract workers and then find appropriate housing
- Shortage of lots (greenfield and infill)
- Sense that there are few rental options in communities for new and existing residents
- Short supply of for sale housing
- Increasing cost of building supplies

STUDY ORGANIZATION

This study includes an analysis of the Dubois County housing market and offers practical recommendations and tools to address identified housing issues and opportunities. The following pages integrate an understanding of the physical and socioeconomic conditions with implementation tools that can be leveraged at the local or regional level.

- **Chapter 1.** examines housing, demographic, and economic trends.
- **Chapter 2.** reviews the qualitative and physical opportunities and challenges and establishes strategic housing goals.
- **Chapter 3.** delivers strategies, programs, and policies that will move the county and cities towards more attainable and affordable housing.



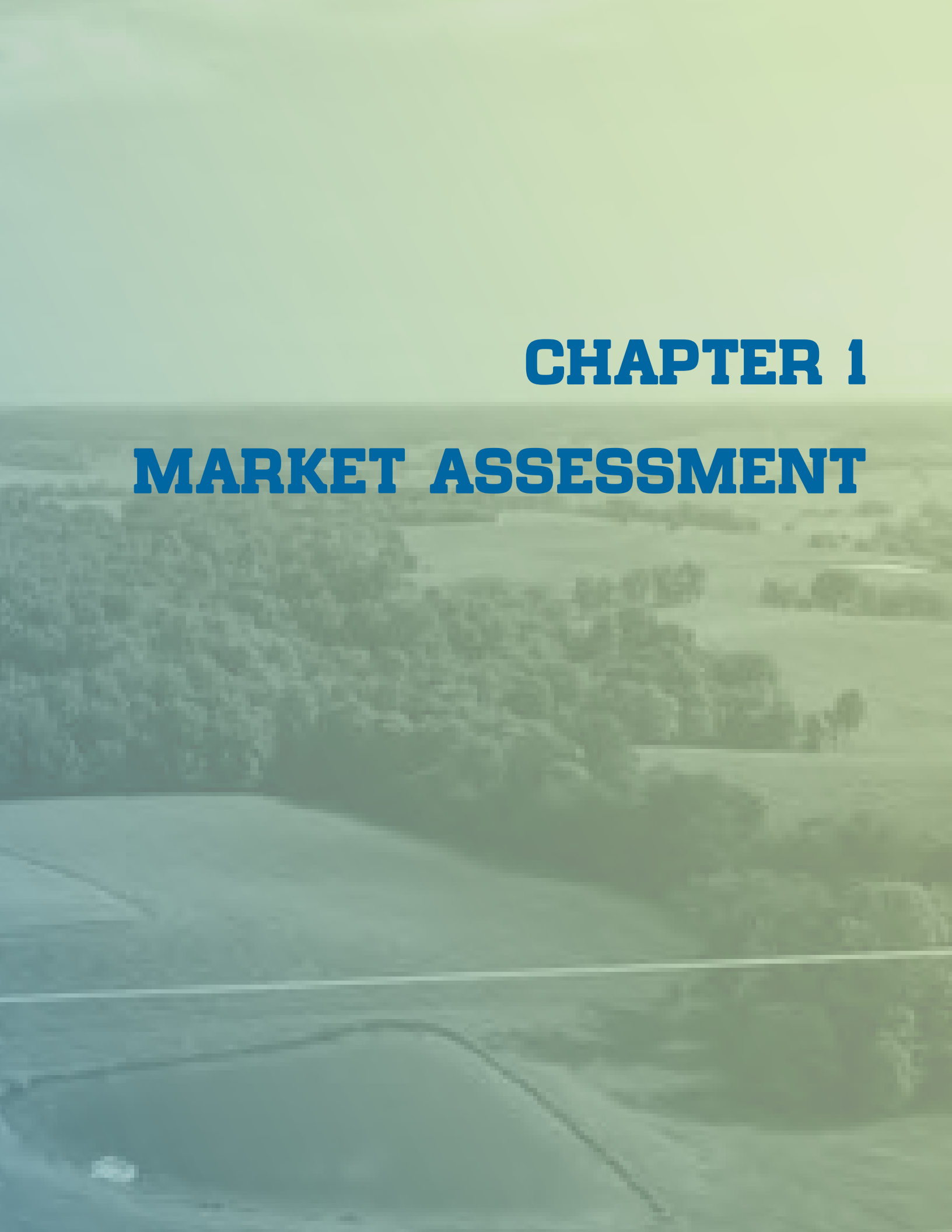
HOUSING TERMINOLOGY

Several terms and phrases are used in housing lingo today; many are not easily understood without explanation and some mean different things to different people. The following terms are used throughout this documents to explain the housing market.

- **Accessory Dwelling Unit (ADU).** ADUs can be attached, detached, or a separate interior residential structure on the same parcel as the main single-family dwelling.
- **Affordable Housing.** Any housing that is not financially burdensome to a household in a specific income range. The term affordable housing can include housing subsidized by federal programs.
- **Appraisal.** Assessment of the current market value of a property and usually a key requirement when a property is bought, sold, insured, or mortgaged. Comparables are needed; these are properties located in the same area, have similar characteristics, and have an established value (recent sales).
- **Area Median Income (AMI).** The midpoint in Dubois County's income distribution, meaning that half of households earn more than the median and half earn less. A household's income is calculated by its gross income or the total income before taxes and other payroll deductions.
- **Attainable Housing.** Much like affordable housing, this is housing that is not financially burdensome to a household despite their income range. This term does not have the association with state and federal programs as defined in affordable housing.
- **Cost Burdened.** Any household spending more than 30% of their monthly income of housing.
- **Empty Nester.** A single person or a couple without children living at home. Empty nester can include any age range, but most often refers to older adults and seniors whose children no longer live at home.
- **Market Rate.** The price that the broad number of home buyers or renters are willing to pay for housing. Market rate housing is not restricted by price. Generally, when the demand goes up or housing supply decreases, the market rate price will increase. Note, the market rate price may also be a price buyers must pay because there are no other options accommodating their situation, possibly making them housing cost burdened.
- **Senior Housing.** Often thought of as nursing homes and assisted living facilities, senior housing in the context of this study is more broadly defined and refers to housing that caters to older adults. These housing options could include ground floor apartments, condos, housing with limited assistance, or other options that allow seniors to live independently with less maintenance.
- **Universal Design.** Structural design that focuses on making the house safe and accessible for everyone, regardless of age, physical ability, or stature. Incorporates ideas like task lighting, wide entry ways, and easily adaptable spaces.
- **Workforce Housing.** According to the Urban Land Institute, workforce housing is any housing that is affordable to a household earning between 60% and 120% of the area median income (AMI).





An aerial photograph of a rural landscape, showing a winding road through fields and a dense line of trees. The image is overlaid with a semi-transparent green filter. The text 'CHAPTER 1' and 'MARKET ASSESSMENT' is centered in the upper half of the image.

CHAPTER 1

MARKET ASSESSMENT

MARKET ASSESSMENT

Introduction

This chapter summarizes the characteristics of Dubois County that strongly influence the housing market. A thorough understanding of demographics and housing conditions is the first step in crafting the housing plan. It is important to understand the historic trends, population patterns, economy, and housing market conditions today to forecast future needs and articulate a program to improve Dubois County's housing market for specific age cohorts, income levels, and personal preferences.

What market data tells us

Figure 1.1 summarizes the variety of elements that influence housing supply and demand. Quantitative data describes past trends in population, housing occupancy, affordability, and other objective measurements. Market data gives a quick and straightforward representation of the county and how it compares to other comparable counties and those in the region. It helps explain why conditions are the same or different compared to other areas to tailor successful policies.

What market data does not tell us

Census and other objective data have limitations, so it provides only one element of understanding the housing market. Market data does not capture the feelings and observations of residents. It does not indicate the effect those quantitative conditions have on people in different areas. It does not fully capture the condition of housing or community amenities. Lastly, market data becomes less reliable for small areas (under 1,000) because of sampling error and insufficient data. Ultimately, the conclusions and strategic directions compare data with on the ground observations and discussions.

Peer Communities

Throughout this chapter comparisons are made to peer communities. The idea of peer communities provides a baseline to evaluate whether conditions in Dubois County are different than other communities in the region or state. The analysis uses several peer communities throughout the document. While each peer is similar to Dubois County in one way or another, every community ultimately has a unique set of circumstances that set it apart from every other.

Figure 2.0: Housing Market Influences



Source: RDG Planning & Design

DUBOIS COUNTY

A DEMOGRAPHIC SNAPSHOT

POPULATION CHARACTERISTICS AND CHANGE

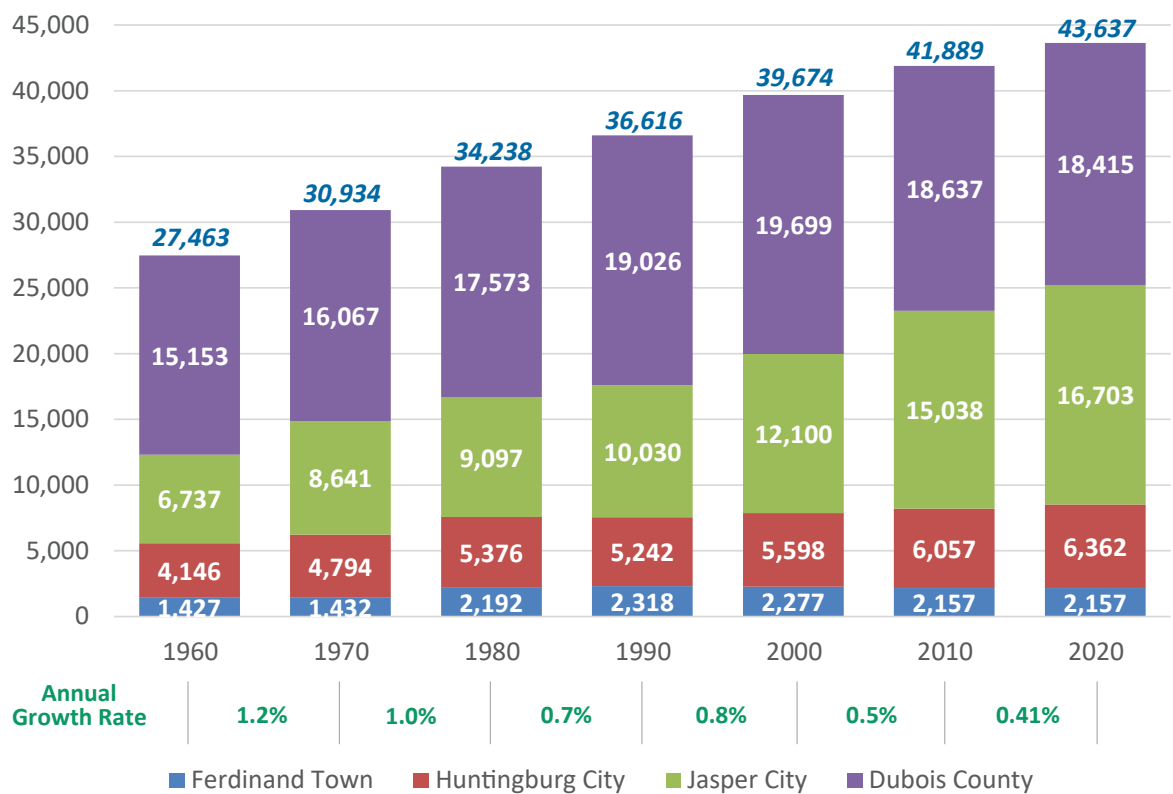
This section reviews the county's demographic trends—historical population growth, trends in age distribution, and geographic distribution. These trends provide a perspective on how the region has grown, the disparities that may have evolved, and new opportunities created.

Historic Trends

Overall, the region experienced steady growth since 1960, starting with a population of 27,463 and growing by 59% to a 2020 population of 43,637.

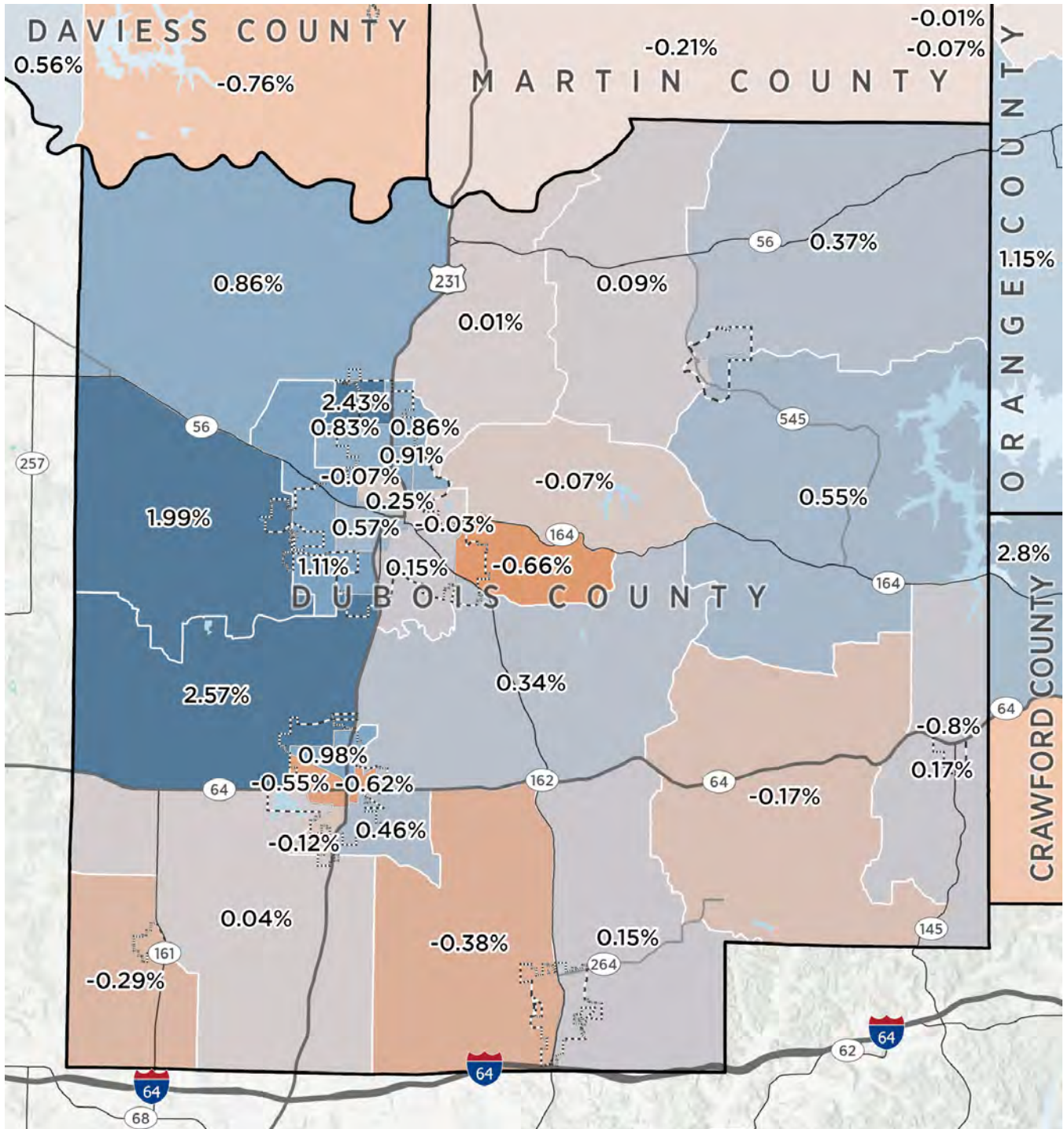
- Nationally, rural areas outside city limits have declined over the past century. This was not the case for Dubois County, where the population outside Jasper, Huntingburg, and Ferdinand grew between 1960 and 2000.
 - Since 2000, population growth has occurred solely inside the communities.
- Recovery from the Great Recession in the early part of the past decade may have slowed growth between 2010 and 2020.
- Since 1990 the county's annual growth rate has been nearly 0.6%, a rate that the county should be able to easily support or exceed in the coming decade.

Figure 1.1: Historical Population Change

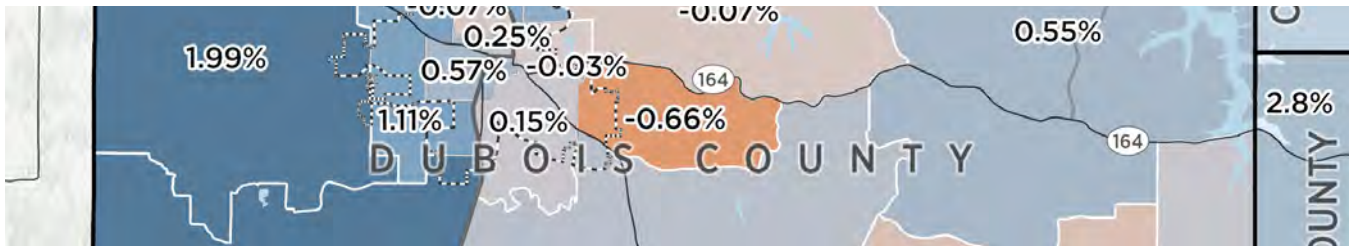


Source: U.S. Census Bureau

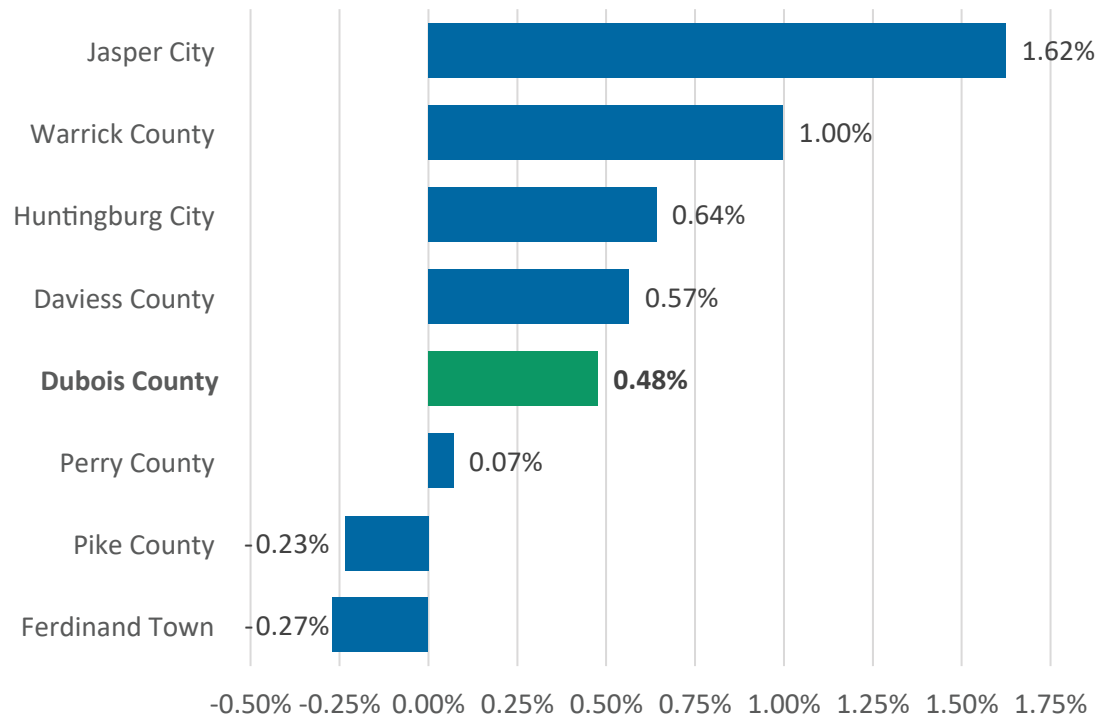
| Map 1.1: 2000-2020 Average Annual Growth Rate



Source: 2021 American Community Survey (5-Year Estimates)
 Adjacent Counties with data shown reflect those within in the Indiana Uplands



| **Figure 1.2: 2000-2020 Regional Population Change - Annual Growth Rates**



Source: U.S. Census Bureau

- The areas on the west and north sides of Jasper experienced the fastest growth over the past decade (Map 1.1).
 - *Alternately, the area just to the east of Jasper experienced the fastest decline in population.*
- The growth in the eastern side of Ferdinand was enough to balance out the losses on the west to maintain the town's population.

