

## CHAPTER 7: Housing

### Housing Conditions

According to the Census, there were a total of 1,808 housing units in Buffalo in April of the year 2000. The home ownership rate is fairly high in Buffalo, with almost 69 percent of housing being owner-occupied. Buffalo's housing stock is dominated by the single family detached homes (the traditional site-built homes). Mobile homes are the next most common type of housing. Single family housing consisting of mobile and site built homes accounts for 80.8 percent of Buffalo's housing units. Multiple unit housing, including duplexes, townhouses, and apartments, accounted for only 19.2 percent of the housing stock in 2000.

UNIT TYPE	NUMBER	PERCENT
1 unit, detached	1,250	69.1
1 unit, attached (townhouse)	67	3.7
2 units (duplex)	72	4.0
3 or 4 units (apartments)	58	3.2
5 or more units (apartments)	149	8.3
Mobile home	212	11.7

*(Source: 2000 Census)*

According to city records, an additional 245 housing units have been constructed since the beginning of 2000 through the end of 2006. This means the city has about 2,053 housing units minus any demolitions or conversions to other uses. Since 2000, 54 multiple housing units have been constructed along with 191 single family units. Even with these additions, multiple unit housing remains at less than 20 percent of the city's housing stock. This is low compared to the national average where about 35 percent of housing is multiple unit housing.

In 2000, Buffalo's housing stock was on average older compared to both the state of Wyoming and the nation. This is noteworthy because in general older housing is more likely to require rehabilitation.

	BUFFALO	WYOMING	UNITED STATES
Median year structure built	1966	1973	1971

*(Source: 2000 Census)*

Similarly, in the voter opinion survey conducted as part of this plan, 28 percent of voters rated the condition of Buffalo's housing as "poor" and 51 percent rated it as "fair." Only 14 percent of the voters felt the condition of housing was "good."

YEAR STRUCTURE BUILT	NUMBER	PERCENT
2000 to 2006	245	11.9
1990 to 1999	141	6.9
1980 to 1989	241	11.7
1970 to 1979	452	22.0
1960 to 1969	193	9.4
1940 to 1959	390	19.0
1939 or earlier	391	19.0

*(Source: City of Buffalo and 2000 Census)*

### **Housing Affordability**

Housing affordability lately has consistently been raised as a significant concern among the residents and business owners in Buffalo. In the opinion survey conducted as part of this plan, 78 percent of Buffalo voters rated the city “poor” in terms of having adequate housing for all income groups. In another question in the survey, 68 percent of voters felt new housing is needed in Buffalo—this may indicate substantial unmet demand for housing in the city.

Measures of housing affordability show a steep increase in housing prices in recent years. Average sale price of housing in Johnson County has risen 47 percent since 2000. (See Figure 1.) By comparison, the Wyoming inflation rate was 27 percent for all goods statewide over the same time period. Also, median family income in Johnson County (as estimated by the US Housing and Urban Development) rose not quite 30 percent at the same time, from \$39,600 to \$51,300. Clearly, this indicates that housing is less affordable for most people than it was in 2000.

Another measure of the change in housing prices is comparing “snap shots” of the home listings. The “snap shot” is a look at the housing listing on the Buffalo Area Multiple Listing Service on given day. By comparing the listings at different times, one can gain a rough sense of how the housing market is changing. The results of the snap shots roughly ten years apart are shown in the following table:

BUFFALO AREA MULTIPLE LISTING SERVICE		
	March 1996	October 2006
Number of homes for sale	52	38
Average asking price	\$128,045	\$180,761
Median asking price	\$115,500	\$210,200

*(Sources: Worthington Lenhart & Carpenter, 1999; MLS, 2006)*

The changes in the listings show not only higher prices (which are comparable to the increases in sale prices reported by the County Assessor), but also show fewer housing units for sale. The 38 units for sale in October 2006 represent only 1.9 percent of all housing units in Buffalo. This means the housing market is really tight. A healthy housing market typically has around 5 percent of its units available for sale.

A similar situation exists in the rental market. Vacancy rate among rental units have been measured every 6 months from 2001 to 2006. The average vacancy rate for that time period is 3 percent. This indicates a tight rental market. In fact, the most recent vacancy rate reported for 2006 was zero—no units were available for rent.

