



Land Bank

Thursday, February 6, 2025, 5:30p.m.
City Hall 317 S. Washington Ave.

Agenda

ROLL CALL

APPROVAL OF MINUTES

- December 17, 2024 Meeting

AUDIENCE PARTICIPATION

REPORTS OF BOARD AND STAFF

- Crestview Heights

NEW BUSINESS

- Housing Needs Assessment Proposal
- Housing Development Policy

OLD BUSINESS

ADDITIONAL BUSINESS

ADJOURN

**Wellington Land Bank
December 17, 2024
Minutes**

Roll Call

The meeting of the Wellington Land Bank came to order at 4:45 PM. Members present were Jane Cole, Kevin Cooper, Diana Frazier, Becca Murry, and John Myers.

City Staff present were Shawn DeJarnett, City Attorney and Jeff Porter, City Manager.

Others Present: Eric Domino, Michael Rose, and Charles Bible.

Acceptance of Minutes November 12, 2024

Becca Murry motioned to accept the presented November 12, 2024, meeting minutes. Kevin Cooper seconded the motion. Motion carried 4-0.

Audience Participation

None

Reports of Commission Officers and Staff

Chair Jane Cole reported that she attended the closing for the property on Myles Drive, and that a closing was scheduled for the Jefferson property on Thursday.

New Business

Option Offer - Crestview Heights

Eric Domino of Burcham Residential addressed the Land Bank regarding an option agreement offer for 22 lots in Crestview Heights.

Domino discussed his proposal to pay the Land Bank \$5,000 for the property and develop an estimated \$5,000,000 project. Burcham Residential would pursue public and private funding to build single-family residences that meet the requirements of the State of Kansas Moderate Income Housing and Kansas Housing Investor Tax Credit programs. Domino also stated his intent to access incentives made available by the City through the Residential Housing Investor District (RHID) program. Burcham proposes the development of 22 single-family residences that would keep with the characteristics of the existing homes, using factory-built homes to lower the overall costs of construction and, by extension, purchase price. Foundations and garages would be site-built.

Kevin Cooper asked questions regarding the estimates in the proposal, questioning the veracity and accuracy of the projections. Cooper also pointed out concerns about lot sizes and other development issues related to the property, including restrictive covenants. Further, Cooper disagreed that the project would achieve affordability for the proposed target population. Cooper also noted that there were 23 lots, not 22 lots. Porter stated that an issue with the deed for one of the parcels prevented the property's transfer from the City to the Land Bank and that, typically, a Land Bank cannot sell property it doesn't own.

Trustee Murry asked about the financing of infrastructure and stated an objection to the use of special assessments if there was no guarantee that the City would be repaid. City Manager Porter noted that most subdivisions, including the initial phase of Crestview Heights, had been financed using special assessments. Trustee Cooper asked about the use of surety bonds to cover the cost of special assessments in the event of default. City Manager Porter stated they have not been required on residential developments in the past, but the City could discuss such mechanisms as the project moves forward.

Trustees Cooper and Murry expressed concern about the market for the proposed housing. Ms. Frazier felt that the homes would have a place in the community and that, in addition to filling a workforce need, there could be a market for those looking to downsize. Porter and Domino noted that if the project received funding from the State, some units would have to meet accessibility requirements.

John Myers asked about the financing for the project, to which Domino noted that he would have personal equity in the project and his intent to leverage funding through state grant and tax credit programs. Additionally, Domino said he intended to access the City's RHID program, which was previously designated in the subdivision. Domino noted that he could not demonstrate his financing at the moment due to a lack of control of the property to show potential lenders. Trustee Murry and Trustee Myers raised issues with a lack of information available about the development firm.

The Chair recognized Charles Bible to present his questions about the requirements placed on the City by acceptance of state funds, should the project be awarded. Porter noted the MIH grant was a reimbursable program, and there would be a paperwork burden. It was no more significant than other grants sought by the City. If the developer receives tax credits, such transactions are directly between the State and the developer, and the City has no part in the transaction. All the reporting requirements and compliance burdens are on the developer for tax credit projects.

Murry asked why Burcham had not considered the use of a partnership with a nonprofit entity as they had in Wyandotte County. Domino reported that the program required rental projects to have a nonprofit partner. Porter noted that the tax credits used in the Wyandotte County project might be more challenging to access as the nonprofit must be registered as a Community Development Housing Organization (CHDO). A CHDO has to be registered with the State and serve populations at or below the federal poverty level. Porter stated that he did not believe such development would be agreeable to neighbors but would defer to Trustee Cooper.

Trustee Frazier made a motion to approve the proposed resolution granting Burcham Residential an option to purchase the 22 lots in Crestview Heights. Trustee Cole seconded the motion. The motion failed on a vote of 2-3.

Chair Cole asked staff what the vote meant for consideration by the City Council. Porter explained that the Council would consider their input as an advisory board and could affirm the recommendation, overrule it, or send it back for additional study.

Old Business

None

Additional Business

None

Adjourn

Murry moved to adjourn the meeting, which Cole seconded. The motion passed unanimously, and the meeting was adjourned at 6:06 PM.

Jane Cole, Chair

Secretary



Memorandum

To: Land Bank Board of Trustees
From: Jeff Porter, City Manager
Date: January 30, 2025
Re: Housing Needs Assessment

Attached is the scope of work to update the Housing Needs Assessment (HNA). The original HNA study was performed as a requirement for the Rural Housing Incentive District (RHID) program. During the 2023-2024 session, the program was retooled by the legislature and renamed the Reinvestment Housing Incentive District Program (RHID).

The City commissioned the last iteration of the document in 2020; a copy of the HNA document is attached. Staff discussions with the Kansas Department of Commerce (KDOCH) and the Kansas Housing Resources Corporation (KHRC) indicate that 2020 is the oldest data the agencies would consider. Generally, State and Federal agencies view such documents as valid for three (3) to five (5) years, depending upon the program. Before the HNA, the City had a Housing Assessment Tool (HAT) from 2017 to support a KDOCH housing rehabilitation grant.

The HAT tool focuses on rehabilitating existing housing stock, whereas the HNA focuses on the need for housing options, both new and rehabilitation. Part of the RHID program's expansion also recognized the need for infrastructure to support mixed-use and existing multi-family units. Currently, most properties eligible for RHID within Wellington are those in Crestview Heights owned by the Land Bank. Through the adopted plan, the Council identified parcels in the community targeted for RHID redevelopment; a copy of the plan is attached.

The HNA is required to designate RHIDs and is one of the two documents along with the HAT allowed by the KHRC for use by developers applying for tax credits. As the Land Bank looks toward future acquisitions and disposals, an updated HNA that also reflects the needs of the Trustees could be helpful.

As the Land Bank is not the only potential beneficiary of the tool, staff does not believe that the cost should be solely that of the Land Bank. Staff recommends requesting a cost-share with the City Building Codes Department. The price for Wichita State to update the study is \$7,500.00.

Respectfully submitted,

Jeff Porter
City Manager



City of Wellington

Housing Analysis

Prepared by

Public Policy and Management Center
Wichita State University

April 2020





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Some photos that appear in this report are from the City of Wellington's Facebook page and website, as well as from the Sumner County Economic Development Commission's Facebook page.

This Housing Analysis final report for the City of Wellington was compiled by Matthew Stiles, Program Manager at Wichita State University's Public Policy and Management Center (PPMC). Eryn Ebach, a Graduate Research Assistant working for the PPMC also contributed to this Housing Analysis.



**WICHITA STATE
UNIVERSITY**

***DIVISION OF DIVERSITY AND
COMMUNITY ENGAGEMENT***

*Public Policy and
Management Center*



Introduction

The City of Wellington is seeking to establish a Rural Housing Incentive District (RHID) under K.S.A. 12-5244(a). The Rural Housing Incentive District Act provides cities and counties a special tax district to facilitate the building of housing in rural and underserved areas. The RHID program assists developers by collecting increases in property taxes

generated in the district to be applied to the cost of public infrastructure. In order to establish an RHID, a governing body must conduct a housing needs analysis to determine the housing needs of their community. The governing body can then make an informed decision regarding the need for housing incentives.

The City of Wellington enlisted the help of the Public Policy and Management Center (PPMC) at Wichita State University to complete the required housing analysis. The Rural Housing Incentive District Act requires that communities seeking to use the RHID tool must meet four core criteria to be eligible. The criteria include the following:

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

In completing this analysis, the PPMC utilized primary data from the U.S. Census and American Community Survey. Data from these sources form the backbone of the analysis. In addition, the PPMC conducted stakeholder interviews with Wellington-based economic development professionals, real estate representatives, developers and local officials.

An online survey was distributed through the Wellington Chamber of Commerce to businesses and the public soliciting their feedback on the housing market in Wellington. The survey had 183 total responses in a two-week period. Combining the primary data with interview and survey data provided a complete picture of the current housing market in Wellington.



Overall Findings

Housing in Wellington has been an issue for the community since the Great Recession in 2008. Improving the housing stock and increasing available homes has been a priority for the City, but there has been little progress made by private developers.

Proximity to the Wichita Metro area makes it challenging for the community to

compete for housing effectively. While Wellington is close enough to benefit from regional employers in the Metro and even attract aerospace employers into their community, Wellington is further out than other, competing inner-ring suburbs. Communities like Derby, Haysville, Maize and Bel Aire have all seen the housing market rebound after the Great Recession; Wellington has lagged behind its peers. The community is now considering more incentives to jumpstart the housing market in Wellington.

Demographically, Wellington is beginning to see a declining trend. The population trend for Sumner County is projected to decline in the next 45 years, and Wellington, as the largest community in the county, is expected to decline at a faster rate. Wellington has seen slight growth in school-aged children and residents over the age of 65. Lower educational attainment and lower average median household incomes contribute to a poverty level of 18.1%, a rate significantly higher than Sumner County, or the state of Kansas.

There is a lack of quality housing in the City of Wellington. Nearly 7 of 10 homes (69%) of houses in Wellington were built before 1970, and 34% of homes were built before 1940. Only 1% of homes have been built in the last decade. A total of 36% of renters and 23% of homeowners were cost-burdened, meaning they spent over 30% of the income on housing costs.

Currently, Wellington has a limited supply of available homes on the market. The current estimate of housing supply is two months' worth compared to the national average of five months' supply. Only 11% of active listings in April 2020 were within the coveted \$120,000 to \$180,000 price range. Available rental property is also in poor shape. In early April 2020, there were only three single-family homes available for rent on publicly available sites. Two income-qualified apartment complexes also offered units but did not disclose how many were available.

The shortage of quality housing will continue to persist unless additional steps are taken to incentivize the market. The private market has not been adequately meeting housing need in Wellington. Since 2010 there have only been 33 new residential starts, a total of 50 new housing units added to Wellington.



The average value for the residential starts is \$152,680. Currently, there are approximately 50 residential lots available for building spread out over three failed subdivisions. Attempts by one developer to build spec homes have been financially unsustainable, with the developer taking over 14 months to sell one spec home.

Wellington has taken some steps to address the housing needs in the

community over the last 10 years. A county-wide Neighborhood Revitalization Program offers a five-year rebate of 95% of property taxes on improvements made to both residential and commercial properties.

An additional five years of rebate are available for property located in the Wellington downtown district. The Neighborhood Revitalization Program applies to new construction and remodeling, though the focus is on the rehabilitation of existing homes. In 2017, the City of Wellington, in partnership with the Sumner County Economic Development Commission, was awarded a \$300,000 Community Development Block Grant (CDBG) through the U.S. Department of Housing and Urban Development. The CDBG funds were designated for home rehabilitation in an older section of the community.

Grants up to \$25,000 were available to qualified residents in the targeted area for home rehabilitation efforts. In two years, the program struggled to get residents to utilize the funding. One area landlord utilized the program the most, according to City officials. A total of 17 projects were completed using the CDBG funds, less than anticipated by the City. Demand for the program was not as strong as expected; therefore, the City's Governing Body has not considered reapplying for another CDBG grant.

The City of Wellington also owns municipal electric, water and wastewater utilities. At different times in the previous decade, it has offered utility credits to incentivize the construction of new homes. Those efforts have had a relatively minor impact on new development and have been discontinued.



Housing has had and will continue to have a detrimental effect on the economic development and well-being of Wellington if nothing changes. In the past three years, the community has seen small businesses in the community struggle and potential development stymied by the perception of poor housing options in Wellington.

Sumner County Economic Development officials felt that the lack of quality housing, along with perceptions of poor infrastructure and high taxes and rates, make Wellington less competitive compared to other suburban areas. The school district, one the community's largest employers, receives funding based on enrolled students. Without growth or at least maintaining the local population, those organizations will continue to suffer.

Improving housing is a key element in moving the community forward. Considering all the efforts that the community has put into attracting housing, the competitive environment in the Wichita Metro, and substantial demographic hurdles, it is apparent that in order to be competitive, Wellington will need to employ any available tool to help create an attractive environment for home building and renovation.

Area developers have expressed an unwillingness to take the risk of investing in Wellington without some incentive or assurance that the investment is reasonably secure.



Demographics

Demographics have a significant impact on the housing needs of the community. Rapidly growing communities tend to have fewer issues with housing as the market adapts to meet the demand for housing. Communities with declining populations present significantly more risk for the market and tend to struggle to meet housing needs.

Age distribution and income levels of the population create similar challenges in meeting the housing needs of a community. Wellington has many factors that complicate the housing market.



The population of Wellington peaked during the 2000 Census with a population of 8,647, but from 1970 to 2018, the population of Wellington declined by 8.52%.