Regional Population Change

- Jasper's growth over the past twenty years has outpaced the cities of Dubois and many of the surrounding counties.
- Warrick County is the only county in the surrounding area to significantly outpace Dubois County's growth. For Warrick County this growth is supported by Evansville and occurs mostly in the western portions of the county.
- In 1960 Dubois and Daviess Counties were nearly the same size but from 1960 to 2020 Dubois grew at a much faster rate. Since 2020 the two counties population growth has been nearly identical.
- It would appear that the 2020 Census did not capture the new construction that occurred in Ferdinand that should support population growth.

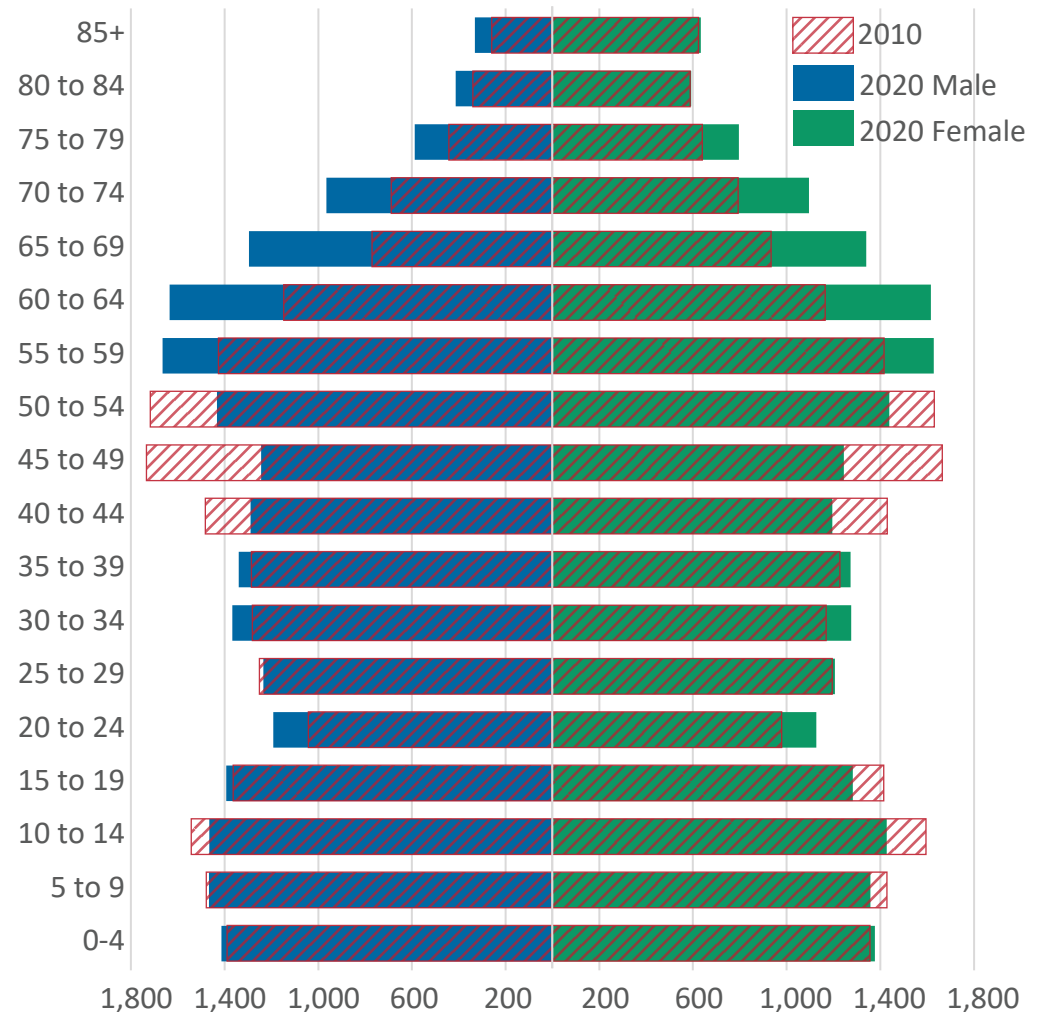


Age & Migration

Individuals need different types of housing depending on their stage of life. Young adults need rentals and first-time home buyer options while seniors may be looking to downsize from the homes they raised their families. For this reason, changing demographics can impact the type of homes needed in a market.

- Dubois County is an aging population, reflective of the Baby Boomers moving into their retirement years.
- Young Millennials, between the ages of 20 and 30 in 2020 were one of the smallest age groups in the county.
 - *It should be noted that these populations are often looking to rent when they first move to a community.*

| Figure 1.3: 2010-2020 Age Cohort Growth



Source: U.S. Census Bureau



FIGURE 1.4: 2020 PREDICTED VERSUS ACTUAL POPULATION

| | Age | Predicted 2020 | Actual 2020 | Difference |
|--------------|--------------|----------------|-------------|------------|
| Emerging | 0-15 | 6,799 | 8,509 | 1,710 |
| | 15-19 | 2,897 | 2,675 | -222 |
| | 20-24 | 3,119 | 2,319 | -800 |
| Established | 25-34 | 4,758 | 5,083 | 325 |
| | 35-44 | 4,840 | 5,096 | 256 |
| | 45-54 | 5,295 | 5,360 | 65 |
| Retirees | 55-64 | 6,321 | 6,545 | 224 |
| | 65-74 | 4,379 | 4,697 | 318 |
| | 75-84 | 2,185 | 2,389 | 204 |
| | 85+ | 1,092 | 964 | -128 |
| Total | | 41,686 | 43,637 | 1,951 |

Source: U.S. Census Bureau

Predicted vs. Actual Population

When the predicted population (based on standard birth and death rates) is compared to the actual, Dubois County experienced an in-migration of nearly 2,000 residents.

- If Dubois County’s population groups are categorized into three tiers - emerging, established, and retirees - general trends can be seen:
 - *Out-migration occurred among 15 to 24 years olds (emerging), age groups that often leave their home communities for college or jobs. Despite this out migration, higher birth rates resulted in a much greater than predicted number of those under the age of 15.*
 - *Many young adults in their early years of establishing careers in families were attracted back to the county (25 to 44 year-olds).*
 - *Stakeholders noted that the county was attractive to many retirees and the numbers would appear to support an in-migration occurring among those between the ages of 55 and 84.*
- The loss in population of the county’s oldest adults may reflect a higher than expected death rate or a lack of housing that is meeting their stage of life.



ECONOMIC SNAPSHOT

Employment

Figure 1.5 illustrates the percent of people employed by industry regardless of location of their employment.

- The number of residents employed in Manufacturing, Retail Trade, Construction, and Wholesale Trade have all grown over the past several years. These industries generally offer a range of middle to lower income pay rates.
- Manufacturing is an important part of the county's economy and historically these jobs have provided wages that could support ownership of modest homes.

As noted in Figure 1.3, Dubois County has a growing number of residents in or entering their retirement years. The aging population results in only 50% of the population in the labor force.

- The county's unemployment rate is just below 3%, indicating near full employment by those in the workforce.
- Dubois and Warrick counties have the largest population and largest percentage of that population over the age of 16 that is participating in the workforce.
- With an aging workforce and low unemployment rate, demand for workers will remain high.
 - *It is important to note that when an employee retires they open up a job but not the home for the new worker to fill.*

| **Figure 1.5: Industries & Employment**

TOP 5 INDUSTRIES IN DUBOIS COUNTY



Manufacturing
34.2%



Educational services, and health care and social assistance
18.0%



Retail Trade
10.2%



Construction
6.6%



Wholesale Trade
5.2%

EMPLOYMENT IN DUBOIS COUNTY



Population 16+ in the Civilian Labor Workforce

50.51%



Total Workforce

22,042



Unemployment Rate

2.9%

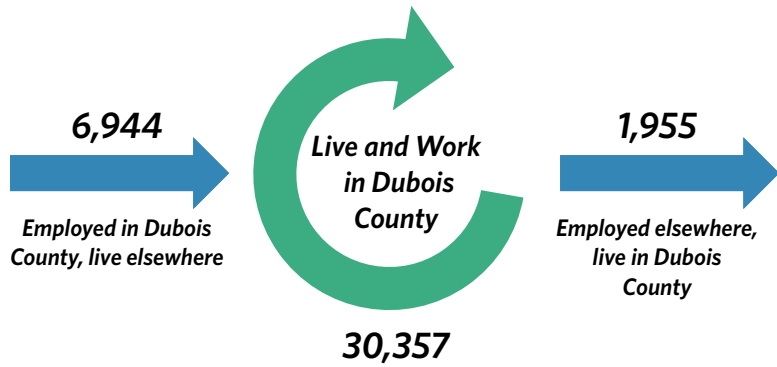
Source: 2021 American Community Survey (5-Year Estimates) & 2023 STATS Indiana

FIGURE 1.6: EMPLOYMENT TRENDS

| Place | 2020 Population | May 2023 Labor Force | May 2023 Unemployment Rate |
|----------------|-----------------|----------------------|----------------------------|
| Dubois County | 43,637 | 22,042 | 2.9 |
| Daviess County | 33,381 | 16,786 | 2.8 |
| Perry County | 19,170 | 8,890 | 3.2 |
| Pike County | 12,250 | 5,922 | 3.3 |
| Warrick County | 63,898 | 32,585 | 3.1 |

Source: U.S. Census Bureau & STATS Indiana

| Figure 1.7: Inflow and Outflow Dubois County



Source: 2020 STATS Indiana

Commuting Patterns

Many factors can influence where workers choose to live, but generally workers will look to live close to work. Additional travel time adds to transportation costs and time away from family and friends.

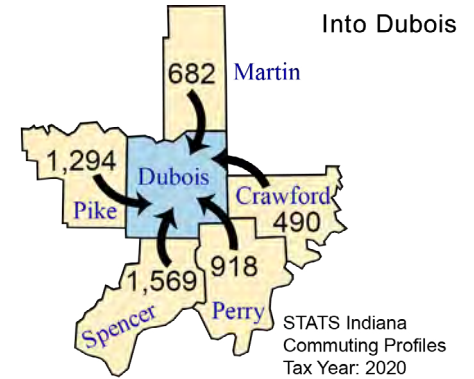
- The number of individuals working in Dubois County has grown by just over 1,000 workers since 2019.
- More workers are now living in Dubois County than in 2019 (see Indiana Upland Regional Housing Study).
- Of the nearly 7,000 workers commuting into Dubois County, 71% are coming from Spencer, Pike, Perry, Martin, or Crawford counties.
- Only 6% of residents leave the county for work and roughly 12% of those workers are commuting to the Evansville.

If Dubois County captured only 10% of the population that commutes from outside the county, 690 units would be needed to house this population.

| Figure 1.8: Top 5 counties sending workers INTO Dubois County

| County Sending Workers | # Workers | % |
|------------------------|--------------|--------------|
| Spencer County | 1,569 | 22.6% |
| Pike County | 1,294 | 18.6% |
| Perry County | 918 | 13.2% |
| Martin County | 682 | 9.8% |
| Crawford County | 490 | 7.1% |
| Total | 4,953 | 71.3% |

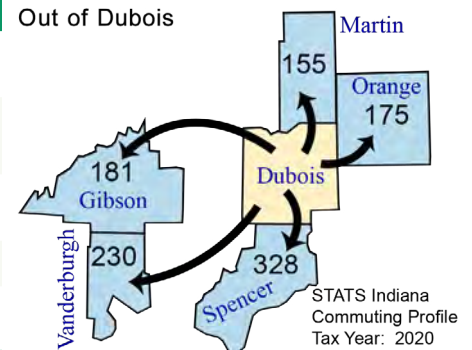
Source: 2020 STATS Indiana



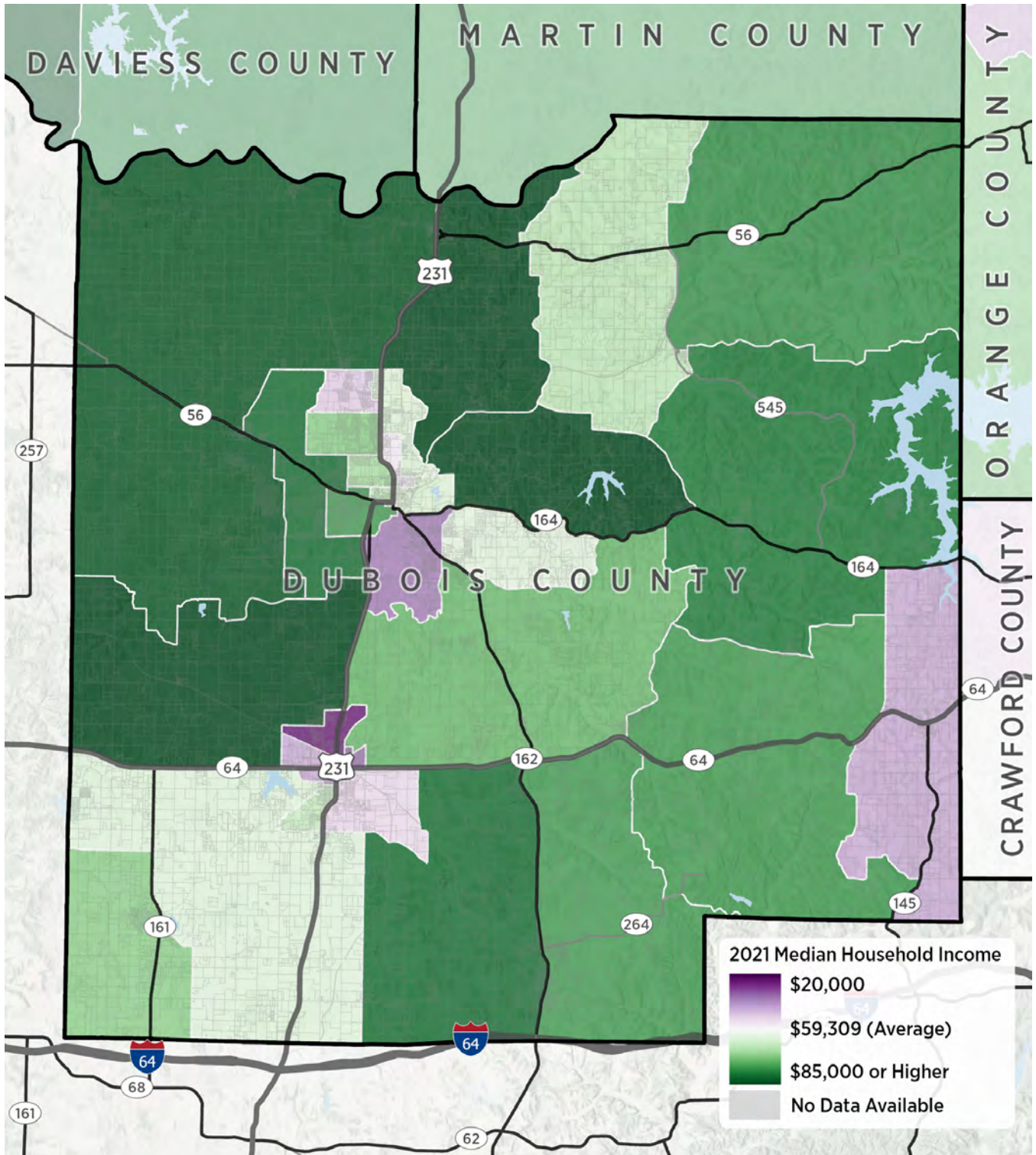
| Figure 1.9: Top 5 counties receiving workers FROM Dubois County

| County Receiving Workers | # Workers | % |
|--------------------------|--------------|--------------|
| Spencer County | 328 | 16.8% |
| Vanderburgh County | 230 | 11.8% |
| Gibson County | 181 | 9.3% |
| Orange County | 175 | 9.0% |
| Martin County | 155 | 7.9% |
| Total | 1,069 | 54.7% |