**Future Housing Needs**

Future housing needs have been estimated for Buffalo by the Wyoming Housing Database Partnership using the NPA Data Services. Strong growth and very strong growth population projections by NPA which are discussed in the Population Chapter. As noted there, it is recommended that this plan be based on either one of these projections. The projections for households give an idea of how many housing units will be needed to accommodate the expected population increase.

Assuming Buffalo has 2,053 housing units now and depending on which projection is used, Buffalo will need a net addition of 969 to 1,297 housing units by the year 2025. This amounts to an average of 55 to 74 additional units each year. These are net figures and any losses of housing through demolition or conversion to non-residential use would also have to be made up through additional new home construction.

<b>TOTAL HOUSEHOLDS IN BUFFALO</b>					
<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>
<b>Strong Growth Scenario</b>					
1,718	1,963	2,178	2,418	2,696	3,022
<b>Very Strong Growth Scenario</b>					
1,718	1,971	2,243	2,556	2,917	3,350

*(Source: Wyoming Housing Database Partnership, Final Report, February 17, 2006)*

Some considerations should be given to the types of housing units that will be needed in the future. As noted in the Chapter 6, Buffalo’s future population will be on average older than it is now. Furthermore, the average number of people living in each housing unit will be less and proportionately fewer homes will have children living at home. These population changes will dictate the demand for more variety in housing types, with less emphasis on single unit homes such as traditional site built homes and more emphasis in the future on townhouses, duplexes, condominiums and apartments.

**Previous Housing Studies**

In 1999, the planning firm Worthington Lenhart and Carpenter produced a draft plan for Buffalo and Johnson County. The plan included a detailed assessment of the housing situation in Buffalo.

In 2002, as part of preparing the Johnson County Land Use Plan, the Pedersen Planning consulting firm conducted a housing survey that drew participation from over 200 people in Buffalo. The survey results included many written comments, many of which validate the finding of the 1999 housing assessment.

The present consultants have reviewed available data, listened to the thoughts of many Buffalo people, and visited all of Buffalo's residential neighborhoods. Based on this, the present consultants believe that many of the 1999 finding are insightful and continue to be valid in Buffalo. Indeed, some aspects of the housing situation have become more pronounced in the past eight years.

The main findings of the 1999 housing assessment are as follows:

- ▶ Current pricing for new construction and developed subdivisions lots is resulting in very expensive new housing in relation to historical trends and current income levels in the community.
- ▶ Housing production is primarily concentrated on the “high end” single family market. As a result the community is not meeting the demand for wider array of housing choices.
- ▶ Lack of affordable new housing is having an inflationary effect on existing, lower cost housing.
- ▶ There is a widening housing “gap” between median income and the price of new and existing housing.
- ▶ The age of the existing housing stock dictates that measures be undertaken soon to conserve or replace the older housing stock in the community.
- ▶ A number of residential areas and neighborhoods are beginning to experience signs of “blight” or disinvestment. This could spread if left unaddressed
- ▶ The multi-family housing stock is also getting older and is not being updated or replaced. This may be due to low rents in relation to the average cost of new construction.
- ▶ Housing availability in the lower price ranges is very limited. This is undoubtedly due to rising prices and lack of filtering in the market which discourages people from “trading up” in the market.
- ▶ While local regulations are not generally perceived as being a problem impeding the local housing market, some attention should be given to three areas:
  - A review of the allocation of residential zoning areas to ensure that a balance of areas is available to achieve a balanced housing mix.

- A review of lot development and density standards to ensure that current regulations do not discourage production of multi-family and affordable attached single family housing and;
- A review and streamlining of zoning standards in relation to mobile homes on private lots in the community as well as encouragement of “planned mobile home subdivisions”.

A deeper local commitment and capability to deal with housing issues should be developed in the community. This will require new attempts at forming public/private partnerships, development of a housing “task force” or agency and perhaps ultimately a commitment of new local funding and staff resources for solving local housing problems.

Since the time these observations were made, new residential subdivisions have been developed in Buffalo. Furthermore, new housing, including 54 units of multiple-unit housing have been built. A new “workforce housing” task force has started up with the intention of making more moderate income housing available. At the same time, however, more could be done to improve the housing situation in Buffalo. Housing price increases have continued to outpace income growth, housing rehabilitation has not been addressed, and City development regulations continue to need refinement to support affordable housing.