Between the 2010 Census and the 2018 population estimate, the population of Wellington declined by 9.8%. By comparison, Sumner County experienced a

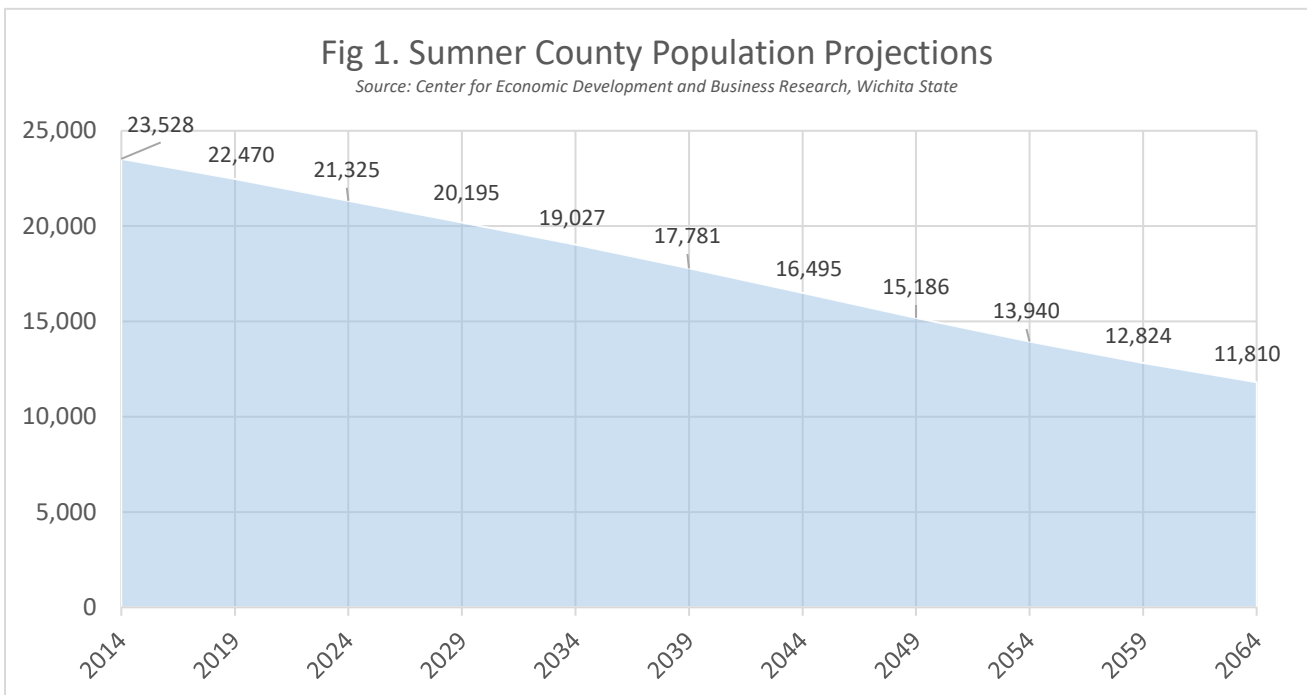
population decline of 4.3% between 2010 and 2018, less than half the population decline of Wellington.

Declining population trends have negatively impacted the perception of developers about building in Wellington. One developer reported that the perception of Wellington as a dying area, coupled with the long amount of time homes spend on the market has driven all but a few developers from the city. Developers avoid investing in Wellington, instead opting to build in nearby Wichita Metro communities of Derby, Haysville and Mulvane.

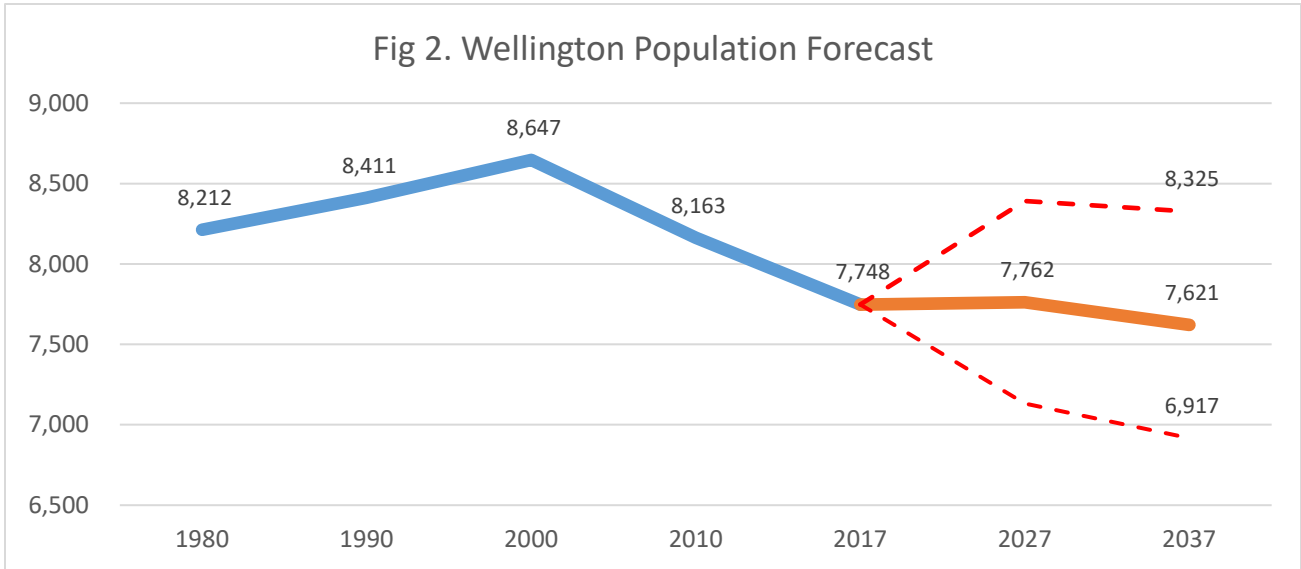
If current population trends hold, the future growth of Sumner County and Wellington will continue to decline. According to population projections developed by the Center for Economic Development and Business Research (CEDBR) at Wichita State University, Sumner County will experience continued population decline through 2064. Figure 1 shows the population projection for Sumner County based on previous economic data and anticipated development patterns for the state.

Fig 1. Sumner County Population Projections

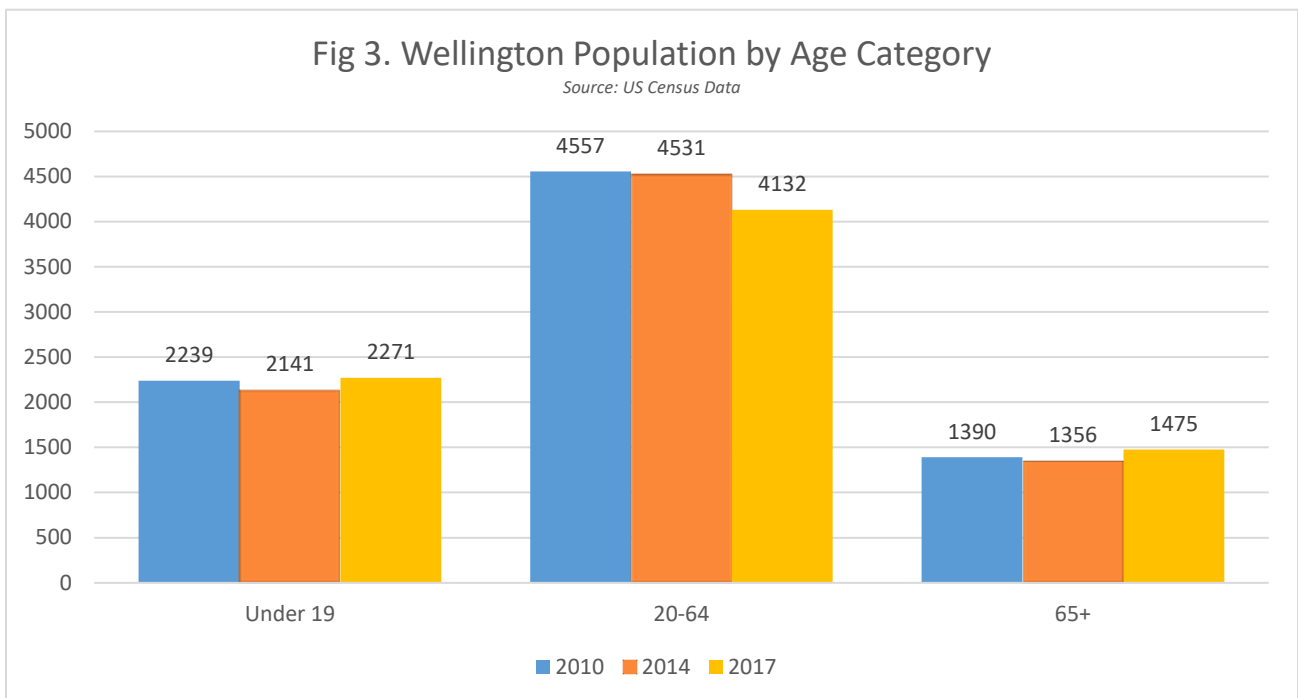
Source: Center for Economic Development and Business Research, Wichita State



The county-wide trend for Sumner County directly impacts the population projections for Wellington. Figure 2 provides a linear population forecast for the next 20 years based on the previous population trends. The solid orange line represents the projection, while the dashed lines give the upper and lower confidence levels of the modeling. Based on the model, Wellington will experience a population decline of less than 1% over the next 20 years.



Looking at the overall population distribution is also a critical factor in understanding the housing market. The highest level of growth for Wellington is residents aged 65 or older. Figure 3 describes the current trend over the past decade, breaking the population into three core groups: those under 19 years old, those 20-64 years old and those over 65 years old.



Between 2010 and 2018, the highest growth segment of the population was between 55-64 years old, growing 16%. The 35-44 age bracket also saw a 9% growth between 2010-18 and the 65 years and over saw 4% growth in that same period. Younger demographics saw remarkable declines in 2010 and 2018. The sharpest decline came from the 45-54-year-old category, which dropped 31% from 2010 to 2018. The 20-24 years category declined by 17%. Those in the 25-34-year-old category declined by nearly 16%. The youngest category, those 19 years old or under, posted slight growth, increasing 2% from 2010-2018.

The continued growth of the older demographic has changed the housing demand for the community. The demographics in the best financial and life positions to invest in a new home continued to drop off in Wellington. The youngest demographics that may be exploring purchasing their first home experienced a major decline in the last decade. The combination of increased older populations and declining overall population makes the community less attractive to developers seeking to build single-family homes commonly found in the Wichita Metro area.

Educational attainment is another factor that impacts the housing market. Educational attainment is closely correlated to household income levels and directly affects the purchasing power of households with regards to housing. Wellington is comparable to other jurisdictions in terms of educational attainment. Table 1 compares Wellington to Sumner County, the state of Kansas, and the U.S. Both Wellington and Sumner County have a higher percentage of residents that completed only high school or an equivalent compared to Kansas and the U.S. The percentage difference can be accounted for in a lower number of Wellington and Sumner County residents with bachelor's degrees and professional degrees.

Those with only a high school diploma, on average, earn approximately 43% less than their peers with a bachelor's degree and 52% less than those with professional degrees in their working life. According to a 2015 study by the Lumina Foundation, those with only a high school diploma are 3.5 times more likely to live at or below the poverty rate compared to those with a bachelor's degree. Wellington's higher level of residents with only a high school education is a limiting factor in the development of the housing market.

Table 1. Educational Attainment

Highest Education Level Obtained	Wellington (%)	Sumner County (%)	Kansas (%)	U.S. (%)
Less than 9 th grade	.97%	1.18%	3.71%	4.97%
9 th – 12 th grade, no diploma	6.80%	5.93%	5.29%	6.70%
High School Graduate / GED	36.58%	34.36%	25.41%	26.87%
Some College, no degree	25.49%	26.77%	22.84%	20.27%
Associate degree	8.91%	9.40%	8.94%	8.59%
Bachelor's Degree	15.65%	16.76%	21.05%	19.99%
Graduate / Professional Degree	5.59%	5.59%	12.75%	12.61%



Directly related to educational attainment is the household income. As previously mentioned, the two factors are strongly correlated; those with higher educational attainment tend to have higher household income levels. Wellington is behind the national and local trends for household income.

According to the most recent Census estimates, the median household income in Wellington was

\$42,350 per year, 20% below the average for Sumner County and 23% below the state of Kansas. Median household income grew by 2% from 2010 to 2018, far below the 18% growth experienced by the state of Kansas during the same timeframe.

One reliable marker for the economic health of the community is the poverty level. The poverty rate in 2018 was 18.1%, 6.3% higher than the rate for Sumner County, and approximately 6% higher than the Kansas rate. The higher poverty rate reinforces the lower median household income and increases the need for subsidized housing options and other social support programs.

Employment trends in Sumner County have been mostly positive. Historic unemployment in Wellington peaked in July 2009 at 10.9% during the height of the last recession. Since that point, the unemployment rate has steadily fallen to 3.3% in January 2020. Health care and social service, manufacturing and retail trade are the top employers in Wellington, collectively employing 45% of residents.

The sudden closure of the Sumner Community Hospital in March 2020 could dramatically impact the employment situation. The impact of retail closures related to the COVID-19 pandemic will also negatively impact the employment environment as many retail locations and restaurants are forced to scale back operations. While those impacts are yet to be felt, it is reasonable to anticipate that the unemployment rate will rise dramatically, at least in the short term.

Wellington has many factors that lead to a challenging housing market. Population trends point to a disproportionate number of older residents who are not necessarily in the market to purchase new single-family homes that have been the norm for the region. The level of educational attainment and the associated median household incomes point to the demand for housing at lower price points.

Quality of Housing

An indicator of the quality of housing stock is the age. For Wellington, 34.4% of housing units were built before 1940. A total of 69% of the housing stock was built prior to 1970, making nearly 7 in 10 homes in Wellington over 50 years old. Conversely, at 1%, a total of 36 homes, were built between 2010 and 2018. While not always an indicator of housing quality, modern building practices started in the 1970s to improve health and safety tend to be missing from older homes.



The quality of rental properties must also be considered. One marker for quality is the number of housing units without complete kitchens or lacking complete plumbing facilities. A previous standard used by the Secretary of Commerce in evaluating the quality of housing stock was that 96% of housing units should be free from defects. In 2018, only 1.5% of properties in Wellington reported having either incomplete kitchens or lacking complete plumbing.

Overcrowding is another factor that the Department of Commerce has connected to housing quality. In Wellington, the average household size for owner-occupied homes is 2.47 people. The average household size for a renter-occupied unit is 2.17 people.

A total of 45.4% of the units in Wellington have two or fewer bedrooms, and 37.9% of housing units have three bedrooms. The

occupants per room percentage for the community indicates that 99.2% of housing units have an occupancy of 1.00 or less per room. For larger households with four or more occupants, there is nearly a 1:1 ratio of housing units with four bedrooms or more. Overcrowding does not appear to be a problem for the Wellington community.

The Department of Housing and Urban Development (HUD) standard for housing affordability is a maximum of 30% of income. Households that pay more than 30% of their income on housing are considered cost burdened. To meet that standard in Wellington, the median household would need to spend no more than \$977 on housing costs to be affordable.



According to the U.S. Census 2018 update, 36.1% of renters pay more in rent than the affordability standard. Of that 36.1%, a total of 30.4% of renters pay 35% or more of their monthly income for rent payments indicating a shortage of affordable rental properties. Homeowners fared better than renters. Of the 2,007 homes owned by the occupant, 23% paid more than 30% of their income for housing costs.

A common view of Wellington's leaders and community members that

provided input into the housing analysis was that there was a disproportionately high number of rental properties in the community.

Of the 3,638 housing units in Wellington, 63.8% were owner-occupied compared to 36.2% that were occupied by renters. While the percentage of renter-occupied units is 9% higher than in Sumner County, 36.2% in Wellington is consistent with the percentage in Kansas (34%) and the U.S. (36%). The volume of rental housing is consistent with the income distribution and poverty levels of the community.

The housing market in Wellington has been consistent over the last five years. On average, there were 90 home sales per year since 2016 in the Wellington market. Each home was on the market for an average of 49 days. The national average for days on the market for 2018 was 68 days indicating that the market in Wellington has been more active. This is due to the limited supply of available homes.