Source: 2020 STATS Indiana



Map 1.2: 2021 Median Household Income



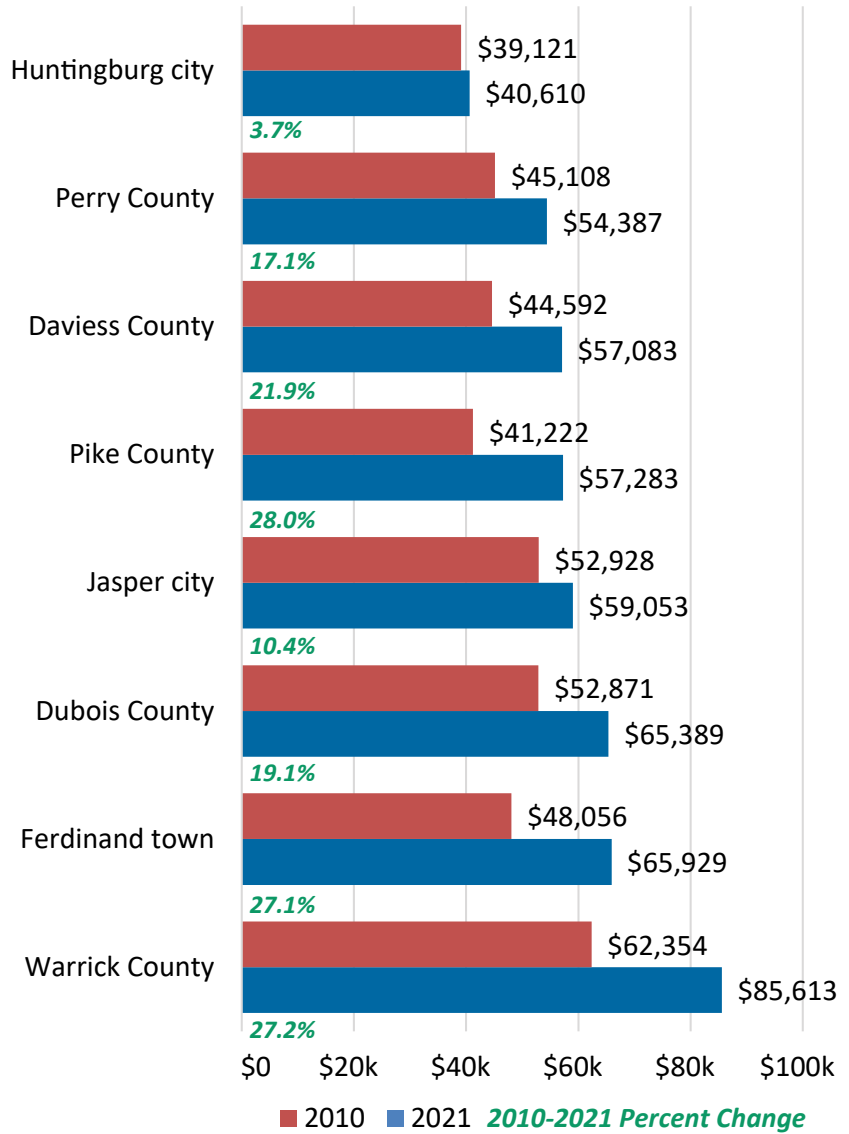
Source: 2021 American Community Survey (5-Year Estimates)

Income

The margin of error in rural or smaller communities can be higher for this type of data due to the small sample size, but based on the data available:

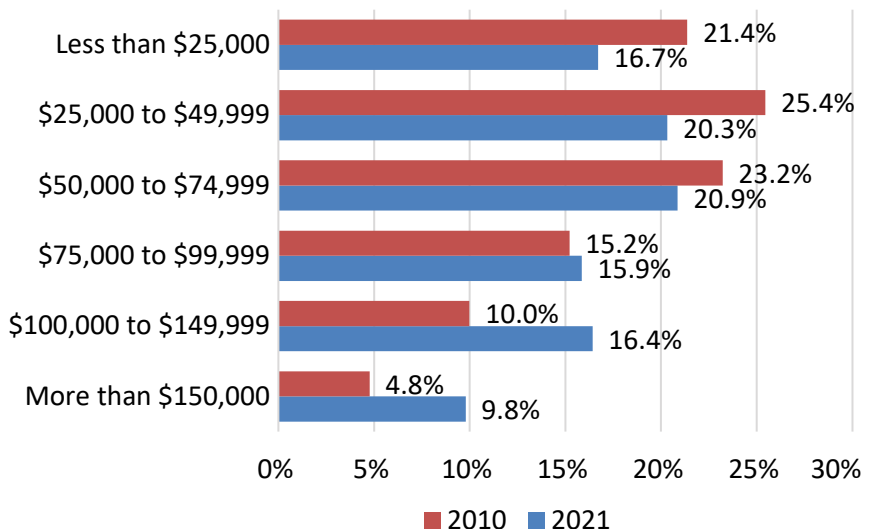
- The county overall and Ferdinand experienced the largest increases in household income.
- Huntingburg experienced almost no growth in household income, which could be due to a sampling error or a change in the demographics of the community.
 - An increase in young or retiree households could result in a slight decline in median household income.
- The largest growth in incomes occurred for those making over \$100,000 a year.
- While fewer households make less than \$75,000 a year, approximately 37% of households make less than \$50,000.
 - It should be note that with current land, material, and labor costs it is not possible to construct a **new** owner-occupied home for a household making less than \$50,000 without assistance to the development/building process.

Figure 1.10: Regional Median Household Income



Source: 2021 American Community Survey (5-Year Estimates)

Figure 1.11: Dubois County Median Household Income Distribution



Source: 2021 American Community Survey (5-Year Estimates)

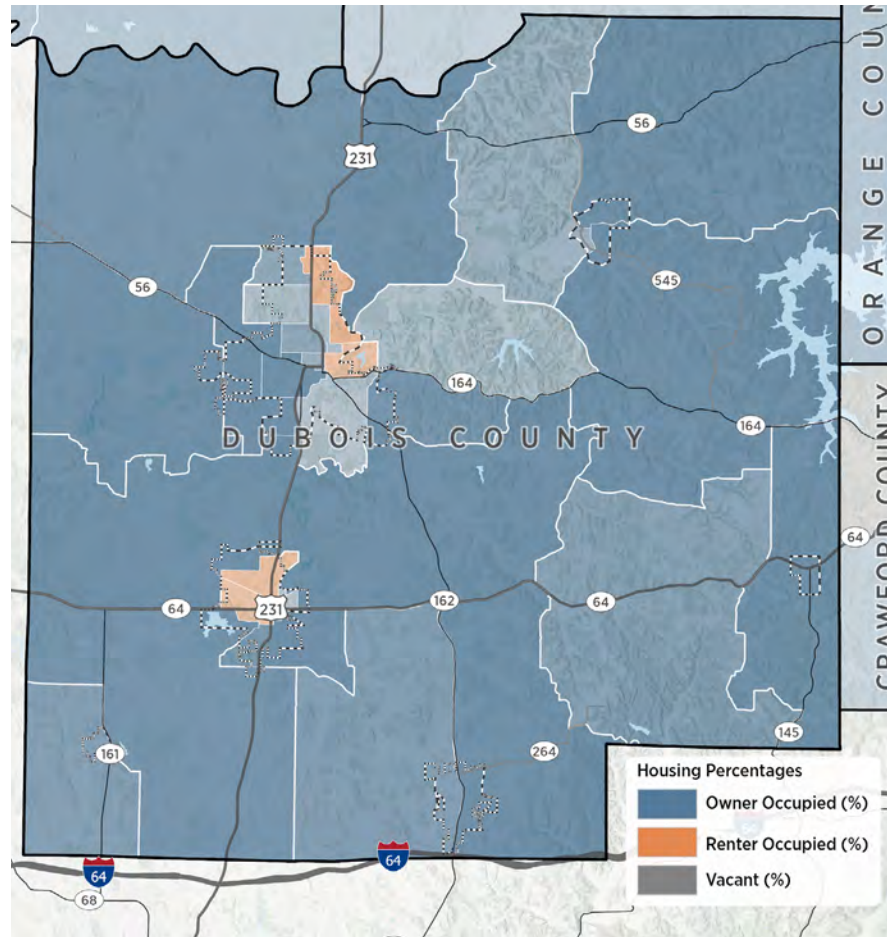
Map 1.3: 2021 Housing Occupancy Predominance by Census Block Groups

HOUSING SNAPSHOT

A strong quality of life and economy can lead to community growth when adequate housing is available for new workers. Reviewing housing data in Dubois County, it is possible to understand the housing options that current residents have and where gaps exist.

Housing Occupancy

- The majority of the county's renter options existing in the two largest communities where water and sewer services can be easily provided.
- Often households at the beginning and end of their housing journey are looking for rental options therefore a very low rental rate can indicate an in balance in the market.

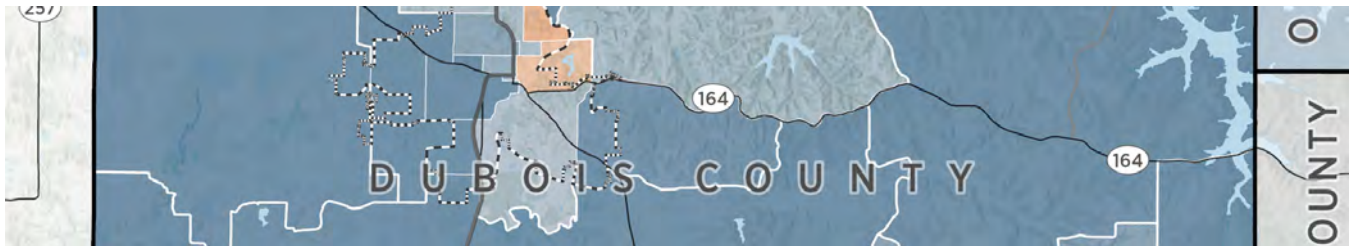


Source: 2021 American Community Survey (5-Year Estimates)

FIGURE 1.12: REGIONAL HOUSING OCCUPANCY

| Place | % Owner Occupied | | % Renter Occupied | | Vacancy Rate |
|-------------------------|------------------|-------|-------------------|-------|--------------|
| | 2010 | 2020 | 2010 | 2020 | |
| Daviess County | 74.6% | 72.6% | 25.4% | 27.4% | 7.9% |
| Dubois County | 76.9% | 75.5% | 23.1% | 24.5% | 6.5% |
| Ferdinand town | 75.9% | 71.8% | 24.1% | 28.2% | 7.0% |
| Huntingburg city | 65.9% | 62.9% | 34.1% | 37.1% | 5.5% |
| Jasper city | 67.3% | 65.8% | 32.7% | 34.2% | 5.2% |
| Perry County | 76.4% | 74.9% | 23.6% | 25.1% | 11.1% |
| Pike County | 82.4% | 82.5% | 17.6% | 17.5% | 10.9% |
| Warrick County | 81.1% | 80.0% | 18.9% | 20.0% | 5.7% |

Source: U.S. Census Bureau

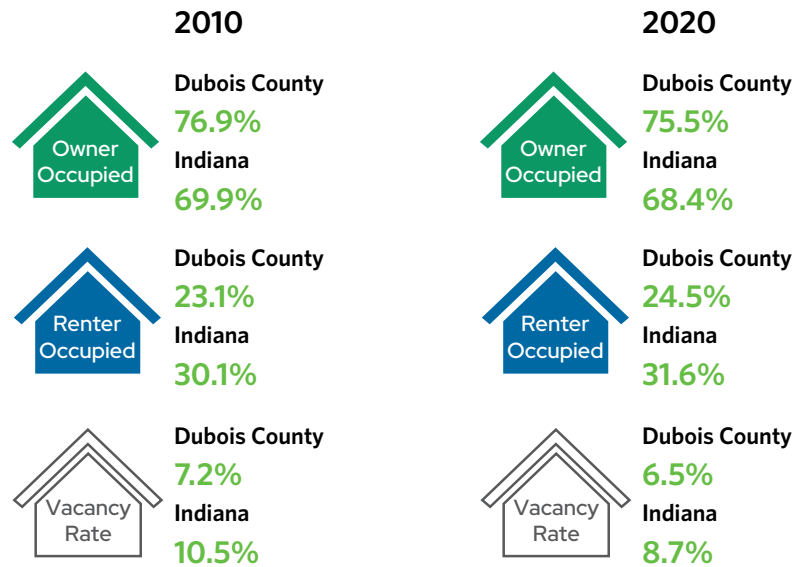


- In 2020 the Census reported over 540 additional rental units from 2010. Based on construction data (Figure 1.15) only 230 multi-family units were built between 2012 and 2021.
 - Based on construction data it would appear that a number of older single-family homes are renter occupied.
- Based on the low vacancy identified by property owners and managers and the low supply of for sale homes, the number of available units is likely much less than the number of reported vacant units.

Figure 1.14 breaks down the vacancy rate by type of vacant unit:

- The largest percentage of vacant unit are classified as "other."
 - Other vacant units are not occupied due to condition, no longer being used as a rental unit, or the occupants have passed away or in skilled or assisted living homes.
- In May of 2023 real estate agents reported during the listening sessions that there were only about 50 units listed with on the multiple listing service (MLS). This would not include for sale by owner.

Figure 1.13: Occupancy & Vacancy Rates



Source: U.S. Census Bureau

FIGURE 1.14: DUBOIS COUNTY VACANCY DISTRIBUTION

| | Total | #Units | % Vacant Units |
|--|-------|--------|----------------|
| For rent | | 134 | 11.1% |
| Rented, not occupied | | 0 | 0.0% |
| For sale only | | 155 | 12.8% |
| Sold, not occupied | | 13 | 1.1% |
| Seasonal, recreational, or occasional use | | 182 | 15.1% |
| For migrant workers | | 0 | 0.0% |
| Other vacant | | 723 | 59.9% |
| Total | | 1,207 | 100.0% |

Source: 2021 American Community Survey (5-Year Estimates)

Rental Housing

The Census report of over 130 vacant rental units appeared to be high compared to what participants shared in the listening sessions. To better understand what was happening in the rental market a survey was sent out the county's largest landlords and property managers. Although only seven responded they accounted for 938 units or nearly 21% of the total number of renter units identified by the Census in 2020.

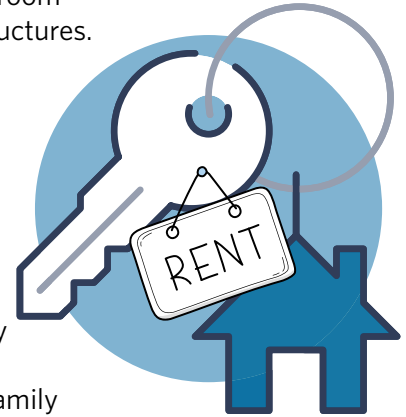
- There was no dominate pattern for rental rates for duplex, tonwhome, and single-family units. This may reflect varying ages of these units.

Among the rental market survey sample:

ABOUT 75% of all the units reported in the survey were 1- or 2-bedroom units in multi-family structures.

1.4% vacancy rate was reported.

\$500 TO \$800 was the most frequently average rental range identified for all multi-family unit sizes.



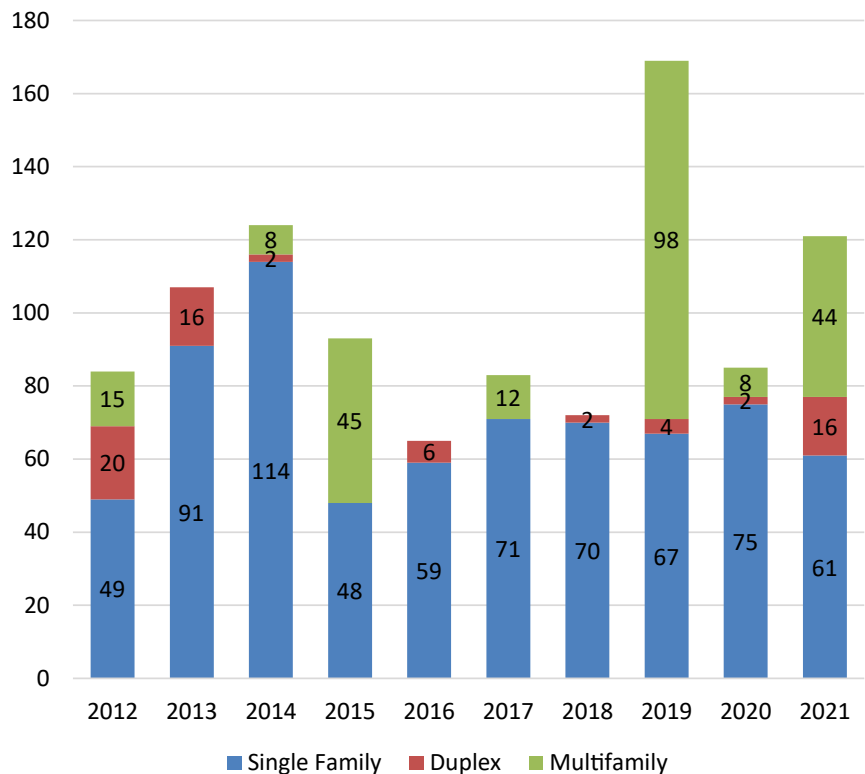
Building Activity

Figure 1.15 shows the construction activity in Dubois County since 2012.

- The number of multifamily options has increased over the last ten years, but demand remains high with landlords indicating near full occupancy.
- The market likely lacks variety with construction activity dominated by single-family detached units.

Source: RDG Planning & Design

Figure 1.15: 2012-2021 Building Permits



Source: Dubois County

Home Sales

The demand for housing has steadily increased over the past 10 years.

- Median home values, reported in Figure 1.16 have grown by about 15%, but include all housing across the county. Figure D.11 indicates that sale prices have grown by almost 29% since 2019, but this includes only those homes that have come on the market, which has declined over the past decade.
- Days on market are down dramatically. This often can indicate continued price increases as buyers compete for a dwindling supply of for sale homes.
- Even with increasing interest rates, if the supply of for sale homes remains tight, prices are likely to continue to increase for existing and new homes.



FIGURE 1.16 Home Sales, Dubois County

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | % Change |
|------------------------------|------|------|------|------|------|------|------|------|------|------|------|----------|
| Listings | 508 | 494 | 522 | 432 | 437 | 424 | 421 | 492 | 472 | 438 | 437 | -14% |
| Median Days on Market | 80 | 57 | 57 | 65 | 38 | 28 | 20 | 18 | 11 | 7 | 6 | -93% |
| Median List Price | 127K | 135K | 140K | 142K | 135K | 159K | 160K | 175K | 189K | 198K | 220K | 73% |
| Median Sale Price | 120K | 125K | 127K | 135K | 131K | 148K | 150K | 167K | 180K | 189K | 215K | 79% |

Source: 2022 MLS

Map 1.4: 2021 Dubois County Housing Conditions

Housing Conditions

County assessors commonly utilize condition ratings to assess a property's condition and value through a property condition rating. These ratings play an important role in assessing property values and, consequently, have an impact on property taxes. It should be noted that large areas just denote the size of the parcel not the number of homes or units.

Dubois County

Most of Dubois' housing stock falls within the Fair or Average categories, and only a small percentage is categorized as poor or very poor.



Good or Excellent - Reserved for the newest and best-maintained houses.

- Approximately 7% of housing in Dubois County is rated Good, while 2% is classified as Excellent.



Fair or Average - Houses with some visible wear and tear, and minor repairs may be needed.

- Around 7% of the housing is rated as fair, and the majority, about 79%, falls into the average category.



Poor or Very Poor - Houses requiring significant repairs or updates.

- About 3% of the County's housing is rated as poor, and 2% very poor.

Jasper

The majority of Jasper's housing stock falls within the Fair or Average categories, with only a small percentage classified as poor or very poor.



