

WABASH HOUSING PERFORMANCE OPTIMIZATION PLAN



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Submitted to

City of Wabash, Indiana

Submitted by

HPG Network & CED Services

with

Zimmerman Volk Associates

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Wabash Housing Performance Optimization Plan (POP)

The Wabash Housing Performance Optimization Plan (POP) is a proactive strategy for planning & developing housing for which there is documented and quantified demand. Affordable and market rate housing, alike, play a vital role in building and stabilizing local and regional economies. Providing resources to support housing-driven economic development – to build, repair, renovate, rehabilitate and to purchase homes – assures communities are able to attract and support wage earners of all incomes and those on a fixed income, alike. Furthermore, “affordability” may be a challenge for those with higher incomes seeking to find residence in a desirable community that otherwise lacks marketable housing.

Housing is a major “producer” in any community’s sustainability plan and could easily be considered an extension of its infrastructure, both literally and figuratively. It can generate resources sufficient to support its existence through promoting neighborhood stability, attracting and engaging those with incomes sufficient to maintain and improve it, or it can absorb scarce resources, devaluing properties around it and even becoming an attractive nuisance that leads to exorbitant outlays of public resources, such as police and/or fire runs.

The Wabash POP is a plan for addressing housing demand by first measuring and establishing projections related to housing demand and then by planning to provide the diverse housing supply needed to address it. One or two catalyst projects have been identified, but the POP includes a housing program that touches all areas of Wabash. This POP includes the following:

- 1) A housing strategy that addresses Wabash’s specific housing needs; and
- 2) Recommended housing tools that can assist with addressing identified housing development capacity gaps; and
- 3) A housing production plan that quantifies the number of units to be produced over a 5-year period.

The POP identifies the housing needs and strategies it will use to make progress in facilitating the development of housing.

Why Produce This Type of Plan?

By taking a proactive approach in the adoption of a POP, communities are much more likely to achieve their housing and community planning goals. POPs give communities more control over the size, type and style of housing by engaging the development community – affected neighborhoods & owners, realtors, lenders, contractors, developers, etc. - in meaningful discussions about the priority housing needs and then formally adopting plans for development in their community accordingly.

The uniqueness of the Wabash POP is that it focuses on optimizing housing market performance, rather than just productivity planning, which uses static information to determine what must be built. Many communities are facing negative population growth, making it difficult to forecast future housing needs. A housing production plan, which typically relies heavily on census data, may suggest that a community that has seen negative population growth should focus on maintaining the stock that is there since it's unlikely that future demand will support additional units. How many cities and towns have seen an influx of hundreds of new jobs only to continue to lose population? The unique methodology of a performance optimization plan is that it seeks to identify and quantify population leakage, which if given a competing option, may choose to move in or move back to that community. Specifications of the market potential study within the POP include what type, style and price points must be available if they are going to be wooed.

The POP goes even one step further to work with community leadership, the development community and residents to figure out what it will take to align housing demand with local production capacity by focusing on *production capability*. The difference is this: Production is our ability to produce something (or in other words, our ability to do productive work), while production capability is our ability to maintain the level of production. For communities to truly thrive they must have the housing production capability to address whatever housing needs exist at any time, not just for the moment, but well into the future. Our approach to this work builds and establishes housing production capability.

Elements of the Plan

1. Analysis of Housing Market Potential (Attachment C)

It is important to understand who currently lives in the community, demographic trends affecting future growth, existing housing stock and future housing needs. The POP will establish a strategic plan for municipal action with regards to housing, based upon quantified measurement of the housing market's potential, which examines:

- a. Demographic and economic estimates and projections from government agencies at the national, state and county levels. Market information obtained is from sources presumed to be reliable, including developers, owners, and/or sales agents, as well as proprietary residential target market methodology™ employed by Zimmerman/Volk Associates, Inc., our collaborative partner in producing these POPs.
- b. Site-specific projections of future population and housing needs, considering local & regional growth factors, that covers the entire period of the plan. The projections address, specifically, the housing needs of the projected population at various pricing levels, various types of family composition, various housing types and styles with specified quantities.
- c. Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of sites identified and that absorption paces are likely to be slower during recessionary periods and faster during recovery of high growth. They are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this POP and that the developer(s) will apply high-caliber design, construction, marketing & management techniques to the development of identified sites/properties.