Housing markets are measured in months' supply available, a ratio of the number of houses for sale to houses sold. This ratio indicates the size of the for-sale inventory compared to the number of houses being sold and indicates how long it would take for the current inventory to be sold, assuming there are no new homes being built. The current estimated supply for Wellington is two months compared to the national average of a five months' supply.

Homes in the Wellington market have been selling for an average cost more in-line with median home value than the cost of a new home. In 2019 the median sale price for a home in Wellington was \$65,000. The average median sale price for the last four years was \$66,975. The average purchase price indicated existing inventory turnover and not the purchase of new homes.

New home construction in Wellington has been very slow since 2010. Table 2 lists the number of new single-family homes and duplex permits and the average value of those permits issued by the City since 2010. In that time, 33 new residential structures, 50 total housing units, or five units per year, were added to the community.

In that same time period, the Wichita metropolitan statistical area (MSA) averaged approximately 150 permits per month or 1,800 annually, for the nearly 500,000 residents included in the MSA. Some smaller suburban communities like Derby, Haysville and Maize average between 75-120 new home starts each year. Wellington directly competes with those suburban communities for residents.

Table 2. New Home Starts 2010-19

Year	New Single-Family Homes	Average Value	New Duplexes	Average Value
2019	1	\$180,000	1	\$145,000
2018	0	\$0	3	\$150,000
2017	2	\$250,000	2	\$150,000
2016	2	\$180,000	5	\$113,000
2015	1	\$150,000	2	\$130,000
2014	1	\$280,000	0	\$0
2013	2	\$132,500	1	\$125,000
2012	1	\$85,000	2	\$121,000
2011	4	\$164,500	1	\$100,000
2010	2	\$139,500	0	\$0

Between 2002-2004 there were three new subdivisions that were platted in Wellington. A total of 85 residential lots were improved and specially assessed for the infrastructure costs. As of January 2020, over 50 of those lots remain undeveloped. Building in the subdivisions started briskly but tapered with the Great Recession and has not bounced back to the same level as the neighboring community.

Of the three platted subdivisions, only one could be considered active. One developer has continued to build spec homes one at a time in one of the developments. In speaking with the developer, he indicated that he had to pull back from spec home building because the most recent home sat on the market for more than 14 months before it was sold.

When discussing the for-sale housing market, there was a clear consensus from stakeholder interviews that there was a limited supply of homes in the \$120,000 - \$180,000 price range. A survey of the current homes available on the market confirms a lack of housing in that category. In early April 2020, there were 28 active listings in Wellington.

Of those listed, only three (10.7%) were in that price range. Six of the listings, 21.4%, were above \$180,000, and the remaining 67.8% were below the \$120,000 range, with 10 being below \$50,000.

The Wellington rental market has limited available options. In early April 2020, there were three available single-family homes for rent in public listings. Rental prices ranged from \$650 to \$850 per month. Two income-qualified apartment complexes also had units available. The available apartments utilized existing HUD programs for rental assistance.

Vacancy rates are also an indicator of the health of a market. Previous guidance from the department of commerce indicated that a housing shortage threshold would be below 1% for homeowners and below 5% for rental units.

Those thresholds represent the normal pattern of households moving in and out of units. On the surface, Wellington does not have a shortage using this metric. Current estimates for vacancy in Wellington were 2.4% for homeowners and 12.9% for renters. Considering the margins of error on the estimates and taking into account that some of the available units are currently unfit for occupancy, Wellington may be closer to the threshold for a shortage.



Community Survey Data

As part of the housing assessment, an online survey was sent to employees of major employers and was open to the general public on the City of Wellington's website and social media outlets.

A total of 183 responses were completed, representing approximately 3% of the total population over the age of 18. Respondents were primarily homeowners (76.4%), and most live in Wellington (91.1%). Consistent with the data and comments about the local economy, only 61% of the respondents reported working in Wellington.

Of those who did not live in Wellington, half reported that they did not want to move into the Wellington community. When asked what has prevented them from moving into the community, housing was one of the top reasons for every respondent.

One respondent noted, "Housing options in the \$150,000 - \$200,000 range are limited. The homes are either older, really large, or need work, or they are over that price range." Another critical factor was the perceptions that the taxes were too high and that the community was rundown. Overall, respondents felt Wellington had little to offer in the way of retail and amenities and lacked jobs that could be found in other Wichita MSA communities.

When asked if Wellington had enough rental housing available, 43% felt enough was available, 32% did not feel enough rentals were available and 25% were unsure. Respondents were asked how much they would be willing to pay for rent in Wellington for a unit that met their needs. Nearly half (49%) indicated that \$400 to \$600 per month was fair for Wellington. An additional 37% felt that \$601 to \$800 per month would be suitable. Based on this feedback and the monthly price for available rentals, there is an underserved market in the lower cost side.

Respondents were asked if they felt enough housing was available to buy in Wellington. Only 36% of respondents felt that there were enough homes to buy, while 40% disagreed and 24% were unsure if there were enough homes to buy.

When asked how much they would consider paying for a home in Wellington, half of the respondents indicated they would be willing to pay between \$60,001 to \$120,000 for a home. A similar percentage (46%) indicated they would be willing to purchase a new home in Wellington. While it would be impossible to build a new home in the preferred price range, there is a potential demand for modestly priced new construction.



Drilling down into perceptions of the community, survey respondents were asked to rate several community characteristics. On a scale of 1 to 5 with 1 being very poor and 5 being very good, residents rated nine separate factors. In the survey, Wellington scored poor or very poor in a number of key areas. The availability of area jobs received 62% poor-very poor ratings.

Quality of the local infrastructure and availability of local shopping and dining also received 60% poor-very poor ratings. Quality of the local schools and area parks or recreational facilities were the most positively viewed with good-very good ratings above 45%.

Survey respondents were asked if they or anyone they knew had trouble finding housing in Wellington. A large portion, 41%, had experienced or knew someone who had experienced housing difficulty in Wellington. When asked to elaborate, many indicated that the quality of homes did not match the asking price with similar homes selling for less in more competitive suburban Wichita markets.

Property tax rates and utility rates being much higher in Wellington compared to other communities was also frequently mentioned by respondents. One respondent commented, "There is a lack of decent-sized newer homes in an affordable price range. The current homes for sale are either rundown fixer-uppers or newer homes that are way overpriced." Many echoed that sentiment indicating that quality housing was not affordable, and a lot of the available housing was in unsafe areas of town.

Many renters also had trouble finding housing in Wellington. Income-based housing was criticized for being unsafe and in poor condition. One renter commented that income-qualified housing complexes were "...extremely high-risk... most are not safe places for children to play outside." In addition, the waiting lists for income-qualified housing were very long, and the process difficult to navigate. Privately owned rental property also was considered low quality with multiple respondents describing rental properties as "trashed," "dumpy," or "crime-filled."

Stakeholder Interviews

As part of the housing assessment analysis, the PPMC conducted stakeholder interviews with six individuals identified by the steering committee as having insight into the housing situation in Wellington. Representatives from private sector employers, real estate agents, economic development professionals, landowners, and developers were all included in the interviews to get a complete picture of the housing situation in Wellington.

The consensus among the interviewees was that the lack of available housing limited the potential for economic growth in Wellington. Before the Great Recession, the housing market in Wellington was much more robust, with three new subdivisions starting and multiple developers building spec homes.



Homebuilding slowed in Wellington, but as the community recovered from the recession, the housing market did not. The slower market, especially compared to the inner ring suburbs of Derby, Maize, and Haysville, meant many developers stayed away from the community.

The perception that the rental market was dominated by older, rundown homes created a

negative perception of the community in the homebuilder spheres. Rather than opting to take a chance on building a spec home in Wellington, many builders chose a safer investment in Wichita. Interviewees attributed the lack of success for builders to a multitude of factors, including the higher taxes, higher utility costs and lack of amenities such as recreational assets or local shopping.

Starter homes, defined in this case as \$130,000 to \$200,000, are the missing part of the housing in Wellington. Interviewees felt, and the data proves that there are many homes available on the low end of the market (less than \$70,000) and a few homes available on the higher end of the market (\$200,000), but very few quality homes in between. Buyers in the current market expect a three-bedroom home with two bathrooms and a three-car garage.

The Wichita Metro area has an abundant supply of those styles of homes, but Wellington does not have many options that meet that description. One developer noted that he attempted to build a spec home in Wellington with a floor plan common to the region. Due to the increased cost of materials, the listing price was \$170,000. According to the developer, he had to hold the house for nearly 14 months before eventually reducing the asking price and taking a loss on the home.

Rental units were also identified as a need by interviewees. According to several interviewees, one landowner has found success by building moderately priced duplex units behind a big-box retailer in the eastern development corridor. Those duplexes were not on the market long once built and have had no turnover in residents.

A tenant in those duplexes is typically older with no children. However, a duplex built on an infill lot in an older area of town did not have a lease after 60+ days on the market. According to the developer, "Similar duplexes we've built in Wichita would be leased before they are completed. Here it just sat empty."

Wellington has made some attempts to encourage housing development and improve housing stock. The use of CDBG funds to remodel 17 properties between 2017-19 was moderately successful. Economic development and city officials noted that the program was underutilized by residents partially because of the onerous requirements for CDBG.

Aside from CDBG funds, the City has also attempted to leverage the county-wide Neighborhood Revitalization Program, which focuses more on rehabilitating property than promoting the building of new properties. Real estate agents also promote the eligibility of the area for USDA loans, which can be a flexible tool for eligible homebuyers.



The City has also attempted to promote home development by allowing infrastructure in the three subdivisions opened in the 2000s to utilize special assessment financing to install infrastructure. While that risk has not proven out, there are still developable lots in the community and, therefore, potential for new-home development.

Considering housing in terms of the overall economic health of the community, the interviewees felt strongly that the well-being of the community was dependent on improving the housing situation. Growth in housing was described as a critical part of capitalizing on the development of the Cowley County Community College Sumner Campus on the eastern corridor of the community.

One official noted, "It really is a Catch-22 situation. We cannot effectively attract employers without better housing, but it is hard to build more housing without workers." The tight housing market and lack of quality homes for sale or rent were identified as one of the core problems that must be addressed to move the community forward.

Economic incentives designed to limit risk for developers were unanimously agreed upon as favorable by all interviewees. With the failures of the three subdivisions and the long time on the market for recent spec houses, there are no developers willing to consider investing in Wellington. Markets in the suburbs closer to Wichita and in Wichita itself are better investments. Having a comprehensive incentive package and the full support of the community will be necessary for the housing market to take off in Wellington.



Conclusion

Wellington faces an uphill challenge in developing housing. The community's geographic position in the Wichita Metro forces Wellington to compete with surrounding suburbs that have experienced significantly more growth in the last decade. Three failed housing subdivisions and a negative perception of the community have compounded the challenges facing the community.

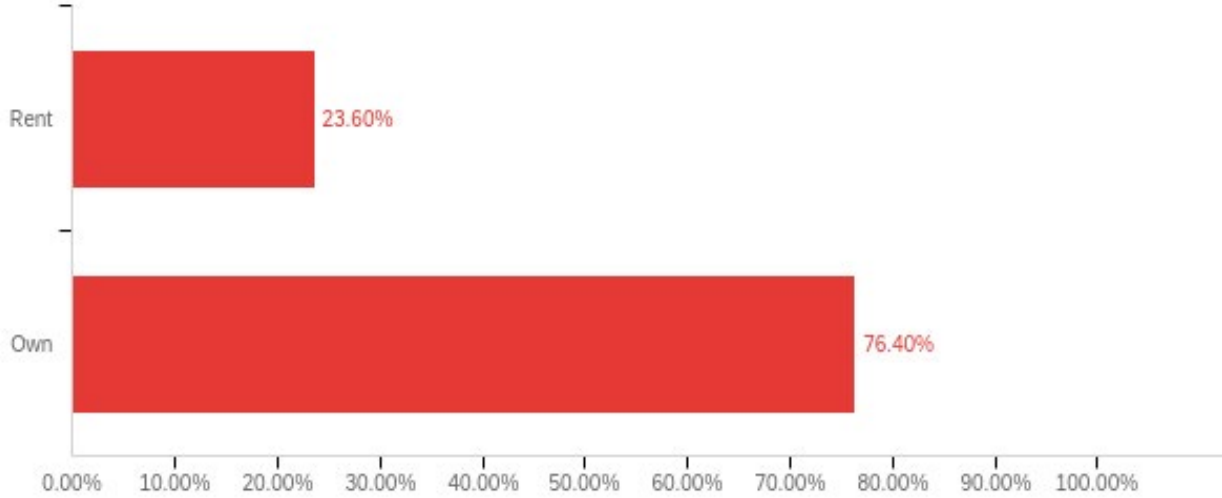
Wellington has taken steps to address the housing needs utilizing tools like CDBG, Neighborhood Revitalization and utility credits. Despite all the efforts in the past decade, the housing market continues to stagnate. Lack of quality housing has been detrimental to the community and will continue to be so unless further measures are taken.

The use of a Rural Housing Incentive District (RHID) is one such tool that could be beneficial for the Wellington community. Based on the data analyzed and the responses of community leaders, it appears that Wellington meets all the requirements to utilize the RHID, as stated K.S.A. 12-5244(a).