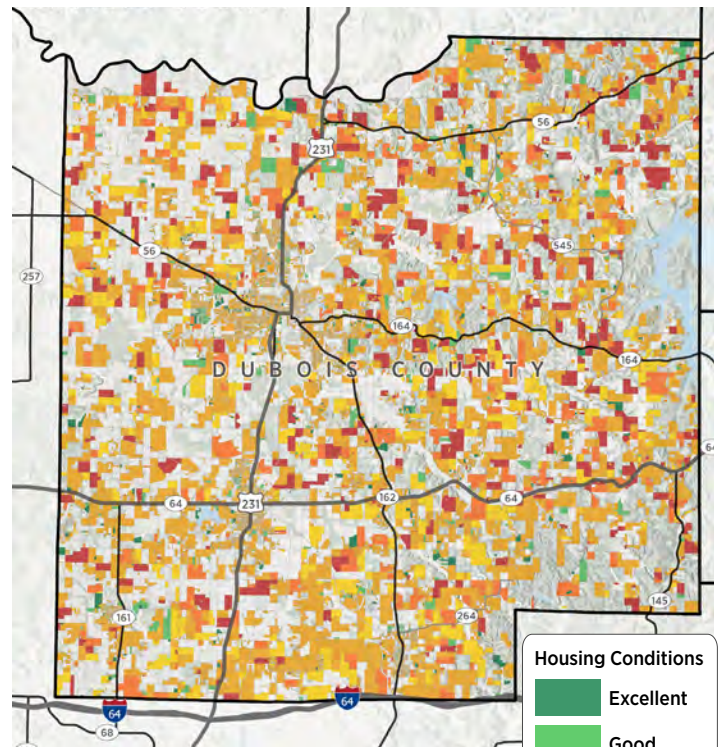
Good or Excellent - About 6% of Jasper's housing receives a Good rating, while 3% is rated as Excellent.



Fair or Average - Nearly 4% of the housing stock is classified as fair, while 84% is classified as average.

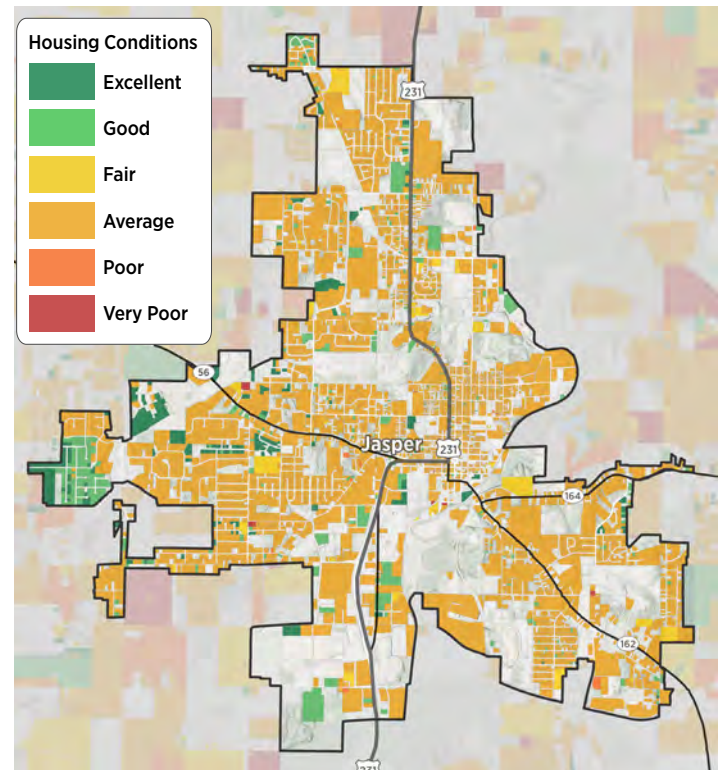


Poor or Very Poor - Only 2% of the housing is rated as poor, and 1% very poor.



Source: Dubois County

Map 1.5: 2021 Jasper Housing Conditions



Source: Dubois County

Map 1.6: 2021 Huntingburg Housing Conditions

Huntingburg

Similar to Jasper, the majority of housing in Huntingburg falls into the Fair or Average categories, with nearly 10% classified as excellent, and only a small percentage considered poor or very poor.



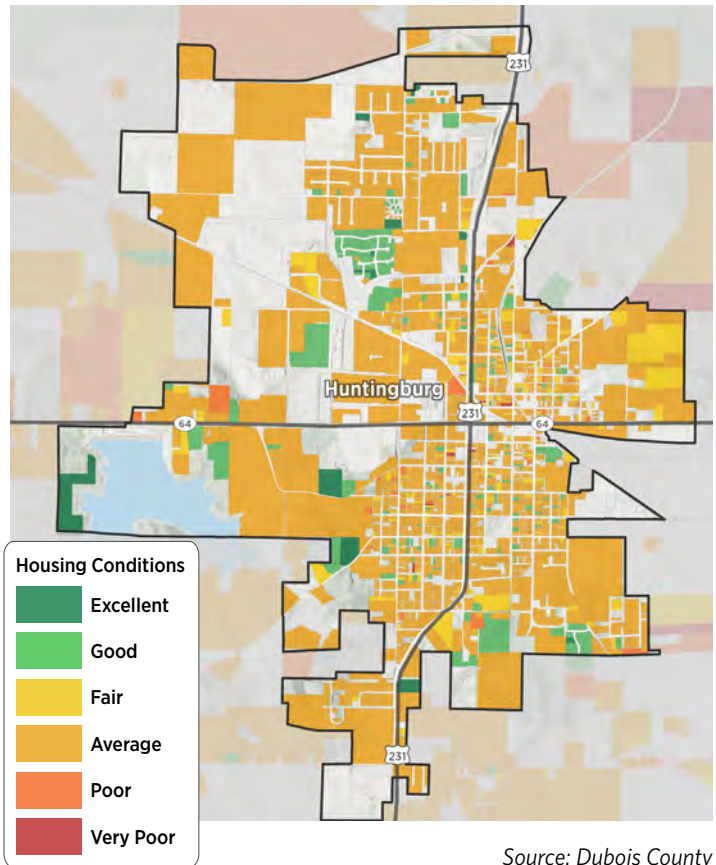
Good or Excellent - About 6% of Jasper's housing receives a Good rating, while 3% is rated as Excellent.



Fair or Average - Nearly 4% of the housing stock is classified as fair, while 84% is classified as average.



Poor or Very Poor - Only 2% of the housing is rated as poor, and 1% very poor.



Source: Dubois County

Map 1.7: 2021 Ferdinand Housing Conditions

Ferdinand

Most of the housing in Ferdinand is rated as Fair or Average. However, when compared to Dubois County, Jasper, and Huntingburg, the town has a higher percentage of housing classified as Excellent.



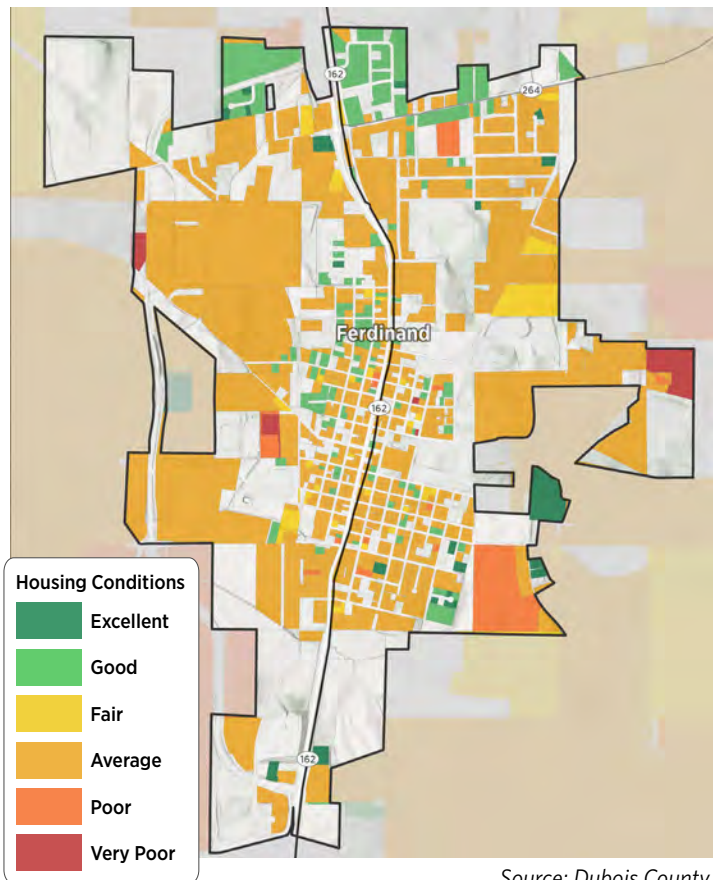
Good or Excellent - About 6% of Ferdinand's housing receives a Good rating, while 3% is rated as Excellent.



Fair or Average - Nearly 4% of the housing stock is classified as fair, while 84% is classified as average.



Poor or Very Poor - Only 2% of the housing is rated as poor, and 1% very poor.



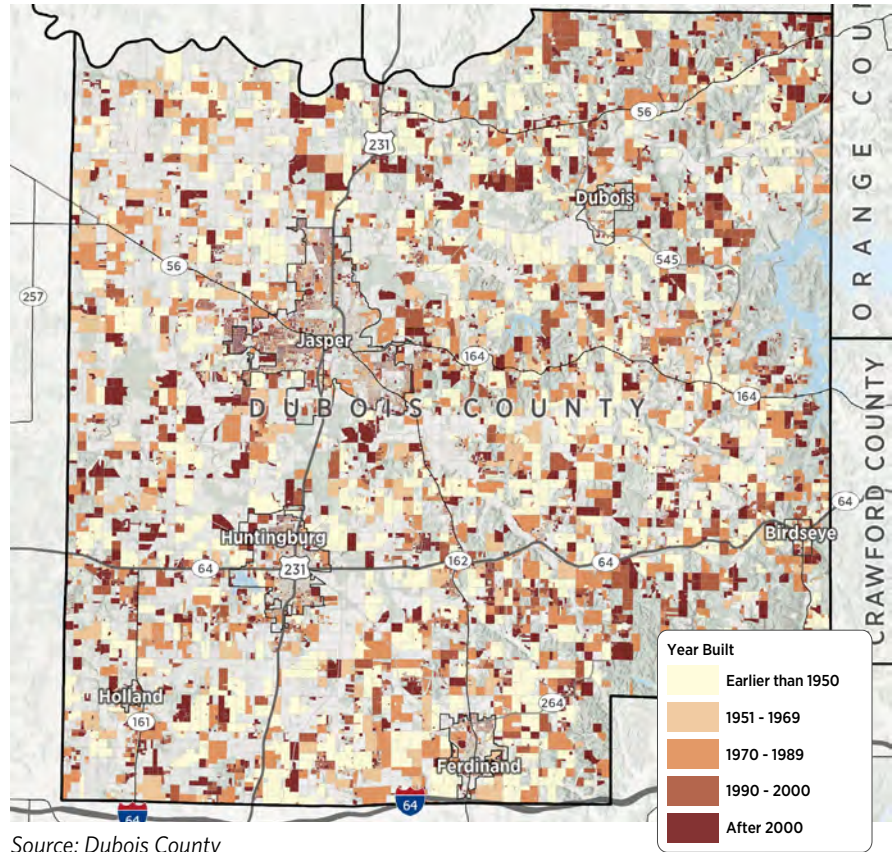
Source: Dubois County

Map 1.7: Housing Year Built

Housing Values & Age

Housing condition and age have a direct correlation to the value of a home. Maps 1.7 and 1.8 show age and value of parcels across Dubois County.

- The oldest parcels tend to have the lowest condition rating and lowest values.
- Values on large parcels tend to be higher but this is not the case in Jasper where there is significant value across all parcel sizes.
- There is no one area of the county with concentrated condition issues and low values, these parcels are spread throughout the county.



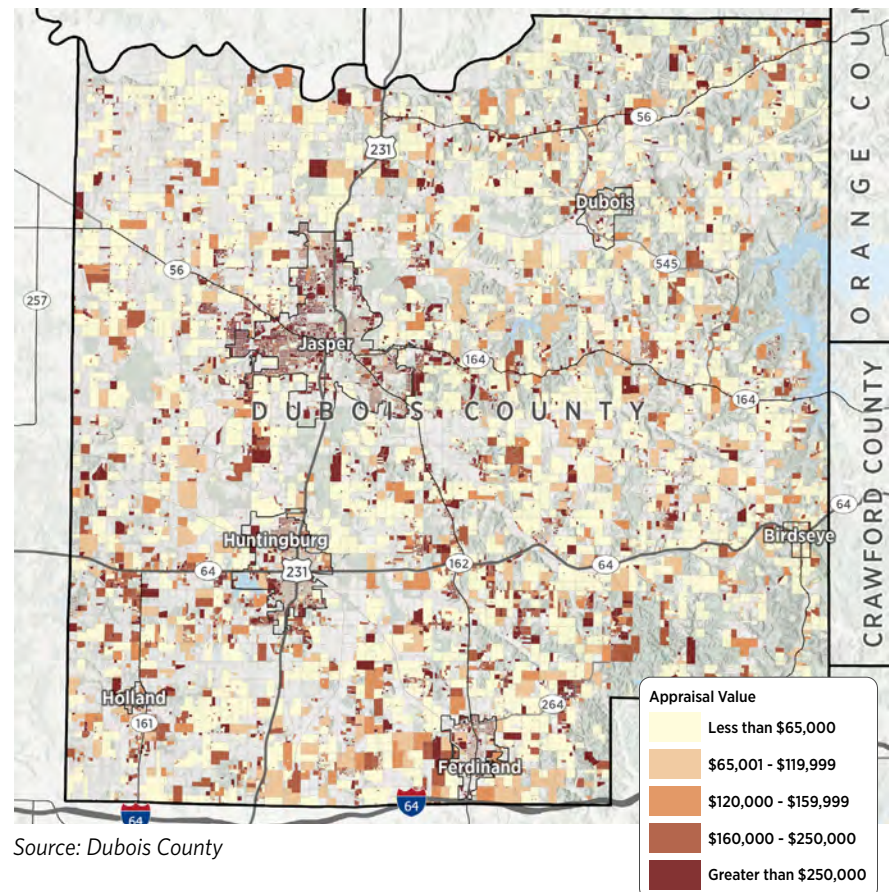
Source: Dubois County

Map 1.8: 2022 Dubois County Residential Parcels - Appraised Value

Figure 1.17: median home value and median year built

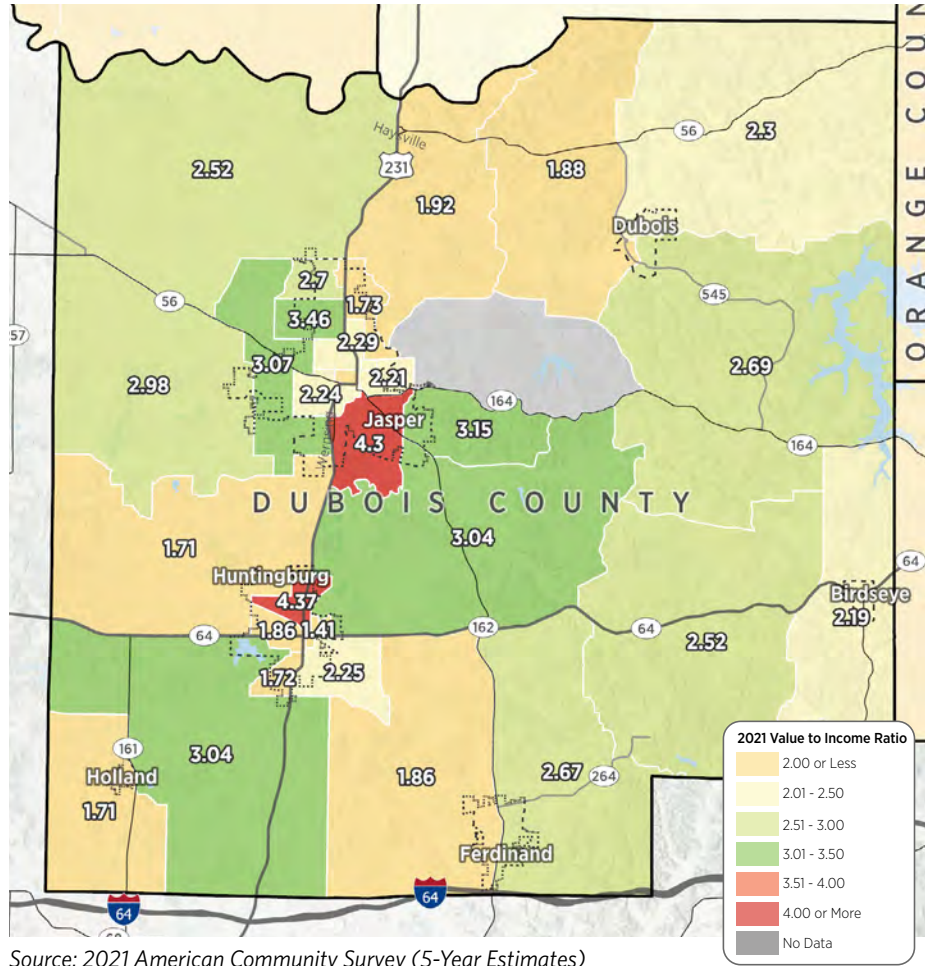
| Place | Median Year Built |
|------------------|-------------------|
| Daviess County | 1973 |
| Dubois County | 1980 |
| Ferdinand town | 1968 |
| Huntingburg city | 1960 |
| Jasper city | 1985 |
| Perry County | 1972 |
| Pike County | 1973 |
| Warrick County | 1985 |

Source: 2021 American Community Survey (5-Year Estimates)



Source: Dubois County

Figure 1.9: 2021 Value to Income Ratio by Census Block Group



Source: 2021 American Community Survey (5-Year Estimates)

AFFORDABILITY

- An affordable, self-sustaining housing market, with adequate value or revenues to support market rate new construction, typically has a Value to Income ratio between 2.5 and 3.
 - Ratios above 3.0 exhibit significant affordability issues.
- The vary high ratios around Jasper and Huntingburg may reflect data anomalies or older households in larger homes with no mortgage.
- On a county-wide level, a 2.58 value to income ratio is within an appropriate range and would indicate that most owner-occupied households are not cost burdened.
 - Dubois County has the highest median value based on 2021 Census estimates, but it also has a higher median household income to support these values.
- Rent levels reported in the Census appear to align with the property managers/landlord survey and also do not appear to be hampering new construction as a number of new multifamily market rate projects have been constructed or are under construction.