2. Housing Goals & Strategies

This document is designed to be used for implementation and as such does not include traditional plan elements, such as information on existing conditions and instead references existing adopted plans that contain some or all of these elements. Current master plans, consolidated plans, or other housing strategies may contain some or all of the elements. Our product is designed to act as a recipe book for the identified local housing development vehicle, the Performance Optimizer to undertake the steps necessary to act on information provided in the Analysis of Residential Market Potential. In preparation for this, our team has facilitated a community-led engagement and information gathering process alongside of ZVA's work that has informed this set of strategies. The Initial Report can be found at Attachment A of this document.

Goal 1: Launch at least one (1) catalyst project to jumpstart the development of housing defined in the Analysis of Residential Market Potential by December 31, 2019.

Housing Strategy #1: Engage Performance Optimizer to lead the implementation of this POP.

- Recommendation 1.1 – Identify & engage a nonprofit partner with a strong understanding of federal, state and local funding tools and sources. Ideally, the entity will be a certified community housing development organization (“CHDO”) or would be willing and able (organizational capacity, organizational structure & dedicated resources) to pursue this status within a reasonable (30 days) timeframe.
- Recommendation 1.2 – Formalize existing housing committee to serve as a Housing Cabinet consisting of 5-7 individuals representing local government decision makers, private sector, nonprofit and faith-based organizations to guide and assess the implementation of this POP. Duties include, but are not limited to, assisting the Performance Optimizer to ensure ongoing community engagement, partner engagement, resource development and barrier busting.
- Recommendation 1.3 – Using the Housing Production Plan outlined in this POP, develop a site-specific project management plan and schedule (see HS #2).
- Recommendation 1.4 – Work with Performance Optimizer to identify funding sources for executing strategies identified in this POP.
- Recommendation 1.5 – Name this Initiative to bind together the POP with its implementation.
- Recommendation 1.6 – Facilitate formal adoption of this POP as the Housing Element of the Comprehensive Plan.

Housing Strategy #2: Using Housing Market Potential study, select at least one (1) site to undertake a catalyst development project.

- Recommendation 2.1 – Obtain site control for site(s) to be developed.
- Recommendation 2.2 – Assemble a development team that has a track record of success in developing similar types of housing in the recent past and has a demonstrated understanding of the Indiana housing market.

- Recommendation 2.3 – Conduct pre-development activities necessary for determining project feasibility.
- Recommendation 2.4 – Assemble project financing in that maximizes private sector contributions and clearly identifies any reasonable market-driven financing gaps. Identify and pursue any federal, state and/or local tools to address said gaps.
- Recommendation 2.5 – Prepare critical path & schedule that aligns with the production schedule in this POP.

Goal 2: Increase awareness about this initiative for residents, prospective buyers and renters, and all who seek to serve them by April 30, 2019.

Housing Strategy #3: Boldly unveil the POP and promote its programs, policies and initiatives as a new way of doing business

- Recommendation 3.1 – Identify key target audiences (i.e. key funders, major employers, realtors, developers, general public, etc.) and design a strategy around their participation.
- Recommendation 3.2 – Host a housing symposium to announce the results of the Analysis of Housing Market Potential and the community’s plan for moving forward.
- Recommendation 3.3 – Convene local, regional and national builders, contractors, & developers to share about their experiences and the types of projects and funding strategies each favors.
- Recommendation 3.4 – Convene key employers to discuss traditional & non-traditional employer-assisted housing programs.
- Recommendation 3.5 – Convene local funders and lenders to educate and discuss ways to collaborate to address barriers to addressing local housing issues through traditional and non-traditional funding sources.
- Recommendation 3.6 – Develop a media & public relations strategy that supports engagement of residents & other key stakeholders, as well as attracts prospective buyers and renters to the area.
- Recommendation 3.7 – Continue to promote interaction and information sharing among agencies and partners that are internal to development processes, such as planning, building, permitting, and other local decision makers for large & small-scale development projects.