Wellington Housing Assessment Survey Report

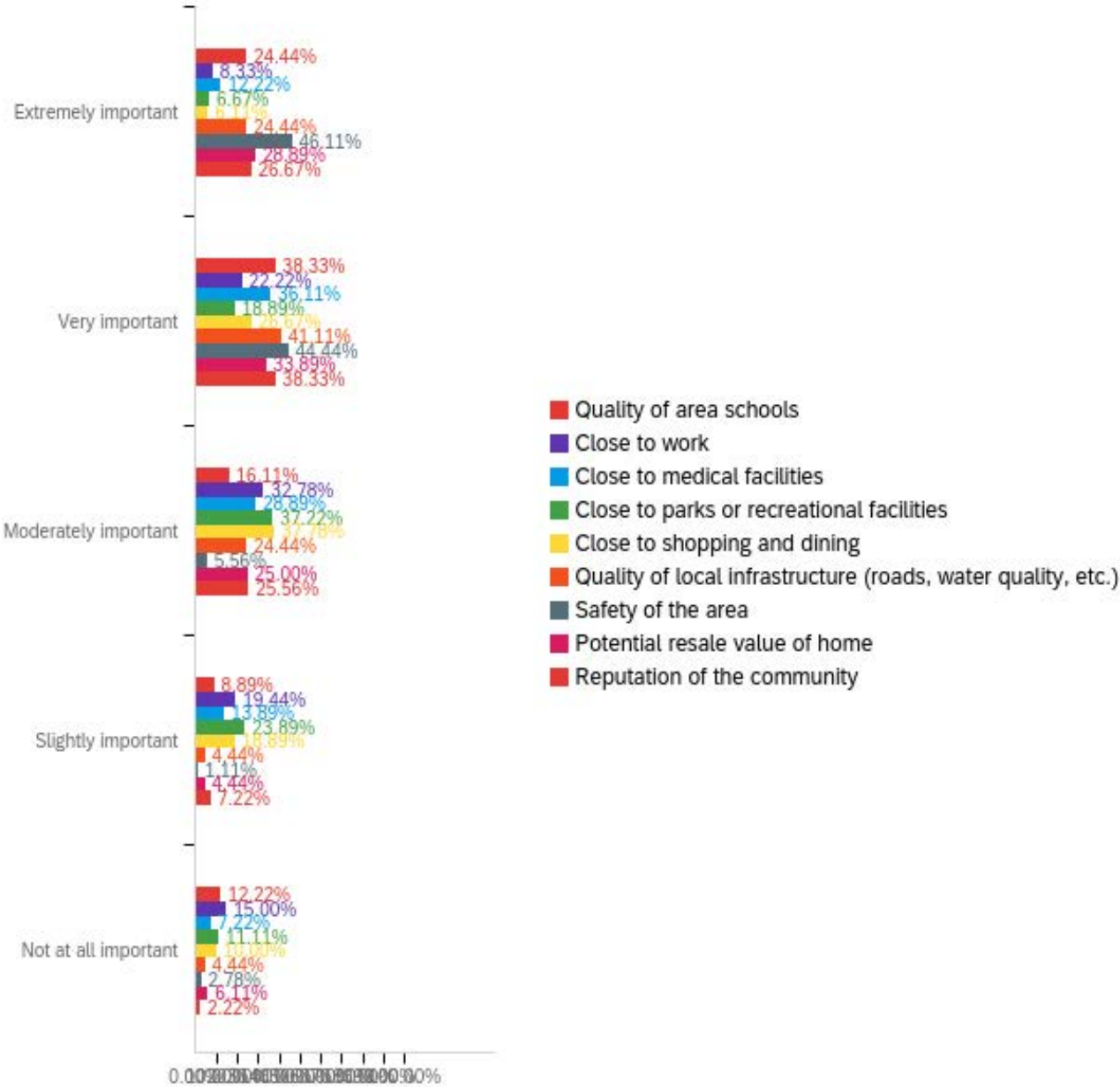
Survey open March 10 to March 24 | 183 Confirmed Responses

Do you currently rent or own your home?



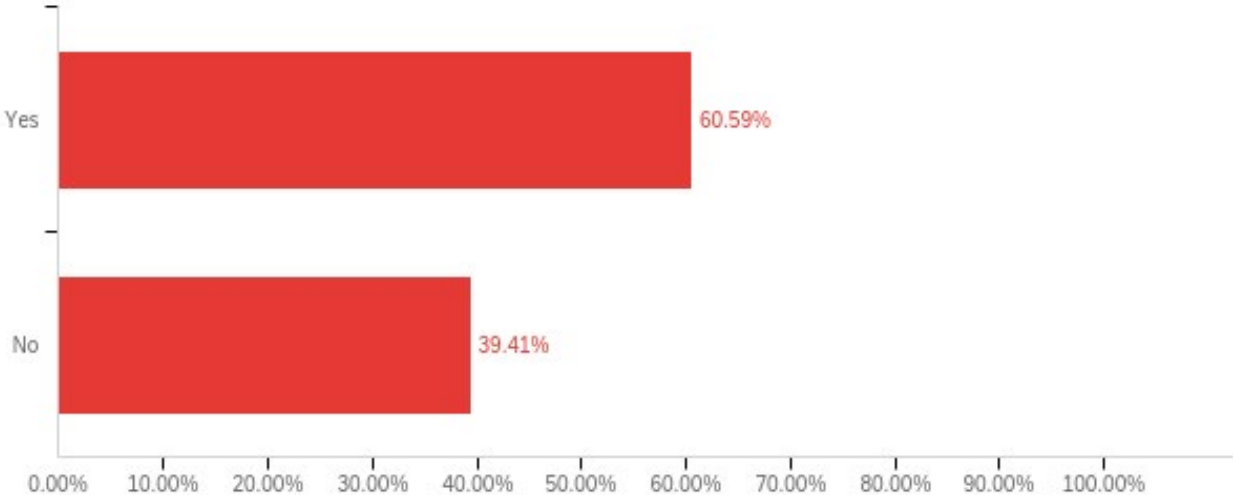
#	Answer	%	Count
1	Rent	23.60%	42
2	Own	76.40%	136
	Total	100%	178

When you are considering where you are going to live, how important are the following factors in your decision making?



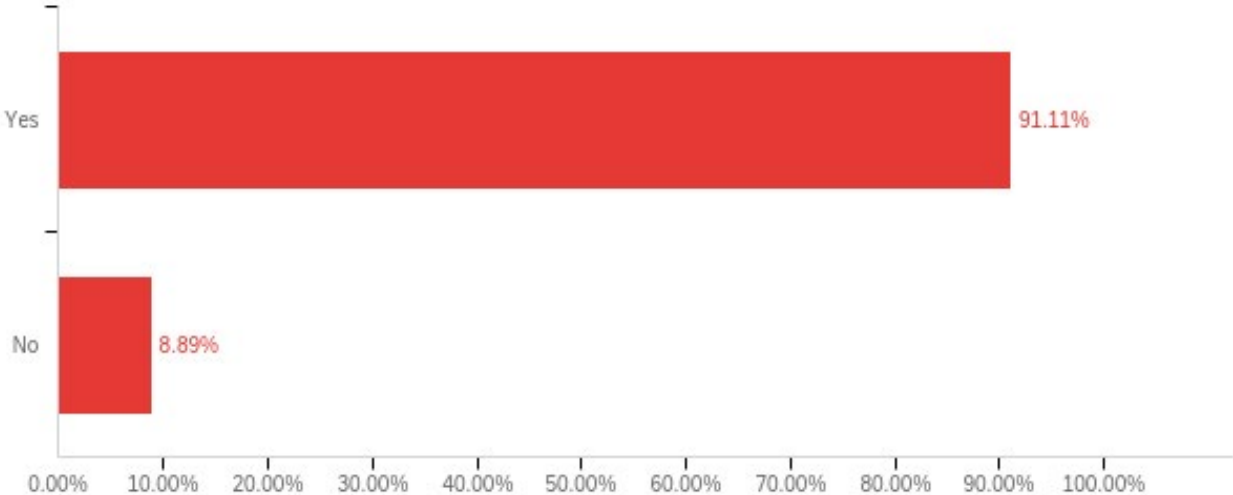
Question	Extremely important		Very important		Moderately important		Slightly important		Not at all important		Total
Quality of area schools	24.44%	44	38.33%	69	16.11%	29	8.89%	16	12.22%	22	180
Close to work	8.52%	15	22.73%	40	33.52%	59	19.89%	35	15.34%	27	176
Close to medical facilities	12.43%	22	36.72%	65	29.38%	52	14.12%	25	7.34%	13	177
Close to parks or recreational facilities	6.82%	12	19.32%	34	38.07%	67	24.43%	43	11.36%	20	176
Close to shopping and dining	6.15%	11	26.82%	48	37.99%	68	18.99%	34	10.06%	18	179
Quality of local infrastructure (roads, water quality, etc.)	24.72%	44	41.57%	74	24.72%	44	4.49%	8	4.49%	8	178
Safety of the area	46.11%	83	44.44%	80	5.56%	10	1.11%	2	2.78%	5	180
Potential resale value of home	29.38%	52	34.46%	61	25.42%	45	4.52%	8	6.21%	11	177
Reputation of the community	26.67%	48	38.33%	69	25.56%	46	7.22%	13	2.22%	4	180

Do you currently work in Wellington?



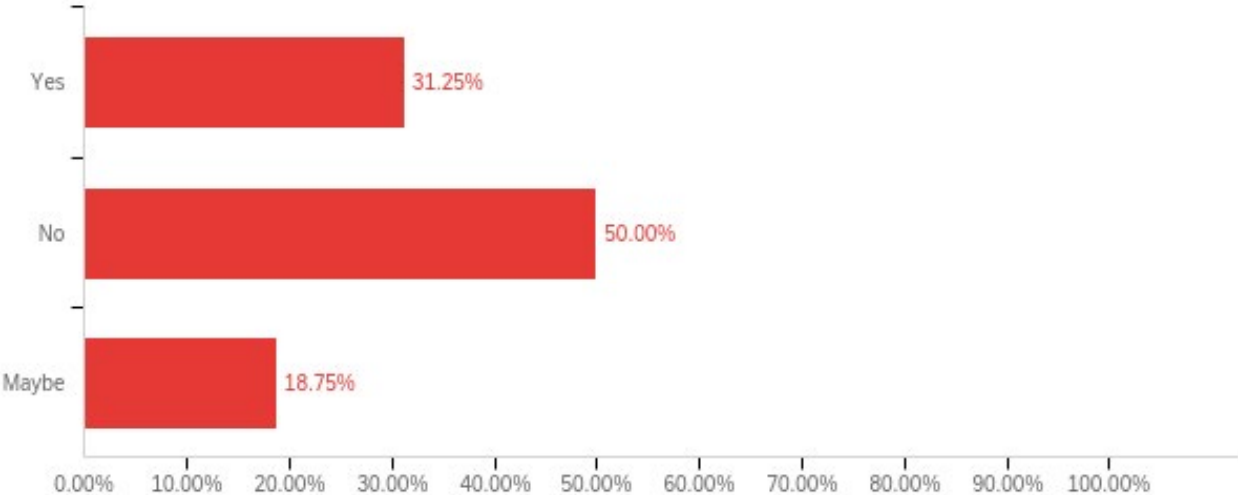
#	Answer	%	Count
1	Yes	60.59%	103
2	No	39.41%	67
	Total	100%	170

Do you currently live in Wellington?



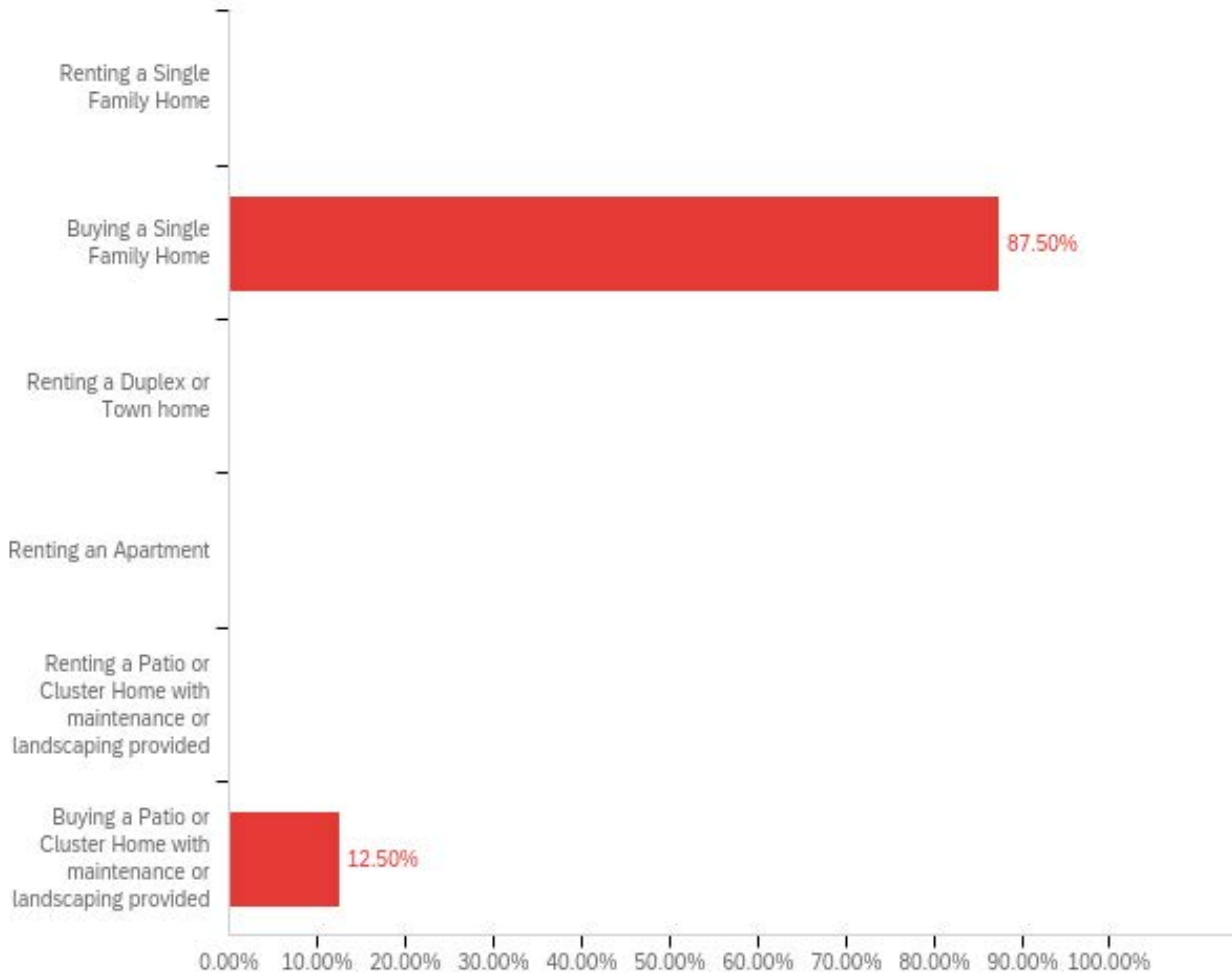
#	Answer	%	Count
1	Yes	91.11%	164
2	No	8.89%	16
	Total	100%	180

Have you considered moving to Wellington?



#	Answer	%	Count
1	Yes	31.25%	5
2	No	50.00%	8
3	Maybe	18.75%	3
	Total	100%	16

If you considered moving to Wellington, what type of home would you look for?



#	Answer	%	Count
1	Renting a Single Family Home	0.00%	0
2	Buying a Single Family Home	87.50%	7
3	Renting a Duplex or Town home	0.00%	0
4	Renting an Apartment	0.00%	0
5	Renting a Patio or Cluster Home with maintenance or landscaping provided	0.00%	0
6	Buying a Patio or Cluster Home with maintenance or landscaping provided	12.50%	1
	Total	100%	8

When you consider moving to Wellington, what has prevented you from moving into the community?

High tax, not welcoming to "outsiders", lack open information source for community news and events

availability of housing

Trashy community, drugs, taxes are waaaaaaaaaaaaay too high, lack of quality restaurants, the inconvenience of one way streets, corrupt city government

Outrageous taxes, pathetic hospital, poor schools, meth heads.

Lack of entertainment/dining options. Walkability of the community is low. Housing options in the \$150-\$200,000 range are limited. The homes are either older, really large and need work or they are over that price range.

Found a home in different community that liked

What reasons do you have for not wanting to live in Wellington?

Live there for 20 years the utilities were too high and the neighborhood was to run down

Too Many run down houses. Not enough higher paying jobs. Have to drive to Wichita instead.