Note low values and rental rates can sometimes make financing new construction challengers. Lenders want to ensure that rents are feasible in a market.

Figure 1.18: 2021 Owner & Renter Costs and Affordability

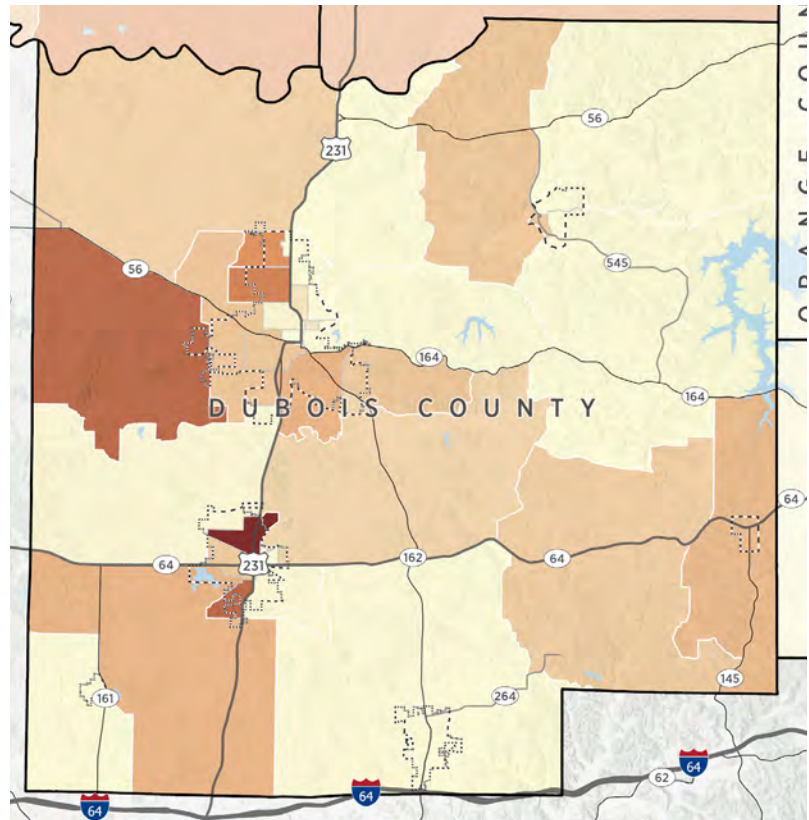
| | VALUE TO INCOME | MEDIAN HOUSEHOLD INCOME | MEDIAN HOME VALUE | MEDIAN CONTRACT RENT | % COST BURDENED |
|------------------|-----------------|-------------------------|-------------------|----------------------|-------------------------------|
| Dubois County | 2.58 | \$65,389 | \$168,800 | \$563 | Owner: 14.8% Renter: 37.7% |
| Daviess County | 2.73 | \$57,083 | \$156,000 | \$527 | Owner: 12.2% Renter: 41.9% |
| Ferdinand Town | 2.15 | \$65,929 | \$141,500 | \$557 | Owner: 8.7% Renter: 16.0% |
| Huntingburg City | 2.51 | \$40,610 | \$101,900 | \$551 | Owner: 21.3% Renter: 45.4% |
| Jasper City | 2.78 | \$59,053 | \$164,000 | \$560 | Owner: 18.1% Renter: 35.3% |
| Perry County | 2.18 | \$54,387 | \$118,500 | \$459 | Owner: 12.6% Renter: 30.9% |
| Pike County | 1.93 | \$57,283 | \$110,600 | \$445 | Owner: 13.0% Renter: 34.9% |
| Warrick County | 2.12 | \$85,613 | \$181,200 | \$723 | Owner: 13.4% Renter: 33.8% |

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design

Map 1.10: 2021 Dubois County Housing Cost Burdened Owners by Census Block Group

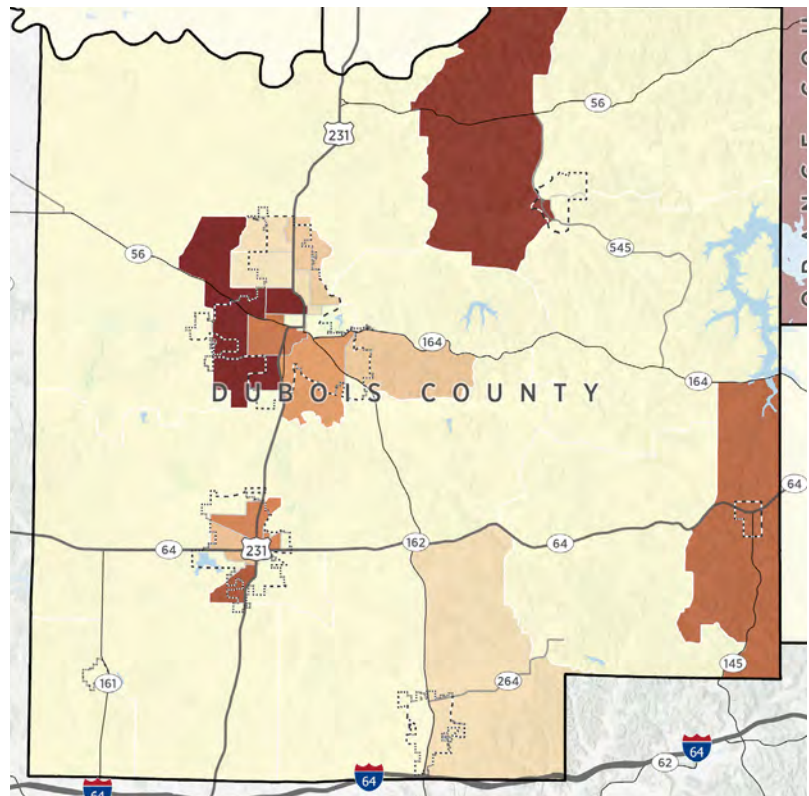
Households paying more than 30% of their income on housing are considered cost burdened.

- The number of rental households that are cost burdened appears to have declined since the 2019 Indiana Uplands Housing Study, a trend that would be counter to national and even regional trends.
 - Compared to adjoining counties, Dubois has one of the higher rates of cost burdened renters.
- Often there is a significant margin in error for less dense communities where the sample size is small. This appears to be the case for Huntingburg where the number of cost burdened households increased from 6% in 2017 to 21% in 2021. Based on lending practices and the record low interest rates from 2020 to 2022, it is unlikely that the number of cost burdened owners increased significantly, even with increasing sale prices.



Source: 2021 American Community Survey (5-Year Estimates)

Map 1.11: 2021 Dubois County Housing Cost Burdened Renters by Census Block Group



Source: 2021 American Community Survey (5-Year Estimates)



FIGURE 1.19 Housing Affordability Analysis

| Income Range | # Households in Each Range | Affordable Range for Owner Units | # of Owner Units | Affordable Range for Renter Units | # of Renter Units | Total Affordable Units | Balance |
|------------------------|----------------------------|----------------------------------|------------------|-----------------------------------|-------------------|------------------------|---------|
| \$0-24,999 | 2,888 | >\$60,000 | 838 | \$0-499 | 1,453 | 2,291 | -597 |
| \$25,000-49,999 | 3,511 | \$60,000-124,999 | 3,494 | \$500-999 | 2,124 | 5,618 | 2,107 |
| \$50,000-74,999 | 3,604 | \$125,000-199,999 | 3,653 | \$1,000-1,499 | 179 | 3,832 | 228 |
| \$75-99,999 | 2,740 | \$200,000-249,999 | 2,126 | \$1,500-1,999 | 0 | 2,126 | -614 |
| \$100-149,999 | 2,838 | \$250,000-399,999 | 2,541 | \$2,000-2,999 | 12 | 2,553 | -285 |
| \$150,000+ | 1,693 | \$400,000+ | 820 | \$3000+ | 35 | 855 | -838 |

Source: 2021 American Community Survey (5-Year Estimates)

Figure 1.19 compares the number of households in an income range with the number of units that would be affordable to that household.

- Based on estimated incomes and values it would appear that the greatest shortage of housing exists for households making more than \$75,000 and less than \$25,000.
- The rental survey conducted in the summer of 2023 supports that a majority of rental units are priced between \$500 and \$1,000 a month.
- Participants in the listening sessions noted a need for ownership options under \$250,000. It would appear that a good supply of these exists in Dubois County, but higher income households are living in these units.
 - *The shortage of housing for households making more than \$75,000 is being filled by units valued at less than \$200,000 or renting for less than \$1,000 a month.*
- Construction of market rate units could create some movement in the market that allows those living in units valued below \$200,000 to change housing.

POPULATION & HOUSING PROJECTIONS

2035 Project Population

Based on historic growth rates and current trends, three population projection scenarios were developed for Dubois County (see Figure 1.9).

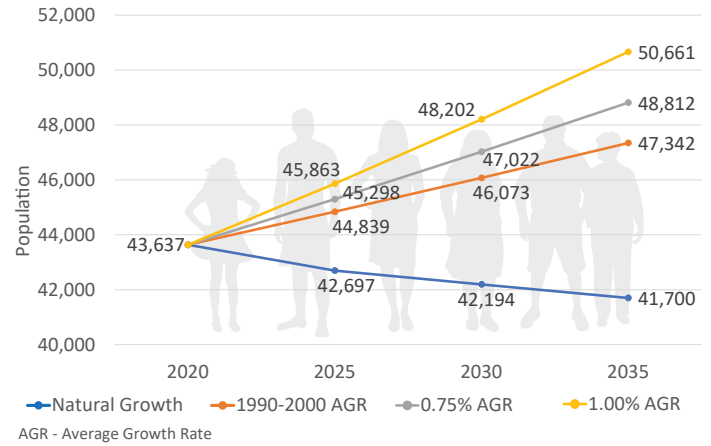
- Dubois has an aging population but has been able to overcome this through consistent in-migration and higher birth rates.
- The county’s job openings and high quality of life should support a strong growth rate in the 0.75% to 1.0% range.

Housing Demand

Dubois County’s strong job market and high quality of life could potentially support a 1% annual growth rate. At that rate over 2,900 units would need to be built by 2035. However, if the county only grew by 0.75% annually the unit demand would drop to just over 2,200. Figure 1.20 shows the factors determining the forecast for a 1.0% annual growth rate or a population of over 50,600 by 2035.

- A slightly stronger growth rate than the past ten years but likely what will be needed to fill jobs and support the continued economic growth of the county.
- An increasing vacancy rate to help fill the need for vacant units that are available in the market.
- A replacement need that reflects the need to remove dilapidated structures but also remove units that are no longer available for rent due to conversion to other uses.

FIGURE 1.20: Future Growth Rate Scenarios



Source: 2020 US Census Bureau; RDG Planning & Design

FIGURE 1.21: Housing Demand Summary

| | 2020 | 2023-2030 | 2030-2035 | Total |
|--|--------|-----------|-----------|-------|
| Population at End of Period | 43,637 | 48,202 | 50,661 | |
| Household Population at End of Period | 42,707 | 47,175 | 49,581 | |
| Average People Per Household | 2.49 | 2.49 | 2.49 | |
| Household Demand at End of Period | 17,151 | 18,946 | 19,912 | |
| Projected Vacancy Rate | 6.5% | 6.7% | 6.8% | |
| Unit Needs at End of Period | 18,339 | 20,304 | 21,374 | |
| Replacement Need (total lost units) | | 160 | 100 | 260 |
| Cumulative Need During Period | | 1,750 | 1,170 | 2,920 |
| Average Annual Construction | | 219 | 229 | 225 |

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design



| FIGURE 1.22: Housing Development Program

| Total Owner-Occupied | 2023-2030 | | 2030-2035 | | Total | |
|-----------------------------------|------------------|--------------|------------------|------------|--------------|-------|
| Affordable Low: <\$125k | 256 | | 171 | | 427 | |
| Affordable Moderate: \$125-\$200k | 263 | | 176 | | 439 | |
| Moderate Market: \$200-\$250k | 200 | 1,050 | 134 | 702 | 334 | 1,752 |
| Market: \$250-350k | 207 | | 138 | | 345 | |
| High Market: Over \$350k | 124 | | 83 | | 207 | |
| Total Renter-Occupied | 2023-2030 | | 2030-2035 | | Total | |
| Low: Less than \$500 | 159 | | 106 | | 265 | |
| Affordable: \$500-\$1,000 | 193 | 700 | 129 | 468 | 322 | 1,168 |
| Market: \$1,000-\$1,500 | 198 | | 132 | | 330 | |
| High Market: \$1,500+ | 150 | | 101 | | 251 | |
| Total Need | | 1,348 | | 887 | 2,235 | |

Source: RDG Planning & Design

Development Program

Figure 1.21 distributes the forecasted demand by price point based on the 2021 distribution of household incomes in Dubois County. The following assumptions create the program:

- Over the next several years, greater production of options should focus on pent-up demand and the need to offer more affordable variety beyond traditional single-family detached dwellings. Therefore, the development program has a greater portion of the county's future demand for renter-occupied and alternative owner-occupied options (60%/40%).
- Based on current proportion of household income, an additional 918 units priced below \$250,000 will be needed. These will be generated in four potential ways:
 - Production of ownership options that are not the traditional single-family detached, but include duplexes, townhomes, or other medium and higher density configurations that reduce per unit costs.
 - Funding assistance that will offset lot development costs and smaller square footage homes.
 - Rehabilitation of existing housing units.
- Construction of higher priced units that allow existing households to make the next step up.
- The 265 units needed with rents below \$500 a month will likely require programs that assist with construction of new units and maintenance of existing units, specifically targeted to lower income and elderly households.
 - It is important to note that almost 50% of the rental housing that is needed will support market rate construction.
- Like ownership demand, many of the below market rate units exist in the market, but are already occupied.

DUBOIS COUNTY COMMUNITIES

HUNTINGBURG PROFILE

Overview

Huntingburg has seen growth just under 1% annually since the 1990s.

- New construction has filled quickly, demonstrating the demand and growth potential in the community.
- Huntingburg has added a number of units but the people per household has declined, therefore despite a good construction rate, population has not grown as fast.
- Over the next 10 years, Huntingburg could reach a population of nearly 7,400 by reaching a 1% annual growth rate.
- It appears that the Census estimates have not captured some of the recent increases in values, rents, and incomes. However, Huntingburg appears to continue to have a fairly affordable market and the ability to support new market rate housing.
- Assistance with infrastructure could boost the production of more moderate rate housing units.

FIGURE 1.23: Projected Growth

| Growth Rate | 2020 | 2025 | 2030 | 2035 |
|-----------------------|-------|-------|-------|-------|
| Natural Growth | 6,362 | 6,397 | 6,439 | 6,488 |
| 0.50% | 6,362 | 6,520 | 6,682 | 6,849 |
| 1.00% | 6,362 | 6,687 | 7,028 | 7,386 |

Source: US Census Bureau; RDG Planning & Design

Housing Gaps

To better understanding the gaps in housing that stakeholders noted, a comparison between household incomes and appropriately priced units can be made. Figure 1.24 compares the number of households in an income range with the number of units that would be affordable to that household.

- Huntingburg appears to have a large number of higher income households living in moderately priced housing.
- Production of market rate housing in a variety of configurations should allow these households to move into housing that is more appropriate for their stage of life.

FIGURE 1.24: Housing Affordability Analysis

| Income Range | # of Households in Each Range | Affordable Range for Owner Units | # of Owner Units | Affordable Range for Renter Units | # of Renter Units | Total Affordable Units | Balance |
|------------------------|-------------------------------|----------------------------------|------------------|-----------------------------------|-------------------|------------------------|---------|
| \$0-24,999 | 792 | >\$60,000 | 198 | \$0-499 | 446 | 644 | -148 |
| \$25,000-49,999 | 742 | \$60,000-124,999 | 939 | \$500-999 | 536 | 1,475 | 733 |
| \$50,000-74,999 | 300 | \$125,000-199,999 | 280 | \$1,000-1,499 | 17 | 297 | -3 |
| \$75-99,999 | 386 | \$200,000-249,999 | 46 | \$1,500-1,999 | 0 | 46 | -340 |
| \$100-149,999 | 213 | \$250,000-399,999 | 117 | \$2,000-2,999 | 0 | 117 | -96 |
| \$150,000+ | 160 | \$400,000+ | 14 | \$3000+ | 0 | 14 | -146 |

* HH = Households

Source: 2021 American Community Survey (5-Year Estimates)

| **FIGURE 1.25: Housing Demand Summary**

| | 2020 | 2023-2030 | 2023-2035 | Total |
|--|-------|-----------|-----------|-------|
| Population at End of Period | 6,362 | 7,028 | 7,386 | |
| Household Population at End of Period | 6,254 | 6,908 | 7,260 | |
| Average People Per Household | 2.49 | 2.49 | 2.49 | |
| Household Demand at End of Period | 2,512 | 2,774 | 2,916 | |
| Projected Vacancy Rate | 5.5% | 6.4% | 6.9% | |
| Unit Needs at End of Period | 2,659 | 2,964 | 3,132 | |
| Replacement Need (total lost units) | | 40 | 30 | 70 |
| Cumulative Need During Period | | 291 | 193 | 484 |
| Average Annual Construction | | 36 | 39 | 37 |

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design

Housing Demand Analysis

- The housing demand model (Figure 1.25) is based on an assumed 1.0% annual growth rate, stable 2.49 people per household, a vacancy rate increasing slightly to provide more variety in the market and conversion or demolition of approximately five units annually.
- By 2035, Huntingburg will need to produce over 480 units to support a 1% annual growth rate. This rate of production is above the 2019 estimate in the Indiana Uplands Regional Housing Study, but below the annual production that has occurred in a few years over the past decade.