Goal 3: Reinforce the positive effect of the catalyst project(s) and invite existing residents and partners to “join the party” through a toolkit of programs to support investment and reinvestment in Wabash housing stock by December 31, 2023.

Housing Strategy #4: Develop a program to promote infill development and acquisition/renovation of existing homes for homeownership.

- Recommendation 4.1 – Create a property ownership database of available properties targeted for redevelopment, both municipally-owned and available for sale.
- Recommendation 4.2 – Create a developer’s map of all municipally-owned sites & tax reversion properties.

- Recommendation 4.3 – Engage lenders who offer “203K” or similar types of financing that assists homebuyers with funding to renovate the home after purchase and help to market the availability of these products to prospective buyers.
- Recommendation 4.4 – Promote the Hoosier Homes Program, which offers qualified homebuyers up to 5% in down payment assistance, as well as other products that address barriers to entry for homeownership.
- Recommendation 4.5 – Develop a residential infill development policy that supports development that aligns with, supports and enhances existing development (sample included at Attachment B).
- Recommendation 4.6 – Consider revising existing demolition protocols to facilitate redevelopment on targeted lots.
- Recommendation 4.7 – Identify and engage at least two (2) small-scale housing development partners to consider undertaking acquisition/rehab or new construction for sale on available lots, understanding any real or perceived barriers to entry.
- Recommendation 4.8 – Using information gathered in Recommendation 4.7, finalize program design that assists with addressing identified barriers.

Housing Strategy #5: Create a “business in the front, party on the block” program to focus rehabilitation and public improvements in specific locations near downtown and on major thoroughfares.

- Recommendation 5.1 – Draft a program design that complements the ongoing work of Grow Wabash County and Manchester University.
- Recommendation 5.2 – Using property ownership database (HS #4) & Neighborhood Toolkit (HS #6), develop site-specific strategies for addressing each property along the block.
- Recommendation 5.3 – Determine appropriate level of investment – public and private – needed to complete the program. For instance, acquisition, rehabilitation, façade only, sidewalks, tree plantings, etc. This program & its criterion could be considered by Council members and the Mayor for funding.
- Recommendation 5.4 – Identify other key blocks that should be considered for future projects in highly visible locations.

Housing Strategy #6: Create a neighborhood toolbox that enables residents to borrow tools for home improvement.

- Recommendation 6.1 – Engage a local nonprofit organization or home improvement store to host the program.
- Recommendation 6.2 – Approach home improvement stores about Wabash’s efforts to energize its housing stock and request donations of tools and paint to achieve this goal.
- Recommendation 6.3 – Market the program in areas where other residential housing programs are happening as a way to engage nearby residents in the effort, allowing them to access free or low-cost paint and tools to improve their homes and/or clean and maintain vacant lots using borrowed tools and their own sweat equity.

3. Housing Production Plan

Time Period	# of Units	Type of Units	Target Populations
2018 – 2019	14 – 18	Rental Loft Apartments	Traditional & Non-traditional Families
	6 – 9	For-sale Rowhouses/Townhouses	Small Town Families
	5 – 7	Cottages/Bungalows	Younger Singles & Couples
	6 – 8	Rental Mansion Apartments	Hometown Sweethearts
	4 – 5	Mansion Condominiums	Empty Nesters & Retirees
	9 – 13	Urban Houses	Traditional Couples
Total Units	44 – 60 Units		
Time Period	# of Units	Type of Units	Target Populations
2020	14 – 18	Rental Loft Apartments	Traditional & Non-traditional Families
	6 - 9	For-sale Rowhouses/Townhouses	Small Town Families
	5 – 7	Cottages/Bungalows	Younger Singles & Couples
	6 – 8	Rental Mansion Apartments	Hometown Sweethearts
	4 – 5	Mansion Condominiums	Empty Nesters & Retirees
	9 – 13	Urban Houses	Traditional Couples
Total Units	44 – 60 Units		
Time Period	# of Units	Type of Units	Target Populations
2021	14 – 18	Rental Loft Apartments	