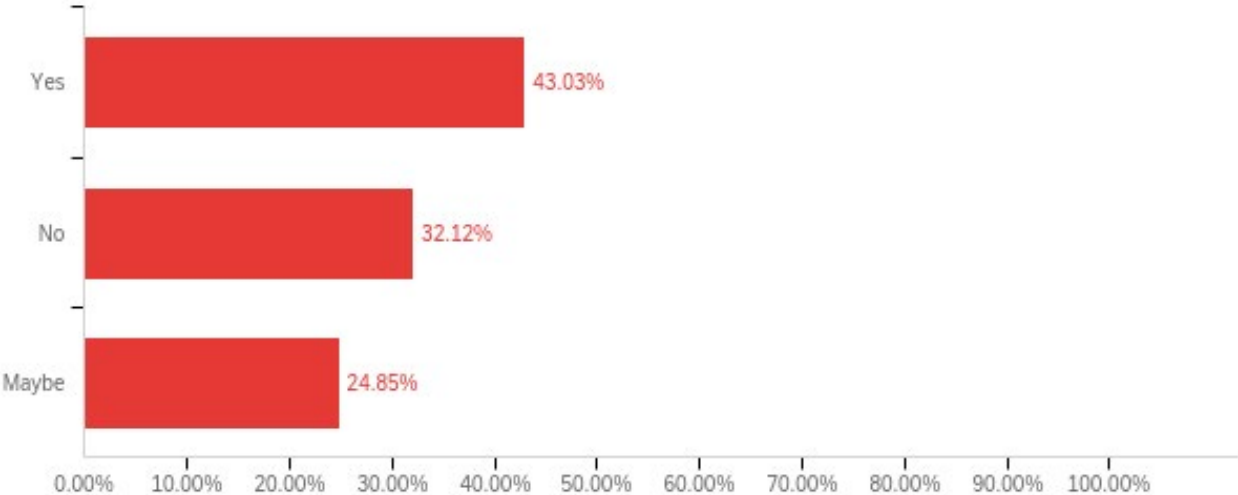
Sold the house in town and now reside in the country.

Childcare- It is next to impossible to find quality daycare in Wellington. I tried two different home daycares that closed shortly after we started there. Other home daycares did not pass my home inspection/research based on DCF findings. The few home daycares that did are constantly full with no openings. The one daycare center in town, I've heard very good things about but again availability is very limited. School system- I subbed in the district along with other districts in this area and was not impressed by the staff, class room behavior or the peer group kids would have. Medical- I feel like Wellington is to far away from quality medical care. Yes, there is a hospital but its more of a minor emergency location. Reputation- I have heard little positive things about the community. (taxes, electric, water, the city is not cooperative with local businesses)

The town has little to offer. It's not close to much. They don't even have an Applebee's or somewhat of a decent restaurant.

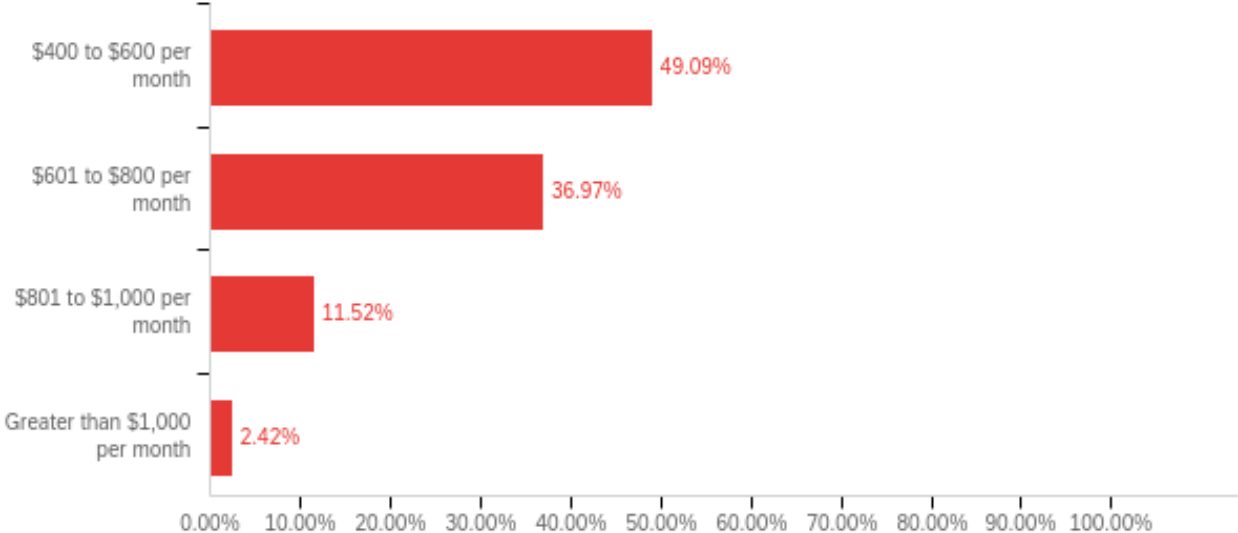
Enjoy our town, the camaraderie and the leadership roles we have there.

Do you feel Wellington has enough housing available to rent?



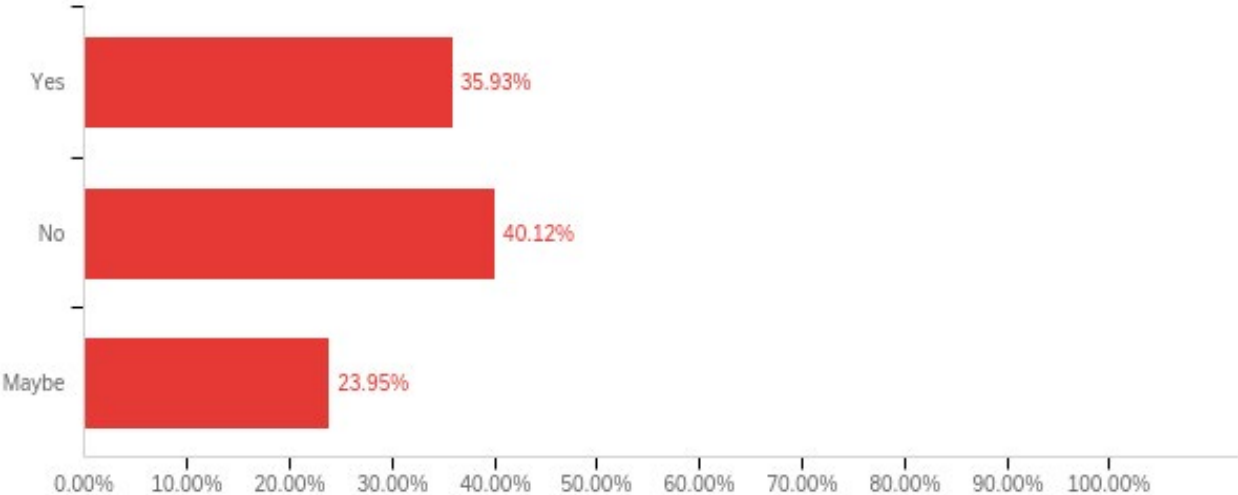
#	Answer	%	Count
1	Yes	43.03%	71
2	No	32.12%	53
3	Maybe	24.85%	41
	Total	100%	165

How much in monthly rent would you consider paying for a home in Wellington that meets your needs?



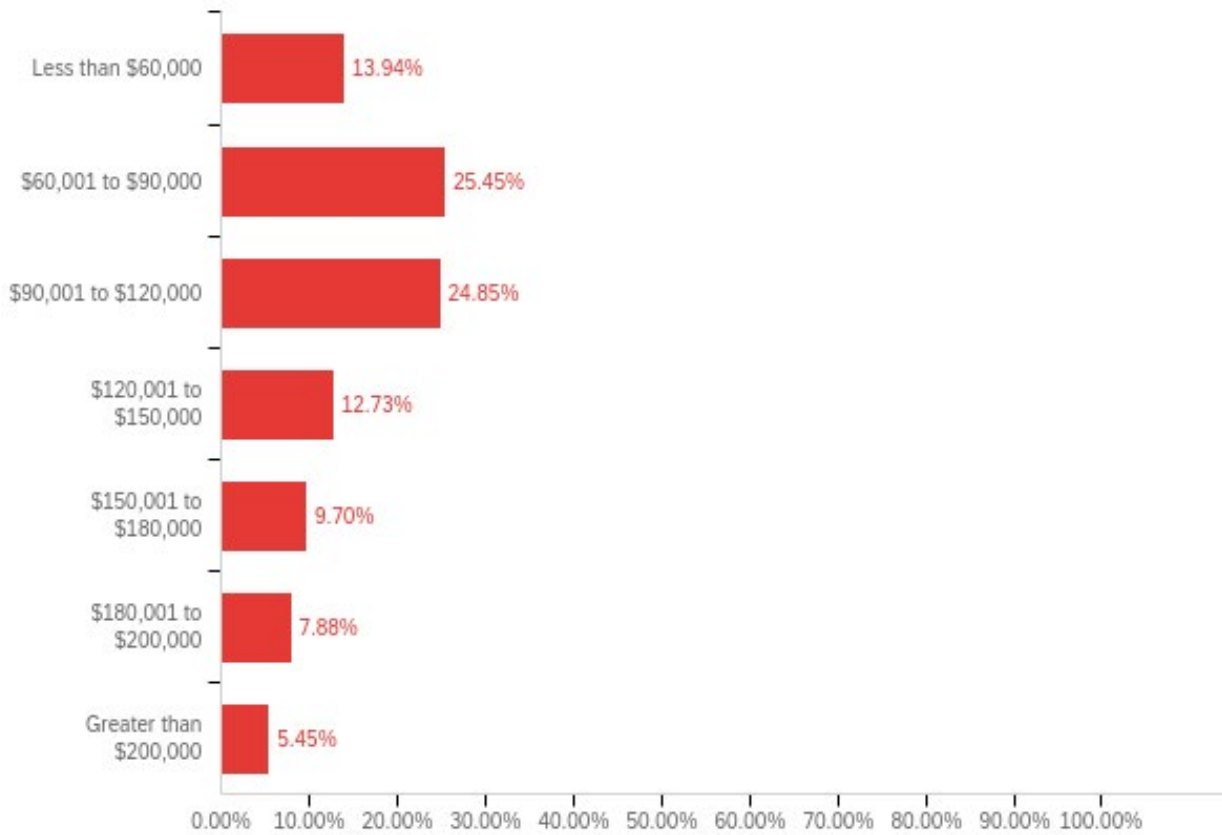
#	Answer	%	Count
1	\$400 to \$600 per month	49.09%	81
2	\$601 to \$800 per month	36.97%	61
3	\$801 to \$1,000 per month	11.52%	19
4	Greater than \$1,000 per month	2.42%	4
	Total	100%	165

Do you feel Wellington has enough housing available to buy?



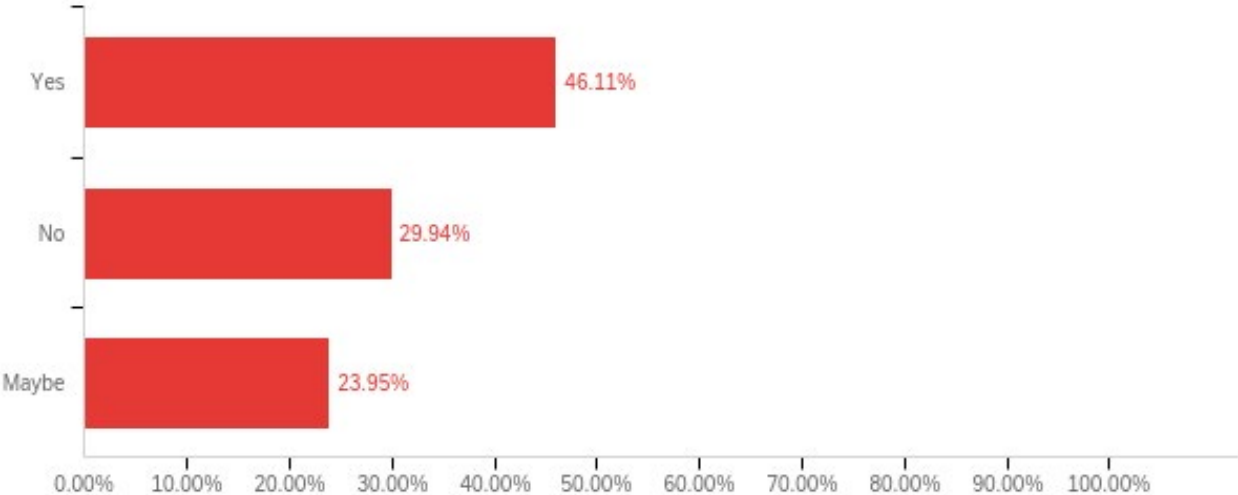
#	Answer	%	Count
1	Yes	35.93%	60
2	No	40.12%	67
3	Maybe	23.95%	40
	Total	100%	167

How much would you consider paying to buy a home in Wellington that meets your needs?