Housing Development Program

- Building on the housing demand model, the development program forecasts production targets based on a 55/45 split between owner- and renter-occupied. While this is a greater portion of rental units than exists in the market today, it tries to address the shortfall in quality rental units that participants noted.
- The demand for units priced below \$250,000 will likely be met by the city's existing housing stock or products that do not fit the traditional detached single-family homes, creating a filtering effect.
- Rental units priced below \$500 will have to be generated through programs like low-income housing tax credits or other gap financing.

| **FIGURE 1.26: Housing Development Program**

| Total Owner-Occupied | 2023-2030 | 2030-2035 | Total |
|-----------------------------------|-----------|-----------|-------|
| Affordable Low: <\$125k | 66 | 43 | 109 |
| Affordable Moderate: \$125-\$200k | 27 | 18 | 45 |
| Moderate Market: \$200-\$250k | 34 | 23 | 57 |
| Market: \$250-350k | 19 | 13 | 32 |
| High Market: Over \$350k | 14 | 9 | 23 |
| | 160 | 106 | 266 |
| Total Renter-Occupied | 2023-2030 | 2030-2035 | Total |
| Low: Less than \$500 | 46 | 31 | 77 |
| Affordable: \$500-\$1,000 | 44 | 29 | 73 |
| Market: \$1,000-\$1,500 | 18 | 12 | 30 |
| High Market: \$1,500+ | 23 | 15 | 38 |
| | 131 | 87 | 218 |
| Total Need | 291 | 193 | 484 |

Source: RDG Planning & Design

DUBOIS COUNTY COMMUNITIES

FERDINAND PROFILE

Overview

- From 1990 to 2010, Ferdinand's population steadily declined. In 2020, the Census count did not change from 2010.
 - Ferdinand's aging population would have resulted a natural population decline between 2010 and 2020, therefore just maintaining population would indicate that the city had some in-migration.*
- The new construction that has occurred has filled quickly, demonstrating the demand and growth potential in the community.
- Ferdinand's access to the interstate and Dubois County jobs should create opportunities for stable growth.
 - If Ferdinand can capitalize on these opportunities, historic population loss trends could be reversed but additional housing will have to be constructed.*
- To reach a population of roughly 2,239, an additional 80 units would need to be produced.

FIGURE 1.27: Projected Growth

| Growth Rate | 2020 | 2025 | 2030 | 2035 |
|-----------------------|-------|-------|-------|-------|
| Natural Growth | 2,157 | 2,019 | 1,942 | 1,889 |
| 0.25% | 2,157 | 2,184 | 2,212 | 2,239 |
| 0.50% | 2,157 | 2,211 | 2,267 | 2,325 |

Source: US Census Bureau; RDG Planning & Design

Housing Gaps

To better understanding the gaps in housing that stakeholders noted, a comparison between household incomes and appropriately priced units can be made. Figure 1.28 compares the number of households in an income range with the number of units that would be affordable to that household.

- Ferdinand's higher incomes and realitively affordable housing results in an adequate supply of more affordable units but a shortage of housing for households earning over \$75,000.
- Most participants in the listening sessions noted a lack of housing valued below \$250,000. The data would indicate that there is actually a surplus of those units, however, those units are occupied by the households that can afford higher value homes. These households either see no other options in the market or have no desire to live in more expensive housing. .

FIGURE 1.28: Housing Affordability Analysis

| Income Range | # of Households in Each Range | Affordable Range for Owner Units | # of Owner Units | Affordable Range for Renter Units | # of Renter Units | Total Affordable Units | Balance |
|------------------------|-------------------------------|----------------------------------|------------------|-----------------------------------|-------------------|------------------------|---------|
| \$0-24,999 | 59 | >\$60,000 | 36 | \$0-499 | 28 | 64 | 5 |
| \$25,000-49,999 | 231 | \$60,000-124,999 | 188 | \$500-999 | 171 | 359 | 128 |
| \$50,000-74,999 | 212 | \$125,000-199,999 | 264 | \$1,000-1,499 | 0 | 264 | 52 |
| \$75-99,999 | 120 | \$200,000-249,999 | 66 | \$1,500-1,999 | 0 | 66 | -54 |
| \$100-149,999 | 154 | \$250,000-399,999 | 37 | \$2,000-2,999 | 0 | 37 | -117 |
| \$150,000+ | 53 | \$400,000+ | 39 | \$3000+ | 0 | 39 | -14 |

Source: 2021 American Community Survey (5-Year Estimates)

| **FIGURE 1.29: Housing Demand Summary**

| | 2020 | 2023-2030 | 2023-2035 | Total |
|--|-------|-----------|-----------|-------|
| Population at End of Period | 2,157 | 2,267 | 2,325 | |
| Household Population at End of Period | 1,960 | 2,060 | 2,112 | |
| Average People Per Household | 2.28 | 2.27 | 2.27 | |
| Household Demand at End of Period | 860 | 908 | 931 | |
| Projected Vacancy Rate | 7.0% | 7.0% | 7.0% | |
| Unit Needs at End of Period | 924 | 976 | 1,000 | |
| Replacement Need (total lost units) | | 8 | 10 | 18 |
| Cumulative Need During Period | | 50 | 30 | 80 |
| Average Annual Construction | | 6 | 6 | 6 |

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design

Housing Demand Analysis

- The housing demand model (Figure 1.30) is based on an assumed 0.5% annual growth rate, stable 2.28 people per household, a stable vacancy rate necessary to provide available units and conversion or demolition of approximately one units annually.
- By 2035, Ferdinand will need to produce over 80 units to support a 0.5% annual growth rate.

Housing Development Program

- Building on the housing demand model, the development program forecasts production targets based on a 50/50 split between owner- and renter-occupied. While this is a greater portion of rental units than exists in the market today, it tries to address the shortfall in quality rental units that participants noted.
- The demand for units priced below \$250,000 will likely be met by the city's existing housing stock or products that do not fit the traditional detached single-family homes, creating a filtering effect.
- Rental units priced below \$500 will have to be generated through programs like low-income housing tax credits or other gap financing.

| **FIGURE 1.30: Housing Development Program**

| Total Owner-Occupied | 2023-2030 | 2030-2035 | Total |
|-----------------------------------|-----------|-----------|-------|
| Affordable Low: <\$125k | 8 | 4 | 12 |
| Affordable Moderate: \$125-\$200k | 7 | 4 | 11 |
| Moderate Market: \$200-\$250k | 4 | 2 | 6 |
| Market: \$250-350k | 5 | 3 | 8 |
| High Market: Over \$350k | 2 | 1 | 3 |
| | 25 | 15 | 40 |
| Total Renter-Occupied | 2023-2030 | 2030-2035 | Total |
| Low: Less than \$500 | 2 | 2 | 4 |
| Affordable: \$500-\$1,000 | 9 | 6 | 15 |
| Market: \$1,000-\$1,500 | 8 | 5 | 13 |
| High Market: \$1,500+ | 5 | 3 | 8 |
| | 25 | 15 | 40 |
| Total Need | 50 | 30 | 80 |

Source: RDG Planning & Design

DUBOIS COUNTY COMMUNITIES

JASPER PROFILE

Overview

Jasper is a manufacturing and commercial hub for southwest Indiana. A strong local job market has helped the city grow over the years. The city is also known for its German heritage and well-kept appearance.

- Jasper has seen growth just under 1.75% annually since the 1990s. This is a strong growth rate for a city in a more rural region. As the city's population grows, this rate may slow slightly.
- If Jasper grows at the same rate as the last ten years, it will reach a population of over 19,500 by 2035.
- Jasper has been very successful at constructing new rentals over the last few years. However, many of these have been income based (Low Income Housing Tax Credits). New market rate construction is just starting to pick up and appears to be in high demand.
- Jasper's median household income and pay rates in many industries would indicate new rental can be supported.

Housing Gaps

To better understand the gaps in housing that stakeholders noted, a comparison between household incomes and appropriately priced units is illustrated below. In Figure 1.31 the number of households in an income range is compared to the number of units that would be affordable to that household.

- Jasper appears to have experienced a decline in the shortage of housing for the lowest income households since the 2019 Indiana Uplands Regional Housing Study, but an increase in the undersupply for moderate and higher income households.
- This may be due to the fact that cost inflation that has occurred in the last three years is not reflected in the data but the ability to support market rate construction continues to be true for the community.

| **FIGURE 1.31: Projected Growth**

| Growth Rate | 2020 | 2025 | 2030 | 2035 |
|-----------------------|--------|--------|--------|--------|
| Natural Growth | 16,703 | 16,526 | 16,359 | 16,207 |
| 1.00% | 16,703 | 17,603 | 18,552 | 19,552 |
| 1.75% | 16,703 | 18,217 | 19,867 | 21,668 |

Source: US Census Bureau; RDG Planning & Design

| **FIGURE 1.31: Housing Affordability Analysis**

| Income Range | # of Households in Each Range | Affordable Range for Owner Units | # of Owner Units | Affordable Range for Renter Units | # of Renter Units | Total Affordable Units | Balance |
|------------------------|-------------------------------|----------------------------------|------------------|-----------------------------------|-------------------|------------------------|---------|
| \$0-24,999 | 1,187 | >\$60,000 | 227 | \$0-499 | 791 | 1,018 | -169 |
| \$25,000-49,999 | 1,382 | \$60,000-124,999 | 1,078 | \$500-999 | 1,047 | 2,125 | 743 |
| \$50,000-74,999 | 1,639 | \$125,000-199,999 | 1,571 | \$1,000-1,499 | 156 | 1,727 | 88 |
| \$75-99,999 | 794 | \$200,000-249,999 | 532 | \$1,500-1,999 | 0 | 532 | -262 |
| \$100-149,999 | 1,015 | \$250,000-399,999 | 788 | \$2,000-2,999 | 11 | 799 | -216 |
| \$150,000+ | 592 | \$400,000+ | 374 | \$3000+ | 34 | 408 | -184 |

* HH = Households

Source: 2021 American Community Survey (5-Year Estimates)

FIGURE 1.32: Housing Demand Summary

| | 2020 | 2023-2030 | 2030-2035 | Total |
|--|--------|-----------|-----------|-------|
| Population at End of Period | 16,703 | 18,552 | 19,552 | |
| Household Population at End of Period | 16,054 | 17,832 | 18,793 | |
| Average People Per Household | 2.35 | 2.35 | 2.35 | |
| Household Demand at End of Period | 6,803 | 7,588 | 7,997 | |
| Projected Vacancy Rate | 5.2% | 6.0% | 6.5% | |
| Unit Needs at End of Period | 7,179 | 8,076 | 8,557 | |
| Replacement Need (total lost units) | | 40 | 50 | 90 |
| Cumulative Need During Period | | 776 | 506 | 1,282 |
| Average Annual Construction | | 97 | 101 | 97 |

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design

Housing Demand Analysis

- The housing demand model (Figure 1.33) is based on an assumed 1.0% annual growth rate, stable 2.35 people per household and a slightly increasing vacancy rate.
- By 2035, Jasper will need to add nearly 1,300 new housing units at a rate of almost 100 units annually.
 - The production rate is slightly higher compared to the 2019 Indiana Uplands Regional Housing Study estimates due to the slightly smaller household size (population distributed across more housing units) and a need to increase the vacancy rate (number of available units).
- Over the past decade, many units have been multifamily and single-family detached but the attached units on the north side of the city have been very popular. Continued construction of these types of units should add greater variety to the housing market.

Housing Development Program

Building on the housing demand model, the development program forecasts production targets based on a 55/45 split between owner- and renter-occupied. While this is a greater portion of rental units than exists in the market today, it tries to address the shortfall in quality rental units that participants noted.

- Much of the demand for lower price point units will have to be met by existing housing units.
- Nearly 50% of the rental demand is within market rate price points. The balance will likely be met by older existing units and programs like low income housing tax credits.

FIGURE 1.33: Housing Development Program

| Total Owner-Occupied | 2023-2030 | 2030-2035 | Total |
|-----------------------------------|------------|------------|--------------|
| Affordable Low: <\$125k | 109 | 71 | 180 |
| Affordable Moderate: \$125-\$200k | 129 | 84 | 213 |
| Moderate Market: \$200-\$250k | 62 | 41 | 103 |
| Market: \$250-\$350k | 80 | 52 | 132 |
| High Market: Over \$350k | 47 | 30 | 77 |
| | 427 | 278 | 705 |
| Total Renter-Occupied | 2023-2030 | 2023-2035 | Total |
| Low: Less than \$500 | 83 | 54 | 137 |
| Affordable: \$500-\$1,000 | 96 | 63 | 159 |
| Market: \$1,000-\$1,500 | 114 | 75 | 189 |
| High Market: \$1,500+ | 56 | 36 | 92 |
| | 349 | 228 | 577 |
| Total Need | 776 | 506 | 1,282 |

Source: RDG Planning & Design



An aerial photograph of a rural landscape, showing rolling green hills, a winding road, and a small pond in the foreground. The image is overlaid with a semi-transparent green filter. The text 'CHAPTER 2 HOUSING GOALS' is centered in the upper half of the image in a bold, blue, sans-serif font.

CHAPTER 2

HOUSING GOALS

HOUSING GOALS

The voice and experience of Dubois County residents is essential to understanding the current housing environment and where the community wishes to see the housing market move in the future. Residents, real estate agents, builders, employers, officials, and the financial community must all share their perspectives to make a well rounded plan. Input from these voices and other stakeholders was gathered through in-person meetings and a community survey.

Building on this input and the market review in the previous chapter, strategic housing goals for Dubois County are identified. Strategies for implementing those goals are found in the following chapter.



COMMUNITY INSIGHTS

QUALITATIVE ASSESSMENT

COMMUNITY LISTENING SESSIONS

A series of discussions with community stakeholders, including builders, property managers, real estate agents, major employers, social service providers, young professionals, city staff, and retirees provided a more direct insight into housing conditions in Dubois County. Listening sessions were held in Jasper in May of 2023. The following section summarizes the major themes heard in these sessions.

Overall Market

- Sense that the need is not for more jobs but more people to fill those jobs
- Need housing through out the county
- Need more partnerships to get prices down
- Community amenities are important to keeping and recruiting along with quality housing
- Diversity of housing has improved since the last study but demand and need appear to remain high
- Need more training in the trades
- Finding developable land that has access to sewer is a significant issue

Rental Market

- Despite new construction the perception is that there are no vacancies
 - *Property managers noted very little vacancies and available units fill fast*

Perception that wage growth is lagging behind the cost of new residential construction

- *Wages are going up and some noted that the poverty level in the county is low*
- The rising rents make financing new rental easier as the projects will cash flow
- Affordable short-term rentals for interns or traveling workers is a challenge
- Some employers own homes but involvement in the housing market by employers is not wide spread

Ownership Market

- Number of sales is slightly down but values are up
- Still seeing bidding wars for quality homes
- Despite rising prices there are still a good number of cash buyers
- Rental construction is good for the housing market, it allows workers to live in the community while they look to buy
- Good stock of buyers exist and the potential from the larger region remains high, just need the units
- The higher interest rates may mean existing home owners are not going to move
- Some growing interest in the “pole barn” houses but the affordability for this option is not what it use to be
- Often feels like finding housing is about who you know or just getting lucky, makes it challenging for someone new or not originally from the area

Low Maintenance Options

- Duplexes and other low maintenance options are very popular and fill quickly
- The newest independent senior living units have filled fast and support the market demand for additional units
 - *Of the 24 most recent units 19 sold immediately, site unseen*
- Hunters Crossing has seen a good number of retirees looking to downsize, along with young first time home buyers

Infrastructure

- Lot development and the low supply of lots is a concern for many
- Extension of infrastructure is a hurdle
- The cost of materials and labor is increasing the price of lots which is passed on to the buyer
- Demand is not what is holding back new lot development
 - *Example provided: Ferdinand development built in 2017 is built out and lots sold quickly*
- The carrying cost of the infrastructure is slowing or halting some potential developments
 - *The amount of debt and therefore risk that developers must personally take on is either not possible or viewed as too risky*
- Need to find more partnerships and ways to share the costs
 - *Some partnerships are being leveraged including the use of Tax Increment Financing and REDI funds from the state*

Older Housing Stock

- Contractors are busy and rehab work is often less appealing
- Sense that buyers are less interested in a “fixer upper”

Codes

- Need for more flexibility within residential districts
- Smaller set backs would allow for more efficient use of sites
- Allowing a mix of lot sizes and product types within the same development should be easier
- Lack of zoning at the county level is both a positive and a negative

DEVELOPMENT POTENTIAL

PHYSICAL ASSESSMENT

Development Potential

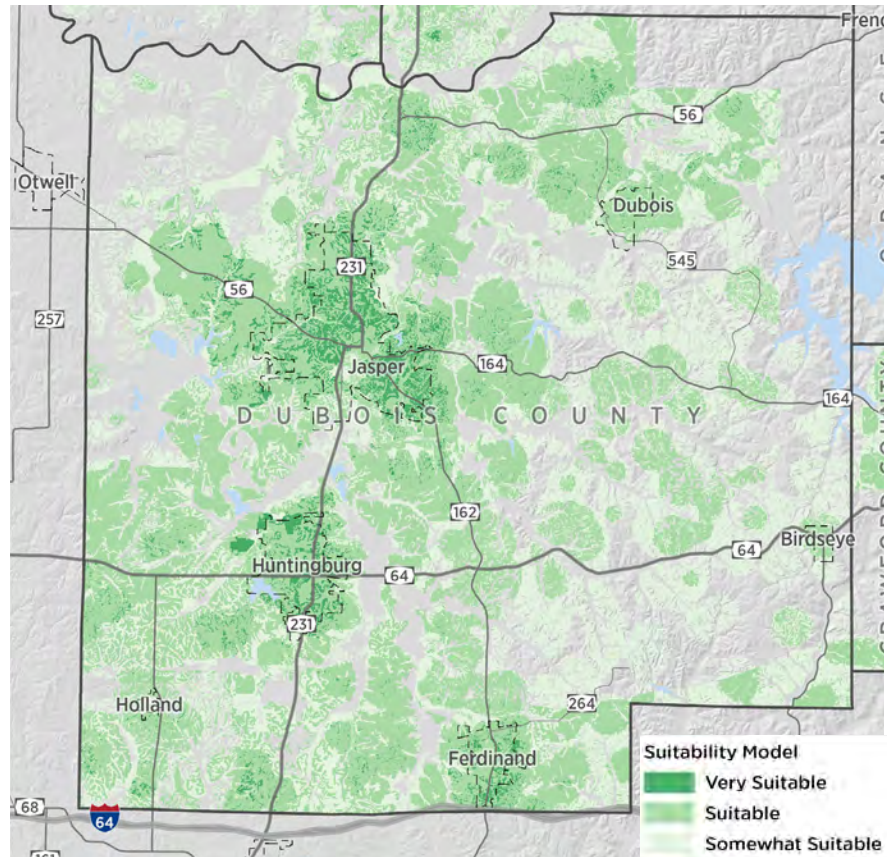
A suitability map was developed for Dubois County using data from a variety of sources. By combining population and job centers, steep slopes, flood plains, government land, and major corridors a map was created showing three tiers of suitable development areas. Very suitable land was defined as areas with a 30-minute drive time to a population center and proximity to a major corridor with relatively flat terrain, no flood plains, or government land. As natural features became more prevalent and proximity to jobs and infrastructure decreased, the areas became somewhat less suitable. This map is intended to be a high-level overview of where development would be most suitable from a land use and environmental perspective. It does not consider the status of properties (whether they are available for purchase, served by utilities, etc.).

As Map 2.0 demonstrates, nearly the entire county is considered suitable for development. Areas on the edge of Huntingburg appear to be most suitable for development, with the land in the northwest, northeast, and southeast being the least suitable.