	6 - 9	For-sale Rowhouses/Townhouses	Traditional & Non-traditional Families
	5 - 7	Cottages/Bungalows	Small Town Families
	6 - 8	Rental Mansion Apartments	Younger Singles & Couples
	4 - 5	Mansion Condominiums	Hometown Sweethearts
	9 - 13	Urban Houses	Empty Nesters & Retirees Traditional Couples
Total Units	44 - 60 Units		
Time Period	# of Units	Type of Units	Target Populations
2022	14 - 18	Rental Loft Apartments	Traditional & Non-traditional Families
	6 - 9	For-sale Rowhouses/Townhouses	Small Town Families
	5 - 7	Cottages/Bungalows	Younger Singles & Couples
	6 - 8	Rental Mansion Apartments	Hometown Sweethearts
	4 - 5	Mansion Condominiums	Empty Nesters & Retirees
	9 - 13	Urban Houses	Traditional Couples
Total Units	44 - 60 Units		
Time Period	# of Units	Type of Units	Target Populations
2023	14 - 18	Rental Loft Apartments	

	6 - 9	For-sale Rowhouses/Townhouses	Traditional & Non-traditional Families
	5 - 7	Cottages/Bungalows	Small Town Families Younger Singles & Couples Hometown Sweethearts Empty Nesters & Retirees Traditional Couples
	6 - 8	Rental Mansion Apartments	
	4 - 5	Mansion Condominiums	
	9 - 13	Urban Houses	
Total Units	44 - 60 Units		

ATTACHMENT A

Initial Report

Steering Committee - Community Engagement

Wabash Housing Strategy

Kickoff Meeting

The project kickoff meeting of the Steering Committee was held on September 13, 2017. During this organizational meeting, the steering committee:

- Reviewed the project scope, process and timeline
- Discussed the role of the steering committee
- Identified primary stakeholders
- Established a meeting schedule and invitation assignments for stakeholder's meeting

The meeting, which followed an initial discussion about work the Wabash housing task force had been focused on and why it felt a housing strategy was needed, included a brief overview of the demand study to be completed by Zimmerman Volk Associates, as well as a brief discussion of an initial meeting of the Wabash Housing strategy steering committee and a brainstorming session on stakeholders who should participate in the upcoming stakeholder meeting.

Stakeholder Meeting

A stakeholder meeting was held on November 7, 2017. During this meeting stakeholders were asked to discuss political, economic, social and technological issues that would enhance Wabash's ability to:

- Take advantage of opportunities in the housing marketplace
- Address housing –related threats before they become significant problems
- Align the community's strategy to meet changing demands in the housing marketplace

Immediately following this meeting Laurie Volk of Zimmerman Volk Associates joined a meeting of the steering committee to share the results of the stakeholder meeting and to discuss the scope of the housing demand study.

Results of Environmental Scan

Following the stakeholder meeting, all identified stakeholders received access to an online survey. The survey presented the results of the environmental scan, and asked participants to assess the results for each category, prioritize them and to suggest any additions that seemed appropriate.

Further, various housing programs were also presented. Participants were asked to prioritize outcomes related to these, as well. The results of the engagement phase of this project follow.