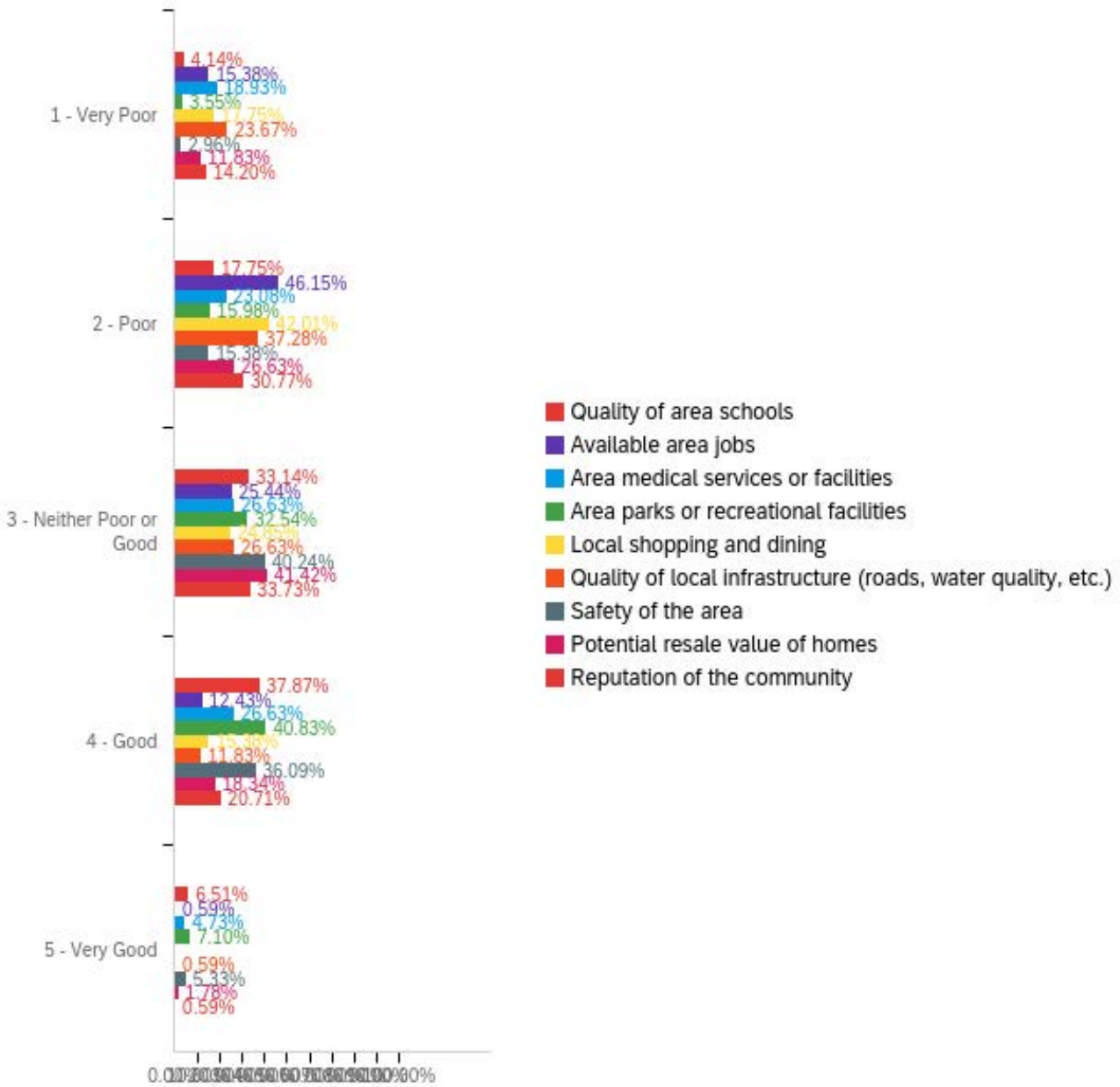
#	Answer	%	Count
1	Less than \$60,000	13.94%	23
2	\$60,001 to \$90,000	25.45%	42
3	\$90,001 to \$120,000	24.85%	41
4	\$120,001 to \$150,000	12.73%	21
5	\$150,001 to \$180,000	9.70%	16
6	\$180,001 to \$200,000	7.88%	13
7	Greater than \$200,000	5.45%	9
	Total	100%	165

Assuming it met your needs, would you consider purchasing a new home in Wellington?



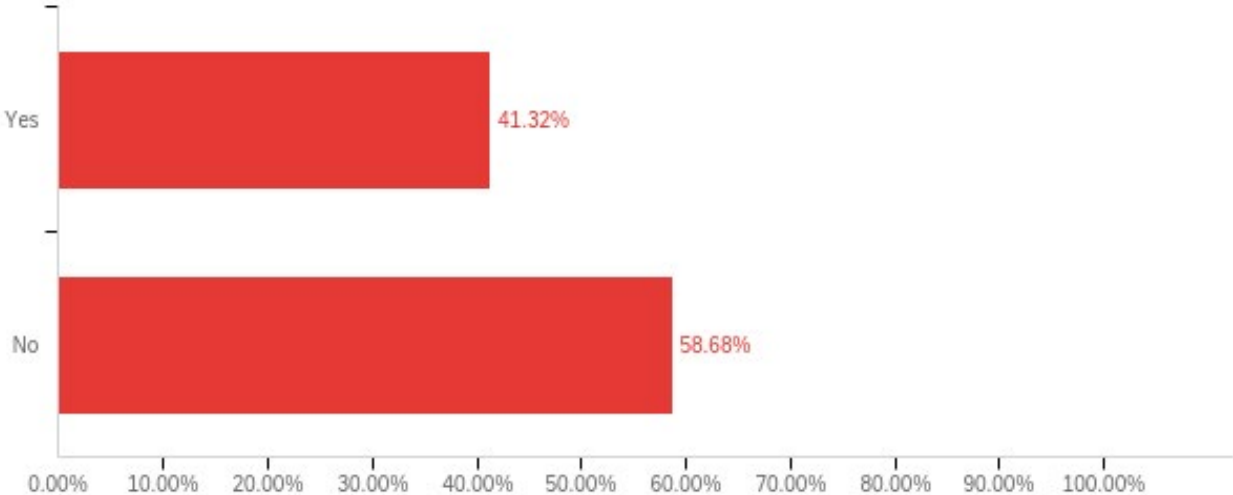
#	Answer	%	Count
1	Yes	46.11%	77
2	No	29.94%	50
3	Maybe	23.95%	40
	Total	100%	167

When thinking about the Wellington community, how would you rate the quality of the following community traits on a scale of 1 to 5 with 1 being Very Poor and 5 being Very Good.



Question	1 - Very Poor		2 - Poor		3 - Neither Poor or Good		4 - Good		5 - Very Good		Total
Quality of area schools	4.17%	7	17.86%	30	33.33%	56	38.10%	64	6.55%	11	168
Available area jobs	15.38%	26	46.15%	78	25.44%	43	12.43%	21	0.59%	1	169
Area medical services or facilities	18.93%	32	23.08%	39	26.63%	45	26.63%	45	4.73%	8	169
Area parks or recreational facilities	3.55%	6	15.98%	27	32.54%	55	40.83%	69	7.10%	12	169
Local shopping and dining	17.75%	30	42.01%	71	24.85%	42	15.38%	26	0.00%	0	169
Quality of local infrastructure (roads, water quality, etc.)	23.67%	40	37.28%	63	26.63%	45	11.83%	20	0.59%	1	169
Safety of the area	2.96%	5	15.38%	26	40.24%	68	36.09%	61	5.33%	9	169
Potential resale value of homes	11.83%	20	26.63%	45	41.42%	70	18.34%	31	1.78%	3	169
Reputation of the community	14.20%	24	30.77%	52	33.73%	57	20.71%	35	0.59%	1	169

Have you or anyone you know had trouble finding housing in Wellington?



#	Answer	%	Count
1	Yes	41.32%	69
2	No	58.68%	98
	Total	100%	167

Could you tell us more about you or someone you know's trouble with finding housing in Wellington?

Overpriced homes for what you can buy for that same price in Derby or Wichita. Property tax is absolutely insane compared to other places as well.

Quality housing for the cost. Also decent neighborhood

Few homes for sale in the price range needed in good areas and near schools. Looking at going closer to Wichita now, where there is good medical facilities, many good schools, good shopping and a wide variety of nice homes in great areas.

It's not so much finding a home in Wellington but rather what you get for the money you spend. Because of so much low income individuals/family's most of the rental properties are trashed. Landlords will do what they can to make the home look nice but the quality of people living in these homes is destroying our property values. Landlords can not set higher rent or the property will set so they have to lower the rent and thus brings in the folks who trash the property. Home owners can not do property improvements with out suffering higher property taxes there for homes look like dumps which hurts property evaluations.

Daughter had trouble finding a rental.

Finding a place that we could afford the City Bill and taxes on the property, without being a complete dump.

Low income housing is not readily available for those who need it...and the waiting lists are to long to wait for most people who need a place to live with their families... especially those who have children. The housing apartment complexes that are available are extremely high risk due to the people who live in them...most are NOT safe places for children to even play outside. The buildings are not upkept and the landlords are not quick to resolve maintenance or issues that tenants need. The entire Wellington area has just been let go and not upkept..including the roads and streets everywhere throughout the community. Buildings are run down and abandoned and businesses cannot afford to come to town...and those who have managed to stay open are really struggling to make it and/there is not a real need or desire for the products they have to sell. Taxes and electric rates are way to high and low income families literally can not even survive. Most of the more long time affluent people in the community are leaving or have already left! Might be a great idea to ask the federal government for some help to restore this community from top to bottom. If something does not change within the next 5 to 10 years this will be a ghost town like a lot of the small towns that used to exist around us that are no longer even recognized until someone tells a story about them. Live well live Wellington....should not even be said, until the words can actually be truthfully prepared, planned, proposed and then executed so then maybe people will change their minds about wanting to reside here. Best of luck to all involved in the decision making, greed cannot be the motivation any longer like it has in all the past years. Greed has been the reason for the decline in every aspect of Wellington.

There is a lack of decent sized newer homes in n an affordable price. The current homes for sale are either run down fixer uppers or newer homes that are way over priced.

Not enough good rental homes and not a very big selection of new homes to buy.

Contact the Chamber office or the city of Wellington Building and Codes Department!

Taxes are terrible and utilities have almost doubled in the past few years. It seems there is mismanagement of the city. My family will be selling our home and moving to Derby very soon!

There are an abundance of houses for sale in Wellington but not for rent. I am currently living with family due to not being able to afford a home or even a duplex for that matter. The houses for rent in Wellington are usually one of two things. The rent is either really high with no appliances included or pretty cheap but very run down, with appliances. The houses that are nice with a decent payment go extremely fast! I also find the application process for rentals to be a pain sometimes due to them wanting you to have credit history or rental history. When your young and just starting out it's a bit hard to have the history they want. This in turn makes it difficult to get a place because they would rather choose the person with history. Then there are the duplexes in town but then

again they are asking for a large amount of money for an extremely small space. One more main thing I find hard when it comes to rentals in Wellington is a lot of them don't allow you to have pets. This day and age I think almost everyone has a pet, whether it is a cat, dog, fish, etc. Especially if you have a larger animal, I have found many places that will allow smaller dogs but not big dogs. I am not going to give up my "BIG" dog to move into a somewhat descent rental.

There are hardly any for rent housing for young adults to afford. Most that are for rent at a reasonable price are extremely out dated, old, and falling apart.

many older homes need so much work, like the bungalow style home most are run down

Properties aren't taken care of.

Either \$400,000 or \$40,000. Nothing in between.

It's costs \$1200-1500 to even get into a house. Hard to make that kind of money around here.

Larger family homes that are not on east side, horrible smell factor.

We're thinking of selling home we have now due to extremely high real estate taxes. No shopping to speak of either.

I am currently looking to buy a house. But every house on the market in my range with the amount of bedrooms and bathrooms that I would need are way over priced.

We searched for over a year for a house before having one built.

Not enough housing choices

For rental housing, it is difficult to find somewhere to allow for pets. Many people have pets, but then end up needing to move up or down in size of home. When they go to rent, not allowing their pets is a huge deal breaker. Many of the rental properties are 2 bedroom while a family may need additional space. There are an abundance of houses in the \$50,000 to \$100,000. There are not many available in the \$150,000 to \$300,000.

Homes for sale are listed too high.

Rent is too high for the quality of available places. Extremely poor neighborhoods where rent is appropriate. Lack of decent paying jobs. Too much crime, too little law enforcement.

When moving back to town it was very challenging to find a home to rent there was only maybe 3 options that fit our needs and one of them would not return our calls.

Property market value are either high or low and not much in the median area. When there is a median area they are picked up by landlords for investment properties. Way to many rental properties and not enough properties to purchase.

There are not enough houses in the 140-170 price range.

The housing options seem to be good. It's the community and city government that is a major deterrent.

There is no trouble finding housing because none in Wellington is worth a fuck why do you think everyone is moving away. Between shitty housing and shitty roads.

Employees that I've hired struggled mightily with finding apartments/housing that was manageable for a single, income residence and not government subsidized housing. It proved to be a factor in employees quitting and re-locating.

A few people who have considered moving to Wellington but have not been able to find a quality house in their price range. If its a decent house for a reasonable price its in a undesirable location/neighbor hood. If its a good location/neighbor the price range is to high. These are comments I have heard, I have not experienced this first hand or looked at buying a house in Wellington.

City leaders need to stop tayloring & making decisions for the population on a \$15k annual fixed income & start identifying a target market of potential future citizens that have higher incomes & that will be spending &

contributing more throughout the city. Operate the city as a business as it is. Get paid leaders that have experience outside of Wellington & have only worked within the government their entire lives.

Lack of newer housing. Wellington has large percentage of older, pre-1950 homes.

Hard time finding affordable housing

Single person looking for a 1-2 bedroom for \$500 or less couldn't find anything.

over priced for what they offer

The rentals are disgusting at the time we were looking for rentals.

Can't afford it

Trying to find a nice move in ready home for a family of 5 or more in a good area. Only a small area of Wellington that has homes like that & they are either priced very high or they sell very fast.

There is a shortage of affordable housing in Wellington

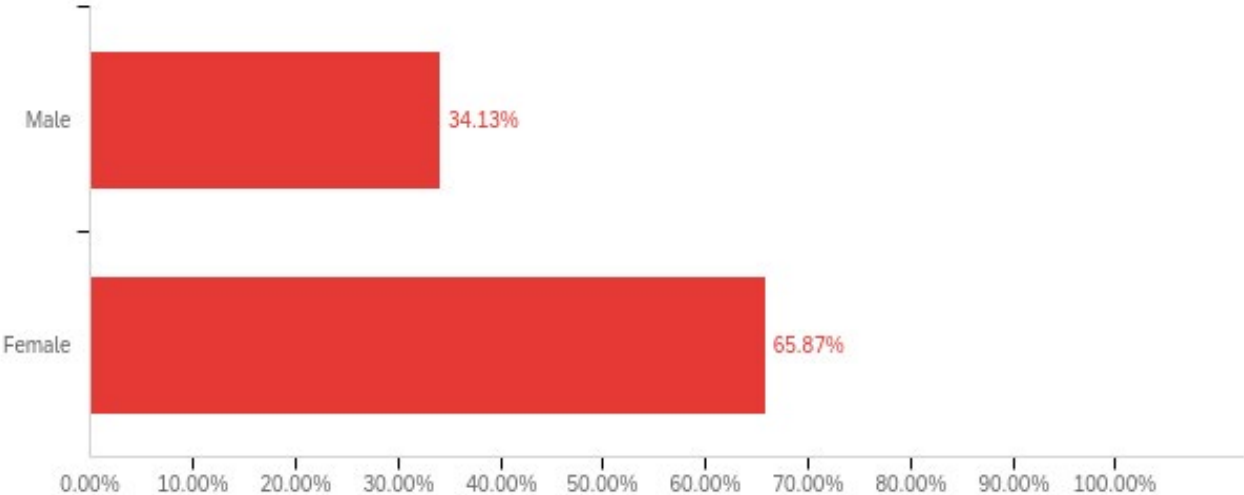
a friend was trying to find studio apartment or all bills paid for first apartment and couldn't find anything in wellington to meet their needs.

See my comments in the other section. I am looking for something that needs minimal work, is in a neighborhood with other consistently valued properties and feels comfortable to walk in (i.e. has sidewalks).

Quality rental houses / duplexes. The nice duplexes have a waiting list. The apartment complexes for the most part are income related, so the character of the tenants is sometimes a concern.