Priority opportunities for development can be targeted with programs, incentives, and public investments similar to efforts that are happening in Jasper, Huntingburg, and Ferdinand. Incentives and programs that invest in housing are most valuable when targeted to specific areas that can lead to additional investment from the private sector.

- In Jasper, the most obvious redevelopment opportunities are complete, but there are some older commercial areas and light industrial sites that may have potential with the right assistance. More likely are several tracts of land that city services could easily reach, making programs that target lot development a priority.

| Map 2.0: Suitability Map



Source: ESRI; RDG Planning & Design

- In Huntingburg, new development is prevalent and extension of city services can continue to be a priority, particularly in the northwest part of the community. Services that have been extended in recent years should be used to the greatest extent possible.
- Ferdinand has opportunities on the north and eastern parts of the community that could accelerate with the right assistance. A priority needs to focus on policies and programs to maintain properties along State Road 162 as homes continue to age.

STRATEGIC HOUSING GOALS

CREATING STRATEGY

An effective housing study provides leaders and stakeholders with a strategy to begin addressing housing issues and leverage housing assets and potential incentives to meet the needs of current and future residents. As indicated in the previous sections, there is a connection between economic development, workforce development, and housing. Indeed, housing development is economic development. This section identifies strategic policies and programs that will support these efforts and the big ideas for the housing market in Dubois County.

FIND WAYS TO SHARE RISK

New Development

Even in a community with strong growth, rising costs increase the financial risks. This often deters or even prohibits the private market from funding lot development. No longer can most private markets afford to invest millions of dollars in a development that may take ten-plus years to recoup. For this reason, cities are beginning to assist in lot development or at least sharing some of the financial risks involved with the development of lots.

Infill Development

Very rarely, the rewards out way the risks for the private market on a redevelopment site. Communities in the county will need to identify infill sites where they can aid in site prep and share some risks in developing new market rate residential units. This also means sharing in the rewards, including increased property valuations on these sites and new residents who purchase everyday needs.

INCREASE VARIETY OF HOUSING OPTIONS

Issues of affordability and availability are tied directly to options within the housing market. In essence, the existing housing stock is held in stalemate when households do not have options that meet their current stage in life. Historically, Dubois County communities have built single-family detached homes. Additionally the Jasper and Huntingburg have seen the construction of some rental housing. Different ownership options outside of single-family detached has been missing in the market. A healthy housing market should allow a resident to transition through several homes in accordance with their lifecycle -from an apartment, to a family home, and eventually to a downsize option for their senior and empty-nester years.

To increase the variety of housing there are two important related goals:

Leverage opportunities for increased density adjacent to destinations

Housing close to work and services can limit transportation costs, increasing a households disposable income. These sites must be used as efficiently as possible, garnering the most units possible that fit with the character of the surrounding neighborhood. This is also true for sites adjacent to the downtowns of the county's smaller communities.

Maintain neighborhood character while adding housing options to existing neighborhoods

Adding small scale multi-unit structures within existing neighborhoods should reflect the character of the neighborhood and address residents concerns related to parking and design. Many neighborhoods built before WW II had a large mix of housing types that matched in character and intensity. These neighborhoods are highly desirable today for their variety and walkability.



SECURE AND CONSERVE EXISTING HOUSING

The production of new units is unlikely to fully address the needs for units affordable to households making less than 120% of AMI (roughly \$78,000 in Dubois County). Securing and conserving existing housing is a way to provide affordable housing and reduce the impact on the environment. The most affordable and sustainable unit is one that already exists. Traditionally, the preservation of existing units through maintenance was enough to ensure a supply of affordable housing. However, over the last three years the shortage of for-sale homes has resulted in appreciation rates in existing housing not seen in recent history. While this may ultimately be good for markets where slow appreciation and low-valuations has hampered new construction, it has also made homeownership more difficult for moderate to lower-income households. Securing the affordability of some units should be part of the long-term strategy.

LEVERAGE EXISTING LOTS AND ADD NEW LOTS

Lot development occurs on a minimal level, and the costs to the development community to extend infrastructure have to be passed on to the homeowner. These costs have risen at a much faster rate than local incomes, resulting in high cost homes that only meet the housing needs of households that can afford the \$250,000 plus home. For more affordable housing, there will need to be more affordable lots. The cities will need to establish a comfortable strategy but can involve site preparation on infill sites to assist in infrastructure extension (see Find Ways to Share Risk).

It was noted that developable land adjoining the communities existed but that owners were not interested in selling. This is a challenging issue. Often the land has been in the same family for generations. However, their ancestors moved to the region to establish better lives, communities, and places where their children could find prosperity. A marketing package needs to be assembled that focuses on the need, legacy, and pride all have in their communities. Landowners have an important opportunity to provide families with quality housing and establish a legacy as a community builder.

2015 DUBOIS COUNTY HOUSING STRATEGY

In 2015, Dubois Strong completed a housing strategy that has served the county well. However, the job and housing market have evolved since that time. Growth and the potential for growth is one of the biggest opportunities and challenges for the county today. Several of the key conclusions that were identified in the study remain valid. These include:

- Existing development standards, cost of construction and availability of land impede and / or disincentivize new workforce housing construction.
- Employer job growth projections for the next 5 years are an important component that will impact the level of housing demand in the near future.
- The majority of housing is “affordable” to the workforce, but limited in age, quality and location.
- The current rental inventory is inadequate in both quality and options within each of the communities.

INDIANA UPLANDS REGIONAL HOUSING STUDY

In 2019, the Regional Opportunity Initiatives completed a housing study for the Uplands Region, including Dubois County. That study identified specific goals for each county. Goals identified for Dubois included:

- Continue proactive involvement with lot development
- Establish a pool of funding to fill gaps in construction of market rate rentals
- Continue efforts to update codes at both the city and county levels
- Commit to funding code enforcement and pool resources between cities with possible
- Develop partnerships between stakeholders to support development of new lots with a targeted campaign on the benefits of supporting community development

All of these goals along with current market conditions, and community input were taken into consideration in the building of the Strategic Housing Goals.





CHAPTER 3
PATH FORWARD

A PATH FORWARD

HOUSING STRATEGY

STRATEGIES FORWARD INTRODUCTION

There are many forces influencing why housing does or does not get built. Not just quantity, but also the type and location. Thinking about these data, input, themes, and goals, this chapter presents action steps to move forward.

The market itself is not trending to fix these gaps. Therefore, this chapter's strategies explore how local governments, organizations, builders, and other partners can work together to meet the housing needs in Dubois County. The strategies identified will not overcome all housing challenges but should be seen as a first step in a journey that is regularly re-evaluated.

What the Housing action Strategy CAN do

- Establish a blueprint for new public policy and programs for different housing products.
- Stimulate conversation on existing programs and levels of funding.
- Show builders and developers the high demand for products and the price points needed.
- Motivate other partners and employers to get involved in solutions, whether staff assistance, housing development, or funding of programs.
- Show residents opportunities available to them to improve their homes and living conditions.

What the Action Strategy CANNOT do

- Force builders or developers to construct a certain housing product, or housing at all.
- Force residents to make improvements to their homes (although code enforcement can).
- Affect challenges at the national level including interest rates, lending standards, raw material costs, and federal funding sources. However, it can help organize policy/programs that decrease risk in lending, create gap financing methods, and offset material costs when appropriate.
- Require redevelopment of a specific site or building.

WHO NEEDS TO BE AT THE TABLE? - Building the Housing Partnership

Like the structure of the listening session and groups gathered to create this study, a wide spectrum of partners will help bring together expertise from across Dubois County. Building upon existing regional public/private partnerships with adequate financial and human resources will be central to deliver housing. As shown in this chapter, these partners include:

- **Dubois Strong.** Economic development leaders are already gathering to advance housing strategies. They are a primary reason for this study. The roles of economic development organizations in the housing partnership may (or already do) include:
 - *Continuing to convene with partners and leading grant programming.*
 - *Helping educate the public on the importance of housing to the overall economy and inviting members to expand their role in the partnership.*
 - *Promoting housing incentive programs to employers and their employees.*
 - *Bringing funding partners together and championing their partners' involvement in programs.*
- **Local Jurisdictions.** A commitment to housing and neighborhoods from the local jurisdictions is an enormous asset. The greatest opportunity exists in layering multiple programs from local jurisdictions with other regional resources that specifically focus on filling gaps in the market and in creating demonstration projects.
- **Realtors, Builders, and Developers.** Realtors, builders, and developers in the partnership will be as the contractors, marketers, and when appropriate as financial partners.
- **Housing Authorities.** Traditionally, housing authorities have focused their mission and programs on housing for the lowest income households. They will be an important partner in the future, especially related to their knowledge of programs and management. Federal regulations and capacity may limit their role at times, but their expertise and perspective on the housing market will be a valuable resource.
- **Employers.** Employers know that the housing market condition impacts their ability to recruit and retain employees. Each company invests a significant amount of time, energy, and money training their employees, and, therefore, it is in their interest to support all aspects of retention including housing. Employers can play multiple roles in the housing partnership:
 - *Direct construction or support of new ownership.*
 - *Provide rent subsidies and down payment assistance for employees residing within Dubois County*
 - *Market local housing opportunities, including rental and ownership options, rehabilitation, or first-time home-buyer programs.*

- **Schools.** Schools are major drivers of housing choice and a significant employer in many communities. They can be involved in housing partnerships through:
 - *Establishing or enhancing building trades programs for students.*
 - *Providing assistance or incentives for teachers and staff to be able to live in the community.*
 - *Making available land not for future expansions to be used for housing development.*
- **Lending Community - Banks, Non-profits, etc.** The lending community is intimately involved in all aspects of the housing market. While many aspects of their business and practice are tightly regulated, other aspects do permit innovation and proactive participation in the housing market. The role of the lending community in a housing partnership may include creating a lending consortium that would allow the community to share investment risk across multiple lenders.
- **Not-for-Profit Community Housing Providers.** The not-for-profit development community such as TRI-CAP and other community based organizations, can play a valuable role in the housing partnership. These organizations can bring many valuable benefits to the housing partnership including the following:
 - *Continue and expand operations in Dubois County.*
 - *The ability to access disadvantaged populations through outreach. Reaching these populations is essential to connect those who need housing with the appropriate housing programs such as affordable rentals, affordable ownership options, or the rehabilitation of existing homes.*
 - *Not-for-profit status enables tax deductible contributions and gifts from a diverse array of constituents. This includes donations of land, homes, and time donated by contractors. These donations could be used for a Habitat for Humanity home or could be passed along to the housing partnership.*
 - *Expanding the proven model of engaging new homeowners in the process of construction through “sweat equity” and home-buyer education.*
- **State of Indiana.** The State of Indiana continues to explore new and revise programs to generate housing investment. Resources are limited and spread across many communities. However, READI 2.0 funds are on the way.



STRATEGIC APPROACH TO HOUSING

HOUSING GOALS

The following section outlines Dubois County's housing goals and identifies strategies for implementation around common categories.

Adopting policy to apply the goals, objectives, and strategies should also be mindful to incorporate:

- Connections between incentives and projects that create attainable housing or address specific needs for the county or respective jurisdiction.
- Design of housing projects that do not overly strain city infrastructure capacity and fiscal ability to maintain public services in the future.
- Partnerships with other organizations and the private market. It should not be the full responsibility of a jurisdiction to take on all the risk in housing programs. Dubois Strong and the Indiana Uplands REDI region can be a starting point to help create these partnerships.
- The recommendations and guidance of local housing committees, studies, and comprehensive plans.

REACH THE GOALS

The strategic approach to housing in this document outlines multiple strategies and objectives to reach region wide goals.

Objectives

The objectives outline specific measurable outcomes to reach and satisfy each goal.

Strategies

The strategies involve suggested programs, policies, actions, and investments to undertake to meet the objectives and realize each goal. Each city in Dubois County is unique. Therefore, not every strategy is applicable everywhere.

DUBOIS COUNTY HOUSING GOALS

- Find Ways to Share Risk
- Increase Variety of Housing Options
- Secure & Conserve Existing Housing
- Leverage Existing Lots & Add New Lots

CONTEXT APPROPRIATE SOLUTIONS

As the strategies explore housing interventions and partnerships that can be used to generate energy in the housing market, it is important to note that there are unique aspects of the housing market within different areas of Dubois County. For example the smaller communities and settlements around Dubois County will continue to serve a share of the county's workforce including those who prefer a more rural environment. Further, there are aspects of the housing market, including higher-cost production, that do not require policy interventions. The tools are offered as a buffet of options to help address the variety of issues.

STRATEGIC APPROACH TO HOUSING

FINDING WAYS TO SHARE RISK

To prove that new construction can be supported, the county will have to find ways to share risk. The Housing Partners identified on the previous pages will be essential in the implementation of this goal. It should also be noted that sharing risk is really a foundational goal and that many of the strategies needed to move forward the other three goals will require risk sharing by some partners.

Funding is one of the biggest ways that Housing Partners can help share risk.

HOUSING FUNDING POOLS

Across all strategy programs, Dubois County must continually explore creative approaches to financing projects and initiatives. To avoid strains on public or organization budgets, devoted funding pools are often the most secure and flexible to devote to housing development projects. These funding pools are most appropriate to allocate for gap financing on a project but can also help other strategies in this section.

Lending Consortium

A lending consortium is a cooperative venture among lending institutions active in the market to spread individual risk. These collaborative ventures can also attract the support of major employers or other agencies such as the State of Indiana departments and the Federal Home Loan Bank. A lending consortium is an ideal instrument to:

- Finance the additional capital necessary to "fill the gap" between the cost of housing and appraisal. Gap financing should be used when the cost of construction is more than the finished value of the home or when developers are tasked with building more affordable housing options or housing untested in the local market.
- Provide short-term financing or "patient financing" for builders and contractors in the community, and to provide interim financing for projects developed by local housing partnerships, cities, or even the county.
- Offer down payment assistance for new homeowners. A major hurdle for many young or lower-income households looking to buy includes saving enough money to make a downpayment, even though these households may not meet federal criteria to be considered low income. Assistance in the form of grants or forgivable loans helps these households get into housing ownership and begin to build equity in the market. Local lenders will offer a deeper understanding of this issue when forming the consortium. They may view this as a lower priority as other programs exist at the state and federal levels.

AFFORDABLE HOUSING FUND: GRAND RAPIDS, MI

The City of Grand Rapids set an aggressive policy target for a citywide inventory of 30% affordable housing units. One tool created to help with the effort is an Affordable Housing Fund leveraged by dedicated city revenues, private contributions, and interest earnings. Additionally, a board provides recommendations for policy changes and managing allocations. Funds come from:

- City appropriations from tax growth
- Private contributions, State funds, County, and other grants
- Excess revenues from General Funds

Eligible applicants include non-profit and for-profit affordable housing developers, and public housing authorities. Individuals are eligible for homeownership financial assistance. Fund allocation is used only for situations that meet city needs, like mixed-use development, projects with other funding sources, and small scale development.

<https://www.grandrapidsmi.gov/Government/Programs-and-Initiatives/Housing-NOW>

Housing Trust Fund

A housing trust fund provides a source of seed capital, unconstrained by program regulations, for a developer or development corporation to use for developing needed housing types. The popularity of trust funds can be attributed to their inherent flexibility. In Dubois County, this could be expanded as a partnership with surrounding counties and economies of scale and use.

For Dubois County, these dollars could be used to:

- Support construction of new entry level housing
- Rehabilitation of existing housing
- Development of new rental housing

Support may include gap financing or even direct incentives to developers for the development of target market projects. Trust funds can be funded in several ways, including dedication of a specific share of local option sales tax, fees, local revenue bond issues, or grants and charitable contributions. Through charitable contributions to a trust fund, employers could play a vital role in quality housing availability.

Economic Development Funds

Much like economic development organizations create programs for business advancement, they can also create funding programs that focus on housing.

STRATEGIC APPROACH TO HOUSING

INCREASE VARIETY OF HOUSING OPTIONS

Variety, both in housing type and lot size, provides for interesting neighborhoods and accommodates changing household preferences, but more importantly, offers affordable housing options. Housing types should range from townhomes, senior living facilities, low/no maintenance condominiums, multi-family development, and small-lot infill. Smaller lot sizes are also an easy way to reduce home buying costs as land infrastructure costs are spread across more property. An example is some of the lot variety that Hungtonberg has tried.

STRATEGIES

- **Create a Development Fund**
 - *Sharing risk for new product types will be essential in many instances. Ways to assist with funding projects that add variety were discussed in the previous section.*
- **Review Zoning & Subdivision Codes**
 - *Remove barriers to developing certain products and medium density housing.*
- **Establish Pattern Books**
 - *Establish a set of pre-approved plans that encourage housing diversity through streamlined processes.*
- **Long-Range Planning**
 - *Leverage recent comprehensive plans and housing partnership work for targeted areas.*
 - *Update long-range plans for more specific directions on growth, redevelopment, and neighborhood investment areas.*

JASPER STRATEGIES - 2015

The 2015 Dubois County Housing Study identified strategies for each of the communities. Communities have made progress on these to varying degrees and work that has started should continue. For Jasper, strategies included:

- 1. Focus new housing opportunities within a 5 minute drive of the 231 Job Cluster.**
- 2. Create or reinforce quality neighborhoods with strong connection to community amenities, services, and employment opportunities.**
- 3. Focus on a quality multi-family project that reinforces targeted Downtown areas.**
- 4. Identify single-family blocks in near-Downtown neighborhoods that would benefit from reinvestment and have rehab and infill opportunities.**
- 5. Identify strategically located property that would support the development of 30-50 new workforce homes in a holistic neighborhood setting.**

STRATEGIC APPROACH TO HOUSING

INCREASE VARIETY OF HOUSING OPTIONS

Review Zoning & Subdivision Codes

Objective:

- Remove barriers to developing certain products and medium density housing.

Some communities in Dubois County have already taken a close look at their zoning and subdivision codes and made updates to remove barriers to housing development. Development regulations are one of the first and relatively easiest strategies to address for adding housing variety. A zoning and subdivision code audit should occur in every county and community to remove barriers to developing certain products and medium density housing. The information below provides common initial items to reconcile in development codes.

ZONING FOR HOUSING OPPORTUNITY

Nationally, there is a growing discussion regarding the adverse impact of regulations on housing development. Jurisdictions need to ensure municipal codes do not prohibit or add time to desirable housing development.

An individual ordinance review for each jurisdiction is beyond the possibility of this study. However, the following is the start of a general checklist, which may benefit jurisdictions that have not recently updated regulations or without a zoning official on staff.