### **Affordable Housing Goals, Objectives and Monitoring**

Any affordable housing strategy should be based on a clear objective. In that respect, it is critical to define what is meant by affordable housing. Without a clear definition, scarce resources that could promote affordable housing may be expended on other housing and thereby foregoing an opportunity to improve housing affordability. A standard definition of affordable housing which would work in Buffalo is:

“A housing unit which a person or family earning 120 percent or less of the median household income in Buffalo can purchase with a mortgage payment which does not exceed 25 percent of the gross household income; and, a housing unit which this person or family can rent with gross rent and utility payments which do not exceed 30 percent of the gross household income.”

Buffalo should adopt this or a similar definition as part of any new affordable housing initiatives. Putting the above definition into practice, the most recent data suggests that Buffalo’s median household income was about \$36,300 in 2004. A household with an income of 120% of this (\$43,603) could afford a home of up to \$170,000 (with a \$908 per month mortgage with 10% down and 6% fixed-rate interest for 30 years).

It is advisable to set housing goals and monitor and evaluate progress towards them. It would be beneficial to establishing a comprehensive monitoring program for housing production, cost, and income data. Other Wyoming cities, notably Gillette, conduct an annual housing assessment and survey to keep track of their housing situation. The program should monitor the effectiveness of all housing efforts and should be the basis for any changes or adjustments to those efforts.

Improving the housing situation is best accomplished when an organization takes the lead and makes affordable housing its mission. Perhaps an existing organization or coalition of organizations will do this. If not, the City should consider creating an affordable housing organization with the mission of finding the right affordable housing solutions for Buffalo.

### **Specific Techniques and Programs**

This section provides a number of ideas the City should consider implementing to the housing situation in Buffalo. Many of the following proposed actions can be readily accomplished and will produce results. However, without a lead organization and dedicated staff resources, these items will likely remain on the wish list.

The key to success in the housing situation was identified in the 1999 study and is still true today. Buffalo needs to develop a deeper commitment and capacity to deal with the housing problem. Therefore, the next step in tackling the housing problem is to get a local group organized with dedicated staff. Such a group when it has staff resources can help Buffalo consider implementing the following techniques and programs:

***Accessory Units:*** Also known as caretaker units, granny flats, or garage apartments, accessory units can be integrated with, attached to, or built apart from a principal residence on the same lot or parcel. The size of accessory units is usually limited to prevent excessive population densities and other adverse impacts on neighborhoods. Experience in other communities indicates this can be a highly effective strategy for encouraging much needed housing. Presently, in Buffalo these units are limited to relatives of the property owner—eliminating this requirement would increase the supply of this type of affordable housing.

***Inclusionary Zoning:*** This strategy requires larger residential development to set aside a certain percentage of lots and/or units to be for affordable housing. Lots and units produced through this strategy can be permitted to be smaller than others in the development, but design and quality of construction materials should be similar.

***Mixed Use Development or Planned Unit Development (PUD):*** This is a zoning concept that provides special flexibility in zoning standards for large projects with superior design attributes, typically including mixed residential and commercial uses and special public spaces. It can also be geared to producing a variety of housing types in a single residential project. If tied to an inclusionary zoning requirement, the PUD zoning could directly lead to more affordable housing.

***Manufactured Housing:*** The National Manufactured Home Construction and Safety Act of 1976 required significant improvement in the safety and quality of mobile homes. Homes that comply with the act are said to meet the “HUD code”. The HUD Code is a uniform construction code that ensures that a manufactured home, regardless of where it is built in the U.S., will meet certain publicly adopted standards related to health, safety, and welfare.

Many of Buffalo’s mobile homes were constructed prior to 1976. These older units are referred to as “mobile homes” while the newer units should be called “manufactured housing”. (Note

there is yet another category, “modular homes” which are built off-site to the same code as site-built homes and are placed on a permanent foundation.) These older mobile homes do not meet health and safety standards and should be a focus of the Town’s efforts to improve the housing stock. There is a legitimate public interest in facilitating the removal of these older mobile homes or their replacement with manufactured housing that meets the HUD code.

Manufactured homes, on the other hand, should be allowed in residential zoning areas. Presently, City zoning restricts them to a few locations in the city. The City’s zoning and subdivision standards should encourage good siding and design without unnecessarily limiting the use of manufactured housing. Buffalo’s foundation requirements for manufactured homes should be reviewed in this regard.