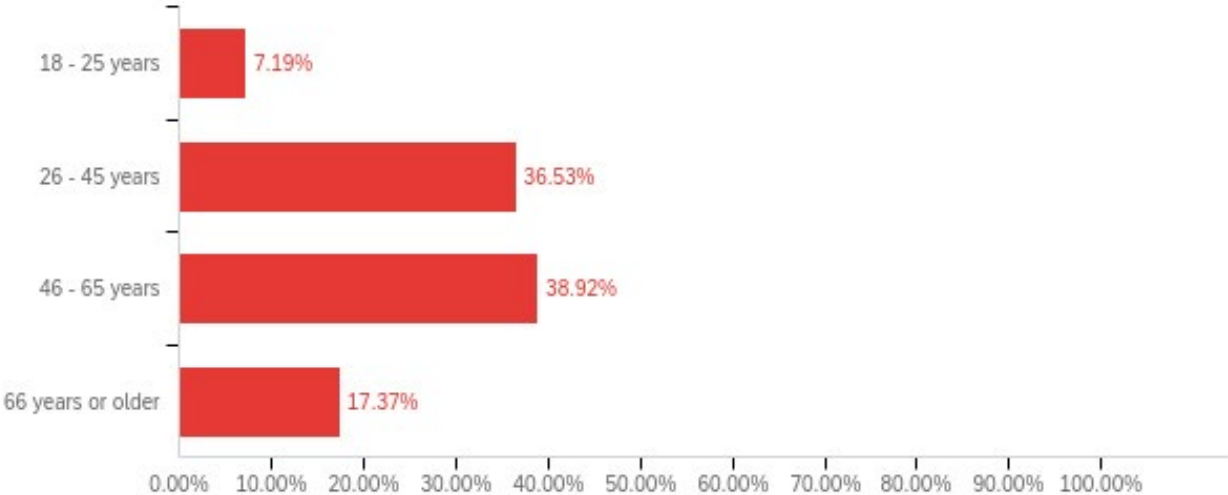
The limited options in town are either extremely poor in quality or are unreasonably high priced for the community. The consistent message that I hear is that potential new residents are worried about declining property values if they should buy ... and the pervasively negative and ineffective community leadership when it comes to addressing change.

What is your gender?



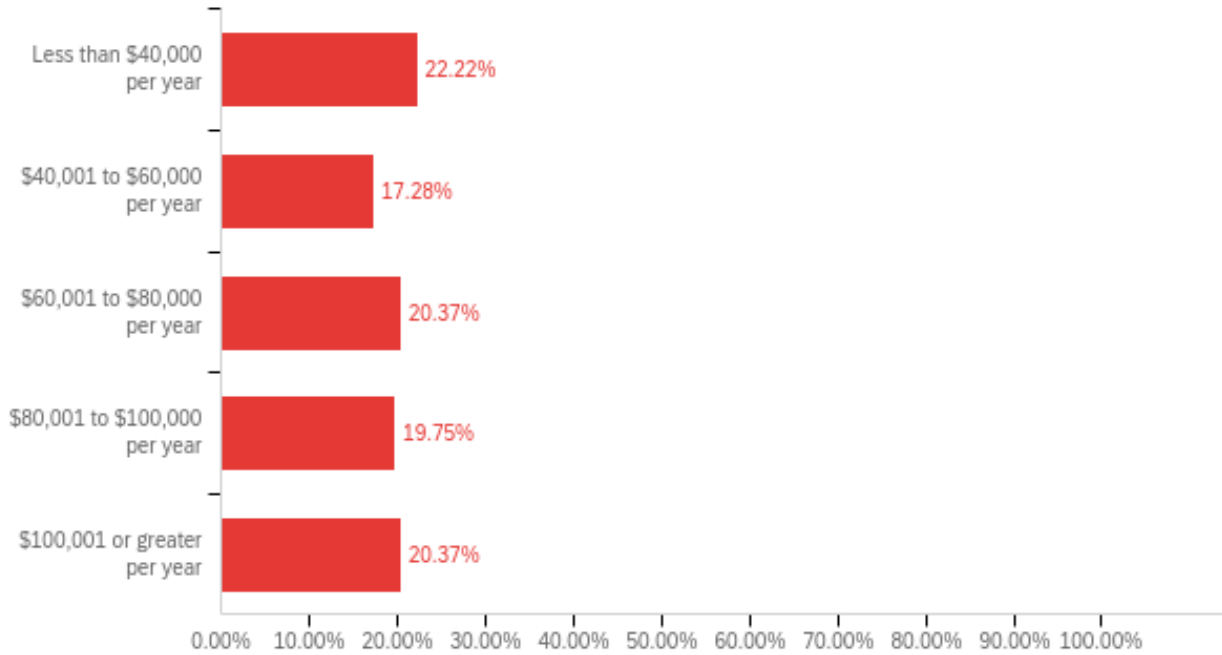
#	Answer	%	Count
1	Male	34.13%	57
2	Female	65.87%	110
	Total	100%	167

What is your age?



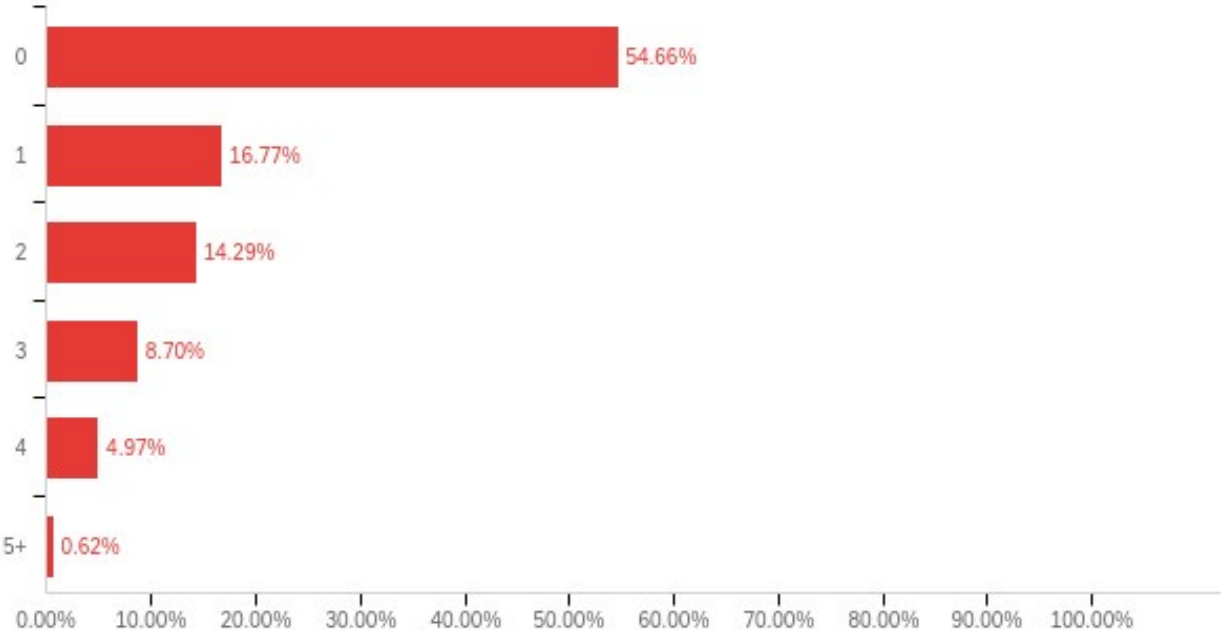
#	Answer	%	Count
1	18 - 25 years	7.19%	12
2	26 - 45 years	36.53%	61
3	46 - 65 years	38.92%	65
4	66 years or older	17.37%	29
	Total	100%	167

What is average annual household income?



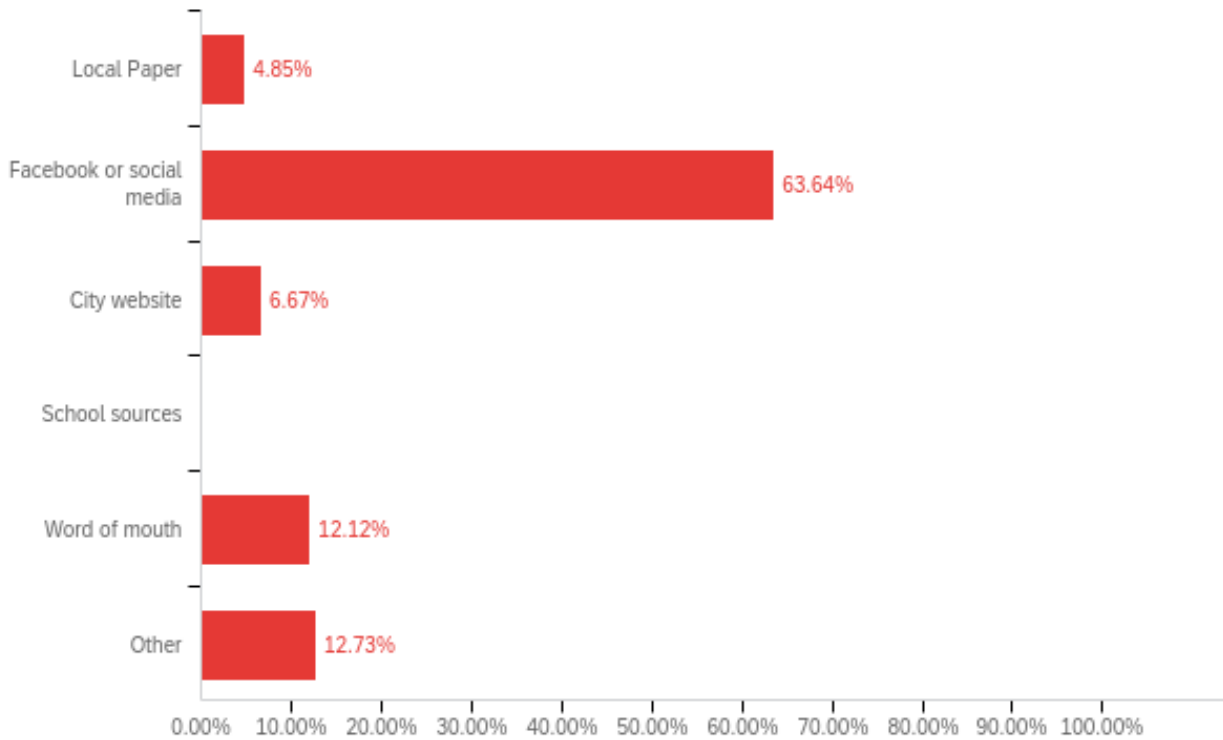
#	Answer	%	Count
1	Less than \$40,000 per year	22.22%	36
2	\$40,001 to \$60,000 per year	17.28%	28
3	\$60,001 to \$80,000 per year	20.37%	33
4	\$80,001 to \$100,000 per year	19.75%	32
5	\$100,001 or greater per year	20.37%	33
	Total	100%	162

How many school aged children live in your home?



#	Answer	%	Count
1	0	54.66%	88
2	1	16.77%	27
3	2	14.29%	23
4	3	8.70%	14
5	4	4.97%	8
6	5+	0.62%	1
	Total	100%	161

Where do you get most of your news and information about the community?



#	Answer	%	Count
1	Local Paper	4.85%	8
2	Facebook or social media	63.64%	105
3	City website	6.67%	11
4	School sources	0.00%	0
5	Word of mouth	12.12%	20
6	Other	12.73%	21
	Total	100%	165

Other

I believe what I see not what I am told by other people or sources.

News

live outside of wellington

i get from many sources

Sumner Newscow

news cow

Sumner NewsCow or Chamber

Mixture

sumnernewscow

News online (sumner newscow, Wellington daily news)

Sumner NewsCow

Sumner News Cow

All Sources



WICHITA STATE
UNIVERSITY



PUBLIC POLICY & MANAGEMENT CENTER

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Housing Assessment Update

City of Wellington | January 2025

Background

The City of Wellington is experiencing economic growth with the expansion of key employers. However, the community is concerned about the impact of limited housing availability, with employees commuting from nearby areas due to limited housing availability in Wellington.

Building on a comprehensive Housing Assessment completed in 2020, the City seeks to update key findings to support current housing initiatives. This update is particularly timely as a local developer is interested in pursuing a Reinvestment Housing Incentive District (RHID) and exploring Moderate Income Housing funding through the state. Additionally, the City's land bank recently received 22 properties presenting new opportunities for housing development.

The City of Wellington initiated this project to ensure current housing data is available for state funding applications and to inform local housing development decisions.

Purpose

The primary purpose of this assessment update is to provide current data to support housing-related initiatives. Specific objectives include:

1. Support the City's applications for state housing funding programs with current data
2. Inform decision-making regarding the potential RHID and land bank properties
3. Help the City prepare for housing needs related to job growth from key employers

Process

Task 1. Project Management

The PPMC will be responsible for project coordination and task management—including scheduling, providing project updates, and other coordination efforts—ensuring the effective and timely completion of the work.

The PPMC recommends a project leadership team whose purpose is to provide community context and local expertise. The PPMC will rely on this team to identify stakeholders for engagement and evaluate whether findings align with their community's understanding and implications. The client is responsible for identifying up to three members of the project leadership team. The team and PPMC will agree on a schedule for project updates. These can be provided via Teams call, email or a combination of both.

Task 2. Data Collection and Analysis

In alignment with the 2020 study, the PPMC will collect public & administrative data on:

- Population demographics
- Housing stock characteristics
- Housing affordability metrics
- Housing condition (using appraisal data, no original data collection)

Task 3. Stakeholder Interviews

The PPMC will conduct up to six targeted interviews with key stakeholders like private sector employers, real estate professionals, economic development representatives, local developers, etc. Interviews will be designed to understand the housing needs and priorities of the community, particularly in comparison to the findings that emerged in the 2020 study. Interviews can be done either virtually, over the phone, in-person, or a combination. If in-person engagement is preferred, interviews will be scheduled to occur in one day (one trip budgeted).

Deliverables

The PPMC will produce a digital report including:

- Executive summary
- Updated demographic and housing data analysis
- Stakeholder interview findings
- Supporting data visualizations and tables

Timeline

The PPMC will complete the project by the end of May 2025. Work will commence as soon as a contract is executed.

Budget

Expense	Cost
Total	\$7,500

Any additional service outside of the scope outlined above will be billed at \$175/hour.

Translation services and fees related to reasonable accommodation requests will be the responsibility of the City of Wellington.

Payment Process

The PPMC will bill 50% upon contract execution and 50% at the conclusion of the project.

Project Management

Isabel Ebersole will serve as project manager.

About the PPMC

The PPMC, located at Wichita State University, nonprofit, nonpartisan, a self-funded organization, operating as a small business with public purpose: **Enhancing public service to best serve your community.** The PPMC specializes in:

- Strategic Planning and Goal Setting
- Survey Research
- Customized Executive and Management Training and Professional Development
- Facilitation of Governing Body Retreats and Community Forums
- Education and Certification for Members of Professional Associations
- Applied Research on Issues Identified by Public Officials
- Technical Support on Public and Nonprofit Policy

For more than 65 years, the PPMC has worked directly with governments and nonprofit organizations in the areas of applied research, technical assistance, facilitation, and professional development. The PPMC has the professional knowledge and capacity to implement, manage, and ensure the successful completion of client projects

Recent Related Projects

City of Moundridge Strategic Plan and Housing Assessment Tool:

In 2022, the PPMC completed a strategic plan for the City of Moundridge. The plan was designed to help guide the city's financial decisions, resource allocation, and project priorities. The PPMC completed citizen and stakeholder interviews and focus groups as a part of the process to develop goals, objectives, and strategies to be prepared in a strategic planning document. In addition, the City worked with the PPMC to complete their most recent Housing Assessment Tool (HAT) in order to have current information about the state of housing needs within the community.