- Review past exceptions granted on residential development. If there are several similar exceptions granted each year, evaluate if these are contributing to better development and consider making the exception allowed everywhere.
- Review setbacks, site coverage, and parking requirements to allow building on nonconforming small lots that exist in many jurisdictions today.
- Allow more residential uses in commercial/employment districts. At a minimum, upper story residential should be allowed in downtown districts.
- Allow duplexes, attached housing, and even tri-plexes in more zoning districts. Jurisdictions may find many of these uses in “single-family” neighborhoods today as nonconforming uses that function just fine, and have for many years.
- Evaluate nonconforming building regulations to ensure compliance requirements focus mostly on properties with records of nuisance or building code violations rather than merely seeking more properties to align with regulations that did not apply at the time of construction. Examples include:
 - *Restoration after damage* – Exempt residential uses in residential zoning districts from any compliance trigger for lot size, setbacks, building size, and parking when damaged. Instead, allow restoration of these damaged structures to the condition at the time of damage.
 - *Adaptive reuse and reconstruction* – Specify adaptive reuse and reconstruction are allowed for any nonconforming building so long as the property has no known nuisance complaints or safety violations.
 - *Special permits for nonconforming structures* – Exempt special permit requirements for reconstruction or structural alteration of residential uses if not changing the setback, height, or area as existing today.
- Reduce or eliminate parking requirements for multifamily housing units. Multifamily type uses can typically have standards lower than two parking spaces per unit through shared parking arrangements, off-site or street parking, availability of alternative transportation and some residents choose not to have vehicles.

STRATEGIC APPROACH TO HOUSING

INCREASE VARIETY OF HOUSING OPTIONS

Establish a Pattern Books

Objective:

- Establish a set of pre-approved plans that encourage housing diversity through streamlined processes.

There are ways to accelerate approval for more desired products – a possible incentive to reduce development costs. This can come from a coordinated departmental review where administrative approval criteria are agreed upon.

Even after amending codes to fast-track approvals with guidance, developers may still be cautious about changing their building model. There are few developers building anything beyond single-family homes or large apartment complexes. That is understandable because of historical consistency in profits and evidence of past local approvals reduces the risk of a project falling through. By creating a package of example site plans and products that will get approved, the builder has less risk.

PRE-APPROVED HOUSING: SOUTH BEND, IN

Facing a shortage of affordable housing and hundreds of potential infill lots, the City of South Bend, Indiana developed a set of pre-approved, ready to build housing plans. The plans are small to middle scale housing developments or what the city has described as a “Sears Catalog” of housing options that are contextually appropriate to South Bend’s neighborhoods and fit with local building materials and techniques. The plans can be used in any zoning district that allows the selected building type per the current zoning ordinance.

The Narrow House I

The 2-bedroom Narrow House provides an efficient, yet comfortable detached, fee-simple option that allows development of the city’s most skinny infill lots. The massing and elevation options reflect a simple vernacular character present throughout South Bend’s neighborhoods.



Option B



Option C



Second Floor

| Building Type Overview | |
|--------------------------------------|-----------------------|
| Building Dimensions | |
| Building Height | 2 story |
| Building Width | 20' |
| Building Depth (incl. porch) | 36' |
| Program | |
| Unit Configuration | 2 bed / 1.5 bath |
| Unit Size (finished gross) | 1,120 sq. ft. |
| Basement (unfinished) | 560 sq. ft. |
| Porch (unconditioned) | 136 sq. ft. |
| 1st Floor | 560 sq. ft. |
| 2nd Floor | 560 sq. ft. |
| Lot Standards | |
| Lot Width (min.) | 30' |
| Lot Width (max.) | 60' |
| Cost Assumptions | |
| Preliminary Construction Estimates * | \$200,000 - \$250,000 |
| Financing Options | 30-yr mortgage |

*Numbers shown are for basic estimation purposes only. Pricing is based on Fall 2021 cost assumptions and are subject to future market variation.

STRATEGIC APPROACH TO HOUSING

INCREASE VARIETY OF HOUSING OPTIONS

Long-Range Planning

Objectives:

- Leverage recent comprehensive plans and housing partnership work for targeted areas and update long-range plans for more specific directions on growth and change areas

The benefit of long-range planning cannot be understated for achieving housing goals. Communities in Dubois County with long-range land use and strategic plans have an essential base of understanding when working with developers. This is partially because builders and developers know what is expected, as well as governing bodies and the public. A common vision eliminates some level of uncertainty from all parties. Additionally, the process of creating or updating long-range plans builds local partnerships to stimulate action.

HUNTINGBURG STRATEGIES - 2015

The 2015 Dubois County Housing Study identified strategies for each of the communities. Communities have made progress on these to varying degrees and work that has started should continue. For Huntingburg, strategies included:

- 1. Focus on a compact area near existing job clusters and the Downtown area.**
- 2. Reinforce existing neighborhoods near job clusters - both emerging/newer neighborhoods near 12th Street and the historic core south of Downtown.**
- 3. Emphasize curb appeal and unique market features that allow the city to market the community's diverse housing options and small town quality of life.**
- 4. Create neighborhoods with a variety of housing choices that integrates or physically connects to surrounding jobs, services and recreational opportunities.**
- 5. Evaluate the role of Main and Jackson Streets as potential improved north-south connectors between neighborhoods and the Downtown core.**

STRATEGIC APPROACH TO HOUSING

SECURE & CONSERVE EXISTING HOUSING



The existing housing stock is the single largest asset in Dubois County next to agricultural land. Jasper, Huntingburg, Ferdinand, the rural communities, and other county areas have a wide range of different conditions and character. Dubois County's housing stock is relatively older, with the oldest homes surrounding the downtowns of each community.

Housing quality plays a significant role in a household's desire to live in a community. Available units and affordability mean little for the housing market if the supply is low quality. Low quality units have several effects on the housing market and community:

- Decreases property values and discourages reinvestment in surrounding properties.
- Encourages potential residents to look at living in other communities. Prospective residents generally form their image of a city on the quality of neighborhoods and the housing in the community.
- Forces current or new residents to live in units below their income level, creating temporary residents rather than life long residents.

STRATEGIES

- **Establish and Fund Healthy Home Programs.**
- **Review Zoning Codes.** As noted previously in this chapter.
- **Rental Rehabilitation Programs.** Upgrade existing rentals while maintaining affordability.
- **Establish Ownership Rehab Programs.**

Healthy Home Programs

Objective:

- Address common issues with older homes to make them safe and affordable.

The HUD Healthy Homes Program helps address health concerns commonly associated with older homes, such as mold, lead, radon, and other home safety precautions. Grants through HUD get awarded to non-profits, for profit firms, state and local governments, and universities. Not only should systems be in place to help entities apply for these grants, but a similar local program could be developed using local funds that can be distributed easier than HUD grant funds.

Review Zoning Codes

Objective:

- Avoiding making viable housing non-conforming.

The same approach as the strategy focused on housing variety applies here for maintaining and permitting improvements to existing housing stock. The difference between a residential structure being classified as a nonconforming structure versus a conforming structure in the zoning code is a significant financing factor. Financing through the Federal government will often stipulate conforming zoning status and thus eliminate a potential funding source for purchasing or improving classified nonconforming structures.

STRATEGIC APPROACH TO HOUSING

SECURE & CONSERVE EXISTING HOUSING

Rental Rehabilitation Program

Objective:

- Preserve existing affordable rental housing options.

More rural cities with fewer staff resources might have code enforcement lower on the list of priorities. In a tight rental market, rental property owners often have no incentive to make improvements. Rental rehabilitation programs should focus on workforce housing, providing leveraged loans combined with code enforcement. The best aspects of a strategic approach include:

- Rental rehabilitation must include incentives and consequences to create a balanced “carrot and stick” program. Therefore, effective housing code enforcement is the key to ensuring that units meet minimum housing standards.
- All or a majority of the units rehabilitated may be affordable to households making less than the median income for either five years or the financing period plus some additional time.
- Properties should be available for inspection by the public sector or a third party. Any property that receives funds must be maintained.
- Affordability should be connected to the unit. Under many programs, if a household finds a better job or receives a raise, they will no longer qualify to live in the unit. Finding quality affordable units for households making between 80-100% AMI is also challenging. Allowing a household to improve their financial footing without immediately losing their housing should be encouraged. Additionally, the paperwork of checking each resident’s income on an annual basis can discourage some property owners from participating in the program. Only requiring income verification at the time of the rental application can remove some of these hurdles. This type of approach is usually not allowed using federal dollars and therefore would require local funding.
- A special emphasis should be placed on energy conservation in the rehabilitation investment.

INVEST DSM BLOCK CHALLENGE GRANT PROGRAM: DES MOINES, IA

An initiative started in 2020, Invest DSM offers programs targeted to specific local neighborhoods in Des Moines. One program called the Block Challenge Grant aims to create momentum through a batch improvement approach. To participate in the program, groups of at least five neighbors within a visible distance of one another’s front doors must apply together. They are then eligible for matching funds up to \$2,500 for exterior improvements depending on the size of the application.

Six months into the program, Invest DSM granted funds to 240 homeowners and landlords who were current on their taxes or lease obligations. The average investment per property was \$4,576.

With a central information center to access resources, a similar type of program could be successful in the Greater Lafayette READI Region.

[Invest DSM Block Challenge Website](#)

Similar program in Fulton, NY: <https://www.fultonblockbuilders.com/>

STRATEGIC APPROACH TO HOUSING

SECURE & CONSERVE EXISTING HOUSING



Owner Programs

Objective:

- Ensure a continued supply of entry level housing.

A variety of programs can help homeowners and future homeowners find and maintain housing.

- **Purchase-Rehab-Resale Program.** In this model, houses are acquired and sold in a rehabilitated or “turnkey” state to owner-occupants. Traditionally these programs are administered by a nonprofit housing developer or development corporation. The model recognizes the limited number of prospective buyers who want to carry out a major home rehabilitation project. This program works best when candidate houses can be purchased at a relatively low cost, usually because of their quality.

Under the program, a development corporation buys existing homes, rehabilitates them, and resells them to new homebuyers. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low- and moderate-income buyers may be assisted by CDBG or HOME “soft-second” loans. Realtors may also participate by reducing commissions on selected projects. This type of program is within Tri-Caps mission but funding and staff capacity would need to be expanded to make the program a viable option.

- **Direct rehabilitation loan program.** This program would make direct forgivable loans and grants to homeowners, traditionally from Community Development Block Grant (CDBG) funds. The program is most appropriate to homeowners with low incomes who are not otherwise eligible for bank loans. These efforts should generally be focused in strategic areas where loans support other area investments, such as substantial infill development.

- **A leveraged rehabilitation loan program.** This approach leverages private loan funds (often through the FHA Title I Home Improvement Loan program) by combining private loans with CDBG or other public funds to produce a below-market interest rate for homeowners. The program works most effectively in moderate income neighborhoods with minor rehabilitation needs and some demand for home improvements. The program is effective in expanding the number of improvements completed by a fixed amount of public funding. Loans in a leveraged loan program can be originated through individual lenders or the proposed lenders’ consortium.
- **Energy efficiency loans.** Funding may be leveraged through the region’s utility providers to offer loans that improve older homes’ energy efficiency. These low-interest or no-interest loans can replace windows, heating and cooling systems, or any other upgrades that enhance the energy efficiency of the home.
- **An emergency repair program.** For very low-income residents, an emergency repair program should be established. This type of program is usually funded through Community Development Block Grant (CDBG) funds in grants or forgivable loans. Emergency repair programs are designed to meet critical individual needs and keep viable housing from deteriorating further. Thus, when funds are limited, assistance should be focused on fundamentally sound structures.

Most federal and state funding sources will not allow funds to be used on manufactured homes (mobile homes), but if using local funds, every community can decide how to approach manufactured homes. Emergency repair dollars should not be used on manufactured homes that are not HUD certified. If a unit is certified the soundness of the unit should be evaluated. For those units not in sound quality emergency housing programs may need to be used.

STRATEGIC APPROACH TO HOUSING

LEVERAGE EXISTING LOTS & ADD NEW LOTS

Discussions across Dubois County included the lack of sites available for housing development. Reasons cited often related to infrastructure capacity, the price of farm land being a disincentive to develop, and private property owners simply not wanting to sell. A critical step in providing new housing to alleviate pent-up demand requires finding ways to create developable residential lots.

- **Site Preparation.** Lot assembly and site prep assistance that targets needed housing types.
- **Land Development.** Possible approaches for medium to higher density product types.
- **Redevelopment.** Focusing on land assembly in larger communities.

Site Preparation

Objective:

- Share the risk on lot development and reduce costs.

Offering affordable sites is one of the easiest ways to lower risks and foster innovation. Through the assembly of vacant lots or assistance with site preparation (infrastructure), communities can help increase the economy of scale for developers and lower the development project's cost. This should only be done for one of the following types of projects:

- Housing affordable to households making less than 120% of the area median income (AMI).
- Housing types not found or in low supply in the community or metro area.
- Innovative construction or partnerships that help fill gaps in the housing market.

FERDINAND STRATEGIES - 2015

The 2015 Dubois County Housing Study identified strategies for each of the communities. Communities have made progress on these to varying degrees and work that has started should continue. For Ferdinand, strategies included:

- 1. Establish goals and objectives designed to stabilize and/or grow the population and reintroduce Ferdinand as a quality option within the larger regional market.**
- 2. Focus the Town's 5 year housing and redevelopment program at the North Gateway target area.**
- 3. Reconfigure industrial and underutilized properties for future single-family development.**
- 4. Introduce new housing products along Main Street that create appropriate scale and attractive design while addressing the need for newer workforce rentals.**

STRATEGIC APPROACH TO HOUSING

LEVERAGE EXISTING LOTS & ADD NEW LOTS

Land Development

Objective:

- Increase the number of buildable lots.

Each jurisdiction should explore using a shared cost model, special assessments, and/or infrastructure banks to assist in lot development costs. Lot development is challenging and is generally done by the private sector. The developer must cover their costs, and most cities do not have a pot of money to fund new lot development (most are struggling to maintain existing streets and infrastructure). In this scenario, all costs are passed through the final sale price of the home or through rent. Due to rising costs, the ability to finance lot development in smaller markets often means that lot development is just not happening.

Developments should use these programs as efficiently as possible. Low-density developments should generally not be eligible for these programs. Rather, these strategies should apply to higher density developments or innovative medium density (above six units per acre) projects that address missing product types.

Possible approaches for medium to higher density product types:

A. Shared cost

In a cost-share model, the public would share 30% to 50% of construction costs with the developer. This cost-share level is required to impact the cost of the home and be a large enough incentive for a developer to want to get involved. Repayment is derived from the added property taxes created by new development. Under this type of program, shared cost would only occur when 50% or more of the units are affordable, with the blend of affordability tied to the level of shared cost by the jurisdiction.

B. Special assessments

In many communities, special assessments where property owners in an area pay a higher tax for a given time period can be used to finance new infrastructure or other amenities in the targeted area. While assessments reduce the initial purchase price of the house, they are repaid as an addition to property tax payments, adding to the monthly and overall cost. However, they make it easier for developers to develop subdivisions because developers are not personally responsible for carrying the debt on the development of the subdivision. The developer is responsible for paying the property taxes/special assessments on unsold lots and any debt on the purchase of the land and therefore continue to share some risk.

C. Infrastructure bank

This approach only applies to projects that include a targeted mix of affordable units and assumes homes will appreciate in value. With an infrastructure bank, the public sector finances the infrastructure as a “participatory” deferred loan. The loan sits dormant until the home sells and then a portion of the appreciation in cost goes to paying off the deferred loan. This lowers the household’s monthly payment, however, can also reduce the amount of equity the household builds in the unit.

D. Tax abatement

Tax abatement can come in various forms but simply provides an offset in property taxes paid. For the developer of lots, this reduces the costs they have in the lots and lessens the pressure to sell the lots. This strategy can be especially effective with rental developments where the cost of higher taxes is not always fully passed on to the renter, thus keeping rents lower.

E. TIF

Using Tax Increment Financing (TIF) or Housing Tax Increment Financing (HOTIF) rules can change year-to-year based on State legislation. These tools allocate the increment of taxes created by new additional investments that are made and can be used for debt financing, site preparation, infrastructure development, and public improvements.

F. Leverage READI Funds

The READI funding allocations through the State of Indiana are already producing results to improve the quality of life in the Indiana Uplands Region. This has included assistance with infrastructure for the development of residential lots. Planning for a second round of funding in the Uplands region is underway. Housing related efforts and investments will be included as significant projects in READI 2.0 and other State funding opportunities.

G. Community land trust

A community land trust creates several advantages as a private, nonprofit organization that owns land on behalf of a jurisdiction to ensure affordability. In a CLT, homeowners purchase just the improvements, and those units may have deed restrictions that limit the appreciation of the home. In this shared equity model, a homeowner builds equity, but the amount of equity is limited in order to maintain affordability for the next homeowner.

A community land trust partnership could include providing lots/land, assisting with site prep, or providing funding for the initial housing construction.

STRATEGIC APPROACH TO HOUSING

LEVERAGE EXISTING LOTS & ADD NEW LOTS

Redevelopment

Objective:

- Increase the number of buildable lots and opportunities for more housing variety.

Creating residential lots should also come from changing the use of existing sites that are vacant, obsolete, or not meeting their market potential. Redevelopment has several benefits over greenfield site development, such as already having the base infrastructure in place. However, the challenge with redevelopment is often having an individual site or assembly of sites large enough to make a project worthwhile for a developer.

A land assembly or redevelopment program may include:

A. Inventory available or potential sites and lots

This action may seem obvious, but a consolidated list of possible sites eliminates an initial barrier. By simply knowing what is available, the public sector can begin the conversation with potential developers on a redevelopment package that can make their investment worthwhile.

B. Aggressive program to acquire and demolish deteriorated structures

These sites are opportunities to increase the lot inventory. A program would include incentives and/or enforcement to remove structures in the worst condition that are beyond repair. These could be residential or non-residential structures. Many of the tools in this section could apply to a demolition program.

C. Negotiation with property owners to acquire targeted vacant lots

Sometimes owners of vacant lots have no desire to keep the lot but have little incentive or time to dispose of it, or the lot is not marketable because of its size, location, or cost to develop. Beginning conversations with these owners, using the inventory in item (A), can often stimulate action on their part to part ways with their holdings. The development of a Land Bank in the Uplands region would offer an entity to hold these lots until the right developer is identified.

D. Prepare a redevelopment plan for lots

There must be a use plan when a critical mass of lots are acquired or items (A) through (C) produce a critical mass. Simply advertising lots for redevelopment will not produce the desired housing results, especially when these lots might have size constraints. A public plan for redevelopment that lays out the housing types, parameters, incentive packages, and timeline eliminates a lot of questions for a potential investor.





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