Buffalo has many fine, older homes that are excellent examples of great architectural styles. There may be concerns about the architectural compatibility of manufactured and modular homes relative to these homes. The answer is not to prohibit manufactured or modular homes. Instead, the City should create architectural design requirements and apply them to all new structures (site-built, modular or manufactured homes) in areas that have architecturally significant homes.

***Manufactured Home Subdivision:*** A new, separate manufactured home zoning district could be created to facilitate manufactured home parks but of a better quality than the old “mobile home courts.”

***Housing Trust:*** A housing trust can provide affordable housing for purchase by permanent residents. Units are to be kept affordable over time because the Trust will retain ownership of land. Appreciation will be controlled, and the Trust has first right of refusal for resale’s. Buyers must be qualified as to income, employment, and residency. This would be a local non-profit organization and could be organized at the city or county level.

***Housing Authority:*** Wyoming statute Title 15, Article 10, Chapter 10 allows the creation of a city housing authority. Housing authorities can be vested with any of a wide range of responsibilities and powers. An authority could undertake housing rehabilitation projects, sponsor new affordable housing projects, and provide direct financial support to housing programs.

***Housing Rehabilitation:*** Counties and cities in Wyoming can participate in a housing rehabilitation program for owner occupied housing. The program is for low interest loans and the overall loan capacity is fairly small. However, over time, the program can help rehabilitate a significant number of houses.

The City should assist residents and property owners in using the State of Wyoming’s housing rehabilitation programs to upgrade or replace substandard housing units. There are many benefits to participating in a housing rehabilitation program:

- the program would create work for local contractors;
- it extends the economic life and therefore the value of homes;
- it can help senior citizens stay in their own homes longer; and

- it can assist with home additions which can be beneficial to growing families.

**Public Land for Affordable Housing:** Lands in public ownership could be considered for affordable housing development. In appropriate circumstances, the public entity could provide the land at no cost to private sector developers of affordable housing. Similarly, utility work and connection fees are waived in some communities as an inducement for affordable housing projects.

The City of Buffalo owns several lots between Cemetery Road and Conrad Street that could be used for an affordable housing effort. While the City could simply release the lots for sale, it would be more effective to use some mechanism to ensure that workforce or affordable housing is built on these lots. Furthermore, the proceeds from the lot sales could be set aside as seed money for future affordable housing efforts.

**Wyoming Community Development Authority Programs:**

- **Home Investment Partnership Program**—Grants for affordable housing projects for low- and very low income households.
- **Low Income Housing Tax Credits**—This program annually provides approximately \$2 million in tax credits for developers and contractors as an incentive to develop affordable rental housing projects.
- **Community Development Block Grant for Rehabilitation Projects**—This can be a grant to the city and in turn be given as a grant to housing owners either for 100% of the project or as a match toward the project. The WCDA grant of Community Development Block Grant funds may also be used to purchase lots for rehabilitation and then resale. The proceeds from one transaction may be applied toward the next transaction and therefore be used for several lots one lot at a time.
- **Housing Trust Fund**—The WCDA has established a Housing Trust Fund for the purpose of financing non-traditional affordable housing outside its tax-exempt bond program. Loans to projects from the Housing Trust Fund are often combined with other funding sources to accomplish housing goals. The fund can be used for loan guarantees on loans that banks may not normally want to underwrite alone.
- **Homebuyer Assistance Programs** –WCDA has several programs that work directly with homeowners and homebuyers. Besides the standard WCDA loan program, WCDA programs assist homeowners with rehabilitation (Spruce Up I and II programs) and assist prospective homebuyers with down-payments (Homebuyer Assistance program) and new home construction (Home Run program).

**Wyoming Business Council Community Development Block Grant:** This grant may be used to improve infrastructure in a neighborhood that has a high percentage of low-income residents or to clean up a blighted area.



**Zoning:** The town should ensure that planning and zoning regulations allow a wide variety of housing types. Significantly more apartments, multiple-unit housing, and independent or assisted living housing for seniors will likely be needed in the future. City regulations should not only allow these housing types, but should be carefully reviewed to ensure that the regulations work well for these types of housing. It is often the case that minor requirements on setbacks, parking, lot size, and lot shape(s) can inadvertently cause difficulty in developing the less common housing types.

Figure 10.