Murray McGee, City Administrator

mmcgee@moundridge.com, 620-345-8246

City of Hillsboro Housing Needs Assessment:

The PPMC worked with the City of Hillsboro to complete stakeholder engagement and a housing needs assessment. This process included stakeholder engagement through interviews and focus groups, public data collection, and a final report to inform a rural housing incentive district (RHID) application.

Matt Stiles, City Administrator

MStiles@cityofhillsboro.net, (620) 947-3162

Kingman County Housing Needs Assessment and Action Plan:

The City of Kingman identified housing as a county-wide, critical need to residents and workforce. The purpose of this project was to determine specific housing needs to inform an action plan. The PPMC engaged stakeholders, collected & analyzed publicly available local data, compiled the needs assessment, and developed an action plan.

Leslie Schrag, Kingman Economic Development Director

economicdevelopment@cityofkingman.com, 620-553-4029

PPMC Project Team



Dr. Nigel Soria, Research Economist & Data Scientist

Nigel uses data and economic theory to study programs and address questions that impact individuals, families, and communities. His expertise includes applied econometrics, causal inference (a component of program evaluation), and predictive modeling. Specific fields of interest include labor economics, health economics, and child and family welfare. Prior to joining Wichita State, he held roles at Koch Industries Flint Hills Resources, Rice University, and the Kansas Department of Commerce. Nigel has a BBA in Finance and an MA in Economics from WSU and a Ph.D. in Economics from Rice University.



Isabel Ebersole, Research Project Manager

Isabel, a Wichita native, joined the PPMC in 2021. In her role as a Research Project Manager, she works with the Applied Research & Collaboration team to conduct focus groups, create and administer surveys, conduct research, and write reports. Isabel holds a BA in Political Science from the University of Tulsa.



Jamie Fuller, Research Project Manager

Jamie is passionate about bringing qualitative and mixed methods approaches to bear on questions that directly impact people's lives. After completing her B.A. in anthropology and M.A. in African American Studies at the University of Kansas, Jamie began her Ph.D. in Anthropology at the University of Florida. She specializes in focus group and interview facilitation, survey research, and participatory research methodologies. As a Wichita native, Jamie is excited to bring her experiences and skills back home.

Other PPMC professional staff, project associates, and/or student workers may contribute as required.



Memorandum

To: Land Bank Board of Trustees
From: Jeff Porter, City Manager
Date: January 30, 2025
Re: Development Incentive and RHID Policy

At the last meeting a number of ideas and concerns about development-related policies of the City were expressed by the Trustees. Attached is an update of the City's policy related to development incentives that staff believes would address many of the concerns and questions surfaced by the Trustees. Based on feedback from the Trustees staff can make additional revisions, or if the document is acceptable as presented, it could be forwarded to the City Council for their consideration.

Respectfully submitted,

Jeff Porter
City Manager

HOUSING DEVELOPMENT AND REINVESTMENT HOUSING INCENTIVE DISTRICT (RHID) POLICY

A. Background

The City of Wellington may receive requests for City assistance in promoting and developing additional housing units by utilizing Reinvestment Housing Incentive District (RHID) tools, infrastructure funding, and other incentives. The City Council may occasionally set goals and incentives based on recent studies, such as an adopted Housing Needs Analysis, and updates that identify specific needs and shortages in community housing supply.

B. Purpose

It is the purpose of this policy to set forth certain criteria for application and utilization of RHID and other incentives as provided for in Kansas Statutes based on identified community housing needs.

C. Policy

I. **Priority Housing Types**

Section 1: Allowable Housing Types

The following owner-occupied housing types shall be allowed to utilize the RHID incentive as provided for in Kansas Statutes:

1. Single family detached residential structures,
2. Single family attached residential structures,
3. Duplex residential structures,
4. Townhouses,
5. Condominiums,
6. Garden/patio homes, and
7. Any residential structure comparable in density to those outlined above and consistent with adopted building and zoning regulations including upper story residential as permitted under the Reinvestment Housing Incentive District.

The housing types shall be defined by the adopted building and zoning regulations of the City of Wellington in effect at the time an application for the RHID program is received by the City Manager's Office.

Section 2: Exceptions

The City shall consider investor owned multifamily and multistory residential structures as part of a planned integrated development for a strategic purpose meeting City Council goals. This may include, but is not limited to, senior living complexes, targeted income markets, special needs housing, and upper story residential as permitted under the Reinvestment Housing Incentive District.

II. Proposals and Pre-Qualifying Assessment

Proposals for City assistance in the creation of residential subdivisions/buildings shall be submitted to the City Manager's office. Proposals shall be based on an identified community need at the time of application, such as those defined in an adopted housing study or other adopted City Council goal or policy. Proposals shall include the following information:

1. The names of the business entity and its primary owners/partners seeking city assistance.
2. The location of the development on a map which clearly outlines the parcel to be developed.
3. The number of building lots to be created, if applicable.
4. The type of housing units or mixture thereof to be included in the development.
5. The estimated market cost of housing units to be constructed.
6. An analysis including the financial feasibility of the project in retiring the RHID or applicable debt and the projected construction pace of development. All housing types noted under Section I (1): Allowable Housing Types shall include a lot absorption schedule as part of the analysis. For developments with a target market price below \$200,000 per home, the minimum lot absorption schedule shall be the completion of fifty percent (50%) in the first three (3) years of the project. For developments with a target market price over \$200,000 per home, the minimum lot absorption schedule shall be the completion of fifty percent (50%) in the first five (5) years of the project. The analysis shall be conducted by the City's financial advisor at the expense of the person/entity submitting the proposal. If the City's financial advisor is not able to perform, for any reason, the analysis, a third party financial of the City's choosing will be used.
7. A covenant guaranteeing no additional lot splits must be submitted prior to the passage of the ordinance granting RHID status.
8. All proposals shall be accompanied by a \$750.00 non-refundable evaluation fee unless the proposal is within the central business district eligible area. The evaluation fee, if in the central business district, is \$100.00 per property proposed not to exceed \$750.00 per proposal. If the proposal is approved by the City Council and a development agreement is executed that involves periodic payments or reimbursements from the City, there shall be a 3% administrative fee attached to all transactions.
9. All City assistance regarding infrastructure shall utilize the City's public bidding process. Plans and specs for infrastructure improvements must be consistent with adopted City polices and ordinance.

III. Phasing and Development Agreements

The City and the developer shall enter into a negotiated Development Agreement which shall contain, but not be limited to, the following elements:

1. Projected target prices for the residential units to be constructed.
2. Phasing of development in terms of the number of units to be completed each year and a projected buildout year.
3. A claw-back provision related to any city assistance, if provided, based on agreed upon goals regarding unit completions that are not met. Claw-back provisions are to be negotiated on a project-by-project basis.
4. The City reserves the right to decline the establishment of a district if the target pricing does not meet a recognized need in the community as identified and adopted by the City Council.
5. The financing method shall be clearly defined in accordance with approved City alternatives as outlined in Section V.
6. If RHID bonds, as authorized by Kansas Statutes, are to be utilized, the applicant shall work with a bond attorney selected by the City of Wellington for the issuance of said bonds.
7. A development guaranty of twenty five percent (25%) of the total public infrastructure costs shall be required of the applicant before the city proceeds to issue public financing under the 6A special assessment/RHID alternative. This amount shall be refunded to the developer once thirty-five percent (35) of the lots contain a completed residential structure and a Certificate of Occupancy is issued by the City Building Official.
8. The City shall require three (3) years of special assessment obligations to be accumulated before reimbursing a developer and/or building for eligible expenses incurred under the 6A special assessment alternative/RHID alternative.
9. Special assessment utilizing the 6A/RHID alternative shall be calculated and assigned to each lot in an approved subdivision. It shall be the developer's responsibility to inform the buyer of a lot of this assessment and the method they will be administered.

IV. Land/Location

The developer/builder shall be solely responsible for the purchase of the land to be designated as an RHID district. Proposed districts shall be located adjacent or within 200 feet of an existing city street or paved street for consideration. For land outside of the existing City limits a petition for annexation consistent with Kansas Statutes shall be made concurrent with the request for the establishment of an RHID.

Reclamation of floodplain zones as designated by federal programs is not allowed as a RHID eligible expense.

Section 1: Location

All area included within the incorporated city limits as defined by ordinance are eligible for RHID designation after being approved by the Kansas Department of Commerce (KDOCH).

Designation of an area presently not within the corporate boundaries of the community cannot be declared an RHID district by the city until annexation is completed. Applicants should set aside an additional 3-6 months in their planning timeline to accommodate this situation.

V. Financial Alternatives

The following is a nonexclusive listing of some financial alternatives available to the City regarding RHID developments and related scenarios to assist in addressing the need for new housing units.

1. Utilize existing policy requiring private financing for all RHID development requests.
2. Issue RHID bonds as permitted under the Kansas Reinvestment Housing Incentive District Statutes in conjunction with local financial institutions.
3. Utilize Kansas Statute 12-6a01-17 to establish a special assessment district and create a Reinvestment Housing Incentive District (RHID). The incremental tax revenue received via the RHID would then be utilized for debt retirement for bonds issued in conjunction with a development, reimburse the city account used to fund the initial construction and reimburse developer/builder eligible expenses.
4. The City may buy a tract of land and finance the acquisition and construction of infrastructure via an RHID district. The city can then plan and develop the tract and enter into any private development agreements necessary to meet the housing goals established by the Council.
5. Provide financial assistance in an amount to be determined to buyers within an RHID with a target price not to exceed \$200,000. Access to state/federal funding may be used to provide this incentive or a portion thereof.

(Published in *The Wellington Daily News* on March 23, 2022)

RESOLUTION NO. 6172

A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AS TO THE NEED FOR HOUSING WITHIN THE CITY OF WELLINGTON, KANSAS AND SETTING FORTH THE LEGAL DESCRIPTION OF REAL PROPERTY PROPOSED TO BE DESIGNATED AS A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY.

WHEREAS, K.S.A. 12-5241 *et seq.* (the "Act") authorizes any city incorporated in accordance with the laws of the State of Kansas (the "State") with a population of less than 60,000 to designate rural housing incentive districts within such city; and

WHEREAS, prior to such designation the Act requires the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

WHEREAS, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings required by the Act regarding the establishment of a rural housing incentive district and providing the legal description of property to be contained therein; and

WHEREAS, after publishing such resolution, the Act requires the governing body of such city to send a copy thereof to the Secretary of Commerce of the State (the "Secretary") requesting that the Secretary agree with the finding contained in such resolution; and

WHEREAS, if the Secretary agrees with such findings, such city may under the Act proceed with the establishment of a rural housing incentive district within such city and adopt a plan for the development or redevelopment of housing and public facilities in the proposed district; and

WHEREAS, the City of Wellington, Kansas (the "City") has an estimated population of 7,550 and therefore constitutes a city as said term is defined in the Act; and

WHEREAS, the governing body of the City (the "Governing Body") has performed and received a Housing Analysis dated April 2020 (the "Needs Analysis"), a copy of which is on file in the office of the City Clerk; and

WHEREAS, based on the Needs Analysis, the Governing Body of the City proposes to commence proceedings necessary to create a Rural Housing Incentive District, in accordance with the provisions of the Act.

THEREFORE, BE IT RESOLVED by the Governing Body of the City of Wellington, Kansas, as follows:

Section 1. The Governing Body hereby adopts the Needs Analysis and incorporates it into this Resolution by reference. A copy of the Needs Analysis is on file in the office of the City Clerk.

Based on a review of said Needs Analysis, the Governing Body makes the following findings and determinations.

Section 2. The Governing Body hereby finds and determines that there is a shortage of quality housing of various price ranges in the City, despite the best efforts of public and private housing developers.

Section 3. The Governing Body hereby finds and determines that the shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.

Section 4. The Governing Body hereby finds and determines that the shortage of quality housing is a substantial deterrent to future economic growth and development in the City.

Section 5. The Governing Body hereby finds and determines that the future economic well-being of the City depends on the Governing Body providing additional incentives for the construction or renovation of quality housing in the City.

Section 6. Based on the findings and determinations contained in Sections 2 through 5 of this Resolution, the Governing Body proposes to establish a Rural Housing Incentive District pursuant to the Act, within boundaries of the real estate legally described on *Exhibit A-1* attached hereto, and depicted in the map on *Exhibit A-2* attached hereto.

Section 7. This Resolution shall take effect after its adoption and publication once in the official City newspaper.

ADOPTED by the Governing Body of the City of Wellington, Kansas on March 15, 2022.

[SEAL]




Jim Valentine, Mayor

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 0172 adopted by the Governing Body of the City on March 15, 2022 as the same appear of record in my office.

DATED: March 15, 2022


Heidi Theurer, City Clerk

Exhibit A-1
Legal Description

Central Business District

East Side (200 N. Washington) legal - Original Town, Block 54, Lots 13-24

East Side (100 N. Washington) legal - Original Town, Block 59, Lots 13-24

West side (100 N. Washington) legal- Original Town, Block 60, Lots 1-12, Lots A-F

West Side (100 S. Washington) legal - Original Town, Block 67, Lots 1-12, Lots 22-24

East Side (100 S. Washington) legal - Original Town, Block 68, Lots 7-18

East Side (200 S. Washington) legal - Original Town, Block 73, Lots A-F, Lots 1-8

West Side (200 S. Washington) legal - Original Town, Block 74, Lots A-E, Lots 5-7

All public rights-of-way within Blocks 54, 59, 60, 67,68, 73 and 74, along with the rights-of-way of Washington Avenue from the north line of 8th Street to the North line of 4th Street, and Lincoln Avenue, Harvey Avenue, 7th Street and 8th Street, from the East line of Jefferson Avenue to the West line of C Street

Crestview Heights Addition

Block 1, Lots 5-9 Phase 1

Block 2, Lots 1-8, 10-11 Phase 1

Block 2, Lots 15-25 Phase 2

Block 3, Lots 3-16 Phase 2

Reserves "A", "B", and "C"

All public rights-of-way as denoted on the plat

All drainage and utility easements as denoted on the plat

Settlers Creek Addition

Block 1, Lots 5-7, 9; 11-13, 23-24, 27-28

Block 2, Lots 3-7

All public rights-of-way as denoted on the plat

All drainage and utility easements as denoted on the plat

Exhibit A-2
Maps

Central Business District



Crestview Heights



Settlers Creek