Critical Issues and Themes

Political

- City and County cooperation
- Development Incentives
- Updated Local Policies / Zoning & Code Enforcement

Economic

- Available Workforce
- Property Taxes & Assess Values
- Boldness to Attract New Funding

Social

- Community Leaders Understanding Housing is an Issue
- How Housing Relates to Other Local Issues
- Transitional Housing / Generational Poverty

Technological / Team

- Developers, Builders, Contractors
- Public-Private Partnerships
- Local Government

Priority Housing Tools Identified

- Demolition of Dilapidated Units
- Infill Housing
- Zoning Code & Code Enforcement

NEXT STEPS

Q1 2018	Results of ZVA Study Released to Steering Committee
	Establish Implementation Strategy
	Set Production Goals

ATTACHMENT B

Sample Land Disposition Policy

In determining the requirements for property disposition by the City, the following considerations shall be made:

- The transferee must not own any real property that: a) has any un-remediated citation or violation of the state and local codes and ordinances; b) is tax delinquent; c) was transferred to a local government as a result of tax foreclosure proceedings.
- All tax incentives and financing necessary for the development to be completed must be committed for the development prescribed in the development agreement prior to actual disposition.
- Parcels of property shall be transferred for consideration in an amount not less than the actual costs incurred in acquisition, demolition, maintenance and administrative fees of the lot/building. In the event that grant funds (i.e. CDBG, environmental remediation, philanthropy, etc.) are used to support any of the aforementioned activities, a lesser consideration can be determined by the City (as long as it meets the grant provisions).
- The City will consider alternative financing options (*i.e. Providing a mortgage and promissory note*) as a method of disposition in any transactions.
- Options to purchase real estate may be available for a specified percentage of the purchase price with a negotiated time frame to be determined by the City. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all policies and procedures of the City pertaining to property transfers.
- All development projects should require a 'development agreement,' and be started and completed within the negotiated time-frame. Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the local unit of government and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.
- A precise narrative description of future use of the property is required. The future use must be in-line with local development plans. The development agreement shall apply to stated use.
- If code or ordinance violations exist with respect to the property at the time of the transfer, the development or transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time to be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.

- The proposed use must be consistent with current zoning requirements or a waiver for non-conforming use is a condition precedent to the transfer.
- The transferee must agree to pay future property taxes from time of transfer.
- The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time preceding the submission of application (except in rental cases).

Priorities Concerning the Disposition of Properties

The disposition of properties shall be based upon a combination of two different factors. The first factor involves the intended or planned use of the property. The second factor considers the nature and identity of the transferee of the property. Within each factor is a ranking of priorities. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities. The City shall, at all times, retain flexibility in evaluating the appropriate balancing of the priorities for development or use of the property and the considerations for the conveyance of those properties.

Priorities for Use of Property (Examples in no particular order of priority)

- Homeownership
- Single and Multi-family rental housing development
- Mixed use development
- Market rate housing development
- Side lots
- Neighborhood revitalization
- Consistent with existing redevelopment plans
- Long term "banking" of properties for future strategic uses
- Land assemblage for public use
- Community gardens
- Development of public green space (parks and gardens)
- Public infrastructure
- Parking
- Return of the property to productive taxpaying status
- Land assemblage economic development projects
- Retail and commercial development
- Industrial and manufacturing
- Demolition
- Purpose of environmental clean-up

- Historic preservation

Priorities as to the Nature of the Transferee (Examples in no particular order of priority)

- Qualified nonprofits corporations that will hold title to the property on a long-term basis (primarily rental properties) or hold title to the property for purposes of subsequent redevelopment and re-conveyance to private third parties for homeownership.
- Individuals who own and occupy residential property.
- Developers for commercial or mixed-use projects
- Businesses that will own and occupy commercial property
- Qualified real estate developers; Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporation and a private for-profit entity.
- Nonprofit or tax-exempt institutions such as academic, social service and religious
- Landlords or Qualified real estate investors (unless the landlord has any judgments against them during the past 5 years regarding a landlord/tenant issue)
- Qualified Residential Builders

Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred titled to the Treasurer shall be ineligible to be the transferee of such property from the City.

ATTACHMENT C