

Introduction

Intro to Study and Issues

To promote greater opportunities to obtain affordable housing within its city limits, the City of Henderson is seeking to bring housing affordability to the forefront of its policies and priorities through the adoption of this Housing Policy Plan.

Purpose

The Affordable Housing Policy Plan has five main purposes:

- To validate the current and projected need for affordable housing.
- To reaffirm affordable housing's role in achieving and sustaining a good quality of life for all persons and families living in Henderson.
- To examine best practices and approaches to managing Henderson's growth and revitalization and the inclusion of affordable housing in current and future development and redevelopment plans.
- To develop appropriate tools and techniques to develop and maintain an adequate supply of suitable affordable housing.
- To provide a foundation for revising the housing section of the City's Comprehensive Plan and related plan elements.

To focus its planning efforts and accomplish the purposes described above, the City of Henderson established the following four principles to guide the development of the Policy Plan:

Guiding Principles

- Respect the existing character of the community.
- Work with the private sector as much as possible to embrace the development process.
- Maintain the revenue neutrality of proposed incentives.
- Develop additional resources/tools.

These principles were utilized to analyze existing plans and policies, including those of the City's Consolidated and Comprehensive Plans, and to assess the appropriateness of adding other tools and strategies to implement this plan.

Scope of Plan

The Affordable Housing Policy Plan covers a period from 2002-2010 and includes:

- a planning process, driven by a Technical Advisory Committee and community participation (Chapter 1);
- a housing market analysis and affordable needs assessment (Chapter 2);
- extensive review of community planning and development approaches and implementation tools used successfully by Cities and Counties nationwide (Chapters 3 and 4); and
- implementation strategies, goals, and objectives to promote affordable housing in Henderson's future (Chapter 5).

Affordable Housing Needs Assessment

Housing Demand

The magnitude at which Henderson has grown in recent years, and continues to grow, has significant implications for housing, infrastructure, and service needs. Recent trends include:

- Henderson, one of the fastest growing cities in the country, grew by 170 percent in the 1990s and is estimated to have a current population of 210,850. The population is expected to increase an additional 45 percent by 2010 to over 306,000, and to nearly 400,000 by 2020¹.
- Henderson currently has an estimated 78,693 households, with an average size of 2.59 persons². Based on the 2000 Census, Henderson has an enviable homeownership rate of 70.5 percent, compared to the national average of 66.2 percent.
- By 2010, the number of Henderson's households is projected to almost double, with over 80,000 households owning and over 34,000 renting.
- The percent of growth in housing units surpassed the percent growth in population during the 1990s. During the nineties, the housing stock grew by 180 percent to reach 71,149 units by 2000. Henderson's 2002 Economic and Demographic Overview estimates 81,005 housing units as of January 1, 2002.

¹ These projections are published in the City of Henderson's *Henderson 2002 Economic and Demographic Overview*.

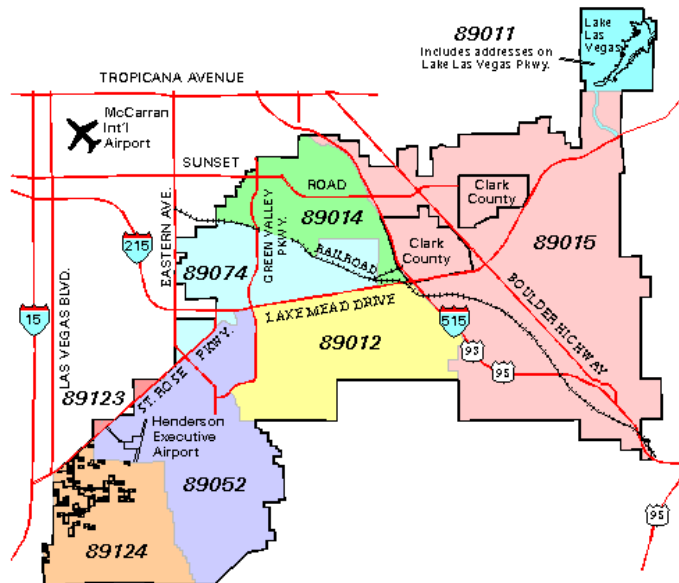
² Households are equal to total number of occupied housing units. The City Community Development Department provided vacancy rates, broken out by Zip Code. The average household size is equal to the total population divided by the total number of occupied units.

- By this estimate, there are 68,415 persons and 25,111 housing units in East Henderson, and 136,026 persons and 55,894 housing units in West Henderson. Based on population projections and the City’s average household size today, Henderson will gain more than 37,000 households by 2010 and will need that many more housing units to accommodate the growth.
- Current trends suggest that housing production will surpass 37,000 units by 2010. Between 2000 and 2002, Henderson’s housing stock increased by roughly 6.93 percent a year. The City will gain between 44,000 and 110,000 new units by 2010, if growth ranges between 5 and 10 percent a year.

Housing Affordability

At current prices, it takes a household earning approximately 10 percent above the median income to purchase a home at the average sales price in East Henderson’s 89015 Zip Code. The monthly housing costs for this home are 26 percent greater than the FMR for a three-bedroom unit (\$1,090). Renters able to afford this FMR, those earning 88 percent of AMI, can only afford to purchase homes at 79 percent of this average price, provided they can obtain the required down payment and closing costs.

Henderson Zip Codes



In West Henderson’s most expensive Zip Code, 89012, a household must earn approximately 68 percent above the median income to purchase a home at the average sales price. The monthly housing costs for this home are 92 percent greater than the FMR for a three-bedroom unit (\$1,090). Renters that earn 88 percent of AMI (able to afford this FMR) can only afford to purchase homes at 52 percent of this average price, assuming they can obtain the required down payment and closing costs.

Affordability for homeowner housing varies geographically, as illustrated below:

- A household composed of a City of Henderson Office Assistant II and a gaming surveillance officer/gaming investigator can afford the average price of \$178,174 in East Henderson's 89015 zip code³.
- A household made up of a firefighter and a nurse can afford the average priced home of \$217,017 in West Henderson's 89014 zip code³.
- A household made up of a teacher and a criminal investigator would have the combined income needed to purchase the average priced home of \$271,411 in West Henderson's 89012 zip code³.

Future Housing Needs

Currently, the ratio of the median home value to the median household income in Henderson is 2.92 and could increase to as high as 5.13 by 2010. Assuming that this ratio should parallel the current affordable housing cost-to-income ratio of around 3:1, the year 2010 will provide far less options for affordable housing than exist today. As a result of this analysis, it is concluded that the production of affordable units will be Henderson's greatest housing need over the next 8 years.

As stated, this gap will continue to make housing increasingly unaffordable. However, if at least 20 percent of all new units produced are affordable to low-income households, the number produced annually would range from a low of 810 in 2002 to as high as 3,473 units in 2010.

Conclusion

In summary, Henderson's population is projected to grow significantly over the next decade, at an average of 5 percent a year. The elderly subpopulation is expected to grow at an even faster rate of 7 percent annually. The changes in population composition will effect the type of units being produced and the services needed throughout the next 8 years. The number of housing units produced, however, likely will exceed the growth in households by 2010, based on a projected range of 5-10 percent annual growth in housing units.

Even with the increase in units, it is becoming less possible for low-income households and the average waged worker to purchase the average priced home in East Henderson, and even more difficult in West Henderson. Between the increasing cost of newly constructed units and the appreciation of existing units, affordable housing is expected to be the number one housing need in Henderson throughout the decade.

³ Assumes household can provide a down payment of 5 percent.

Affordable Housing Strategy and Implementation Tools

Affordable Housing Strategy

While covering the remainder of the decade, several considerations “front-load” the use of the Plan’s tools and implementation strategies. Foremost is the immediate need for affordable housing, followed closely by the release of BLM land for development, and Henderson’s plans to build a new university.

Given these needs and opportunities, **workforce housing** appears to be the most appropriate development approach to focus upon in this Plan. Due to the increasing demand to rent or purchase a home affordably and the severely limited availability of affordable housing for working families, increasing numbers of workers are being forced to live greater distances from Henderson’s jobs and perhaps to find alternative residence and employment outside of Henderson.

By its very nature, workforce housing, targeted to those households earning from **60 to 120 percent** of the area median income, works with the private sector to mix incomes and scatter affordable housing opportunities geographically, avoiding the negative impacts and unintended consequences of some Federally assisted housing. This is housing for Henderson’s nurses, teachers, firefighters and police, and others employed in critical service areas.

To achieve this objective, the Policy Plan places emphasis upon the dispersal and integration of workforce housing into mixed-income model communities throughout Henderson. As an implementation strategy, the Plan embraces the use of tools identified as particularly beneficial to the production and rehabilitation of affordable housing. These tools represent the broad spectrum of programs, regulations, and financing available to impact the supply, demand, and potential investment in Henderson’s affordable housing.

Affordable Workforce Housing Implementation Tools

To implement the affordable housing strategy, the TAC reviewed existing tools, policies, and best practices used nationwide to determine twenty-one potential affordable housing tools with potential application in Henderson. These tools, which were further defined as primarily **financial (f)**, **regulatory(r)**, or **programmatic (p)**, are listed on the following page.

To further gauge their potential impact, the TAC ranked the 21 proposed affordable housing tools in terms of their appropriateness for use in Henderson. The narratives beginning on the following page describe the top twelve tools. While some, such as loans and counseling, are in use, most offer a new or enhanced approach to tackling Henderson’s affordable housing needs and objectives.

Affordable Housing Tools

Demand-Side	
✓ Employer-Assisted Housing	<i>f</i>
✓ Purchase/rehabilitation loans and guarantees	<i>f</i>
✓ Enhanced buyer and tenant counseling/training	<i>p</i>
Marketing existing neighborhoods and communities	<i>p</i>
Individual Development Accounts (IDAs)	<i>f/p</i>
Supply-Side	
✓ In-fill lot acquisition and clearance/new construction	<i>p</i>
Land-banking/land trusts	<i>p</i>
✓ Inclusionary set-asides/bonuses	<i>r</i>
Coordinated infrastructure (re)development	<i>p</i>
Housing code and systematic code enforcement	<i>r</i>
✓ Property maintenance codes	<i>r</i>
Expedited plan reviews	<i>r</i>
✓ Flexible implementation of codes/design standards	<i>r</i>
“Downzoning” land use plan modifications	<i>r</i>
Investment	
✓ Linked deposits/investments	<i>f</i>
✓ Trusts/revolving loan funds	<i>f</i>
✓ Housing partnerships (public/private/non-profit)	<i>p</i>
Revisions to State’s LIHTC Qualified Allocation Plan	<i>p</i>
✓ Section 279 TIF funds	<i>f</i>
State and Federal grants	<i>p</i>
✓ BLM land sales	<i>f/p</i>

✓ **Selected Tools**

Goals and Objectives

As one of its seven Strategic Priorities, the City of Henderson seeks to “ensure quality planning and development as the city grows.” Affordable housing is recognized as an important element of this priority and the priority to “provide safe and strong neighborhoods and maintain neighborhood integrity.” The actions outlined in Chapter Five aim to advance these priorities and are based upon the input of citizens, elected officials, and staff who attended focus group sessions and contributed to the development of this Plan.

The goals and objectives listed below span the financial, regulatory, and programmatic realms. They have been categorized by their primary impact upon housing investment, supply, and demand, in recognition that public and private actions must be balanced if they are to tackle Henderson’s affordable housing objectives effectively.

GOAL: ENCOURAGE A MORE DIVERSE GROUP OF INVESTORS AND LENDERS TO CONTRIBUTE ADDITIONAL RESOURCES TO THE DEVELOPMENT AND FINANCING OF AFFORDABLE HOUSING.

Objective: Create opportunities to invest public and private debt and equity capital in affordable housing.

GOAL: PRESERVE AND INCREASE THE VARIETY OF HOUSING TYPES, DEVELOPMENTS, AND PLANNED COMMUNITIES THAT ENHANCE HENDERSON’S QUALITY OF LIFE AND MAKE ITS NEIGHBORHOODS MORE LIVABLE.

Objective: Work with the private sector and the community to create and maintain affordable housing options.

GOAL: INCREASE THE OPPORTUNITIES FOR RENTERS, OWNERS, AND BUYERS TO OBTAIN AND MAINTAIN APPROPRIATE HOUSING.

Objective: Expand and utilize community housing resources.

Collectively, the goals, objectives, and action steps detailed in Chapter Five form an implementation strategy that supports and encourages the preservation and development of high quality affordable housing and communities that can be launched within the next several years. Each of the goals and objectives presented in the chapter is followed by a discussion of action steps, roles and responsibilities, timelines, and resources. The chapter concludes with a summary of the proposed implementation schedule for these actions.

Chapter One: Introduction

I. Intro to Study and Issues

INTRODUCTION

Henderson, Nevada was the fastest growing large city in the United States⁴ between 1990 and 1996 and nearly tripled in population from 1990 – 2000. While having many benefits, this rapid growth has driven up the cost of land, labor, and materials, making affordable housing development and rehabilitation increasingly difficult.

If these trends continue, Henderson will no longer be an affordable place for young, working families to live and work. Henderson’s residents will grow older, and the City’s housing stock and quality of life will diminish. As described below, other communities have learned that when housing is not affordable to its workers, the entire community feels the negative impact – in long commutes, essential jobs that go unfilled, and the lack of housing mobility.

To promote greater opportunities to obtain affordable housing within its city limits, the City of Henderson is seeking to bring housing affordability to the forefront of its policies and priorities through the adoption of this Housing Policy Plan. This effort strategically coincides with several other City initiatives and with the Mayor’s and City Council’s adopted priorities to manage Henderson’s assets and growth proactively:

- The planned sale and development of Bureau of Land Management (BLM) land west of the City;
- The implementation of a downtown revitalization plan;
- Plans to address fair housing and homelessness regionally; and
- The update of the City’s Comprehensive Master Plan.

PURPOSE OF THE PLAN

The Affordable Housing Policy Plan has five main purposes:

- To validate the current and projected need for affordable housing.
- To reaffirm affordable housing’s role in achieving and sustaining a good quality of life for all persons and families living in Henderson.

⁴ U.S. Census Bureau; Census 2000

- To examine best practices and approaches to managing Henderson’s growth and revitalization and the inclusion of affordable housing in current and future development and redevelopment plans.
- To develop appropriate tools and techniques to develop and maintain an adequate supply of suitable affordable housing.
- To provide a foundation for revising the housing section of the City’s Comprehensive Plan and related plan elements.

PRINCIPLES OF THE PLAN

To focus its planning efforts and accomplish the purposes described above, the City of Henderson established the following four principles to guide the development of the Policy Plan.

Four Principles of the Plan

- *Respect the existing character of the community.*
- *Work with the private sector as much as possible to embrace the development process.*
- *Maintain the revenue neutrality of proposed incentives.*
- *Develop additional resources/tools.*

These principles were utilized to analyze existing plans and policies and to assess the appropriateness of adding other tools and strategies to implement this plan.

II. Existing Policies and Plans

COMPARISON OF HENDERSON PLANS

Henderson has several plans that describe the City’s supply and demand for housing and list strategies or actions to promote safe, decent and affordable housing. Currently, the City submits a Consolidated Plan and Action Plan to the U.S. Department of Housing and Urban Development (HUD). HUD requires that the City of Henderson complete a Consolidated Plan every three to five years and an Action Plan annually to receive funds

for the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs.

The Consolidated Plan serves as:

- a planning tool which builds on a comprehensive consultation and citizens participation process;
- an application for HUD funds;
- a strategy for housing, homelessness, community development, and economic development; and
- an action plan that provides a basis for measuring and assessing performance.

The State of Nevada, like many states, directs incorporated municipalities to establish a Comprehensive Plan “as a basis for development of the City.” State law requires the plan to contain elements on land use and transportation, and it is suggested that the plan also address social issues such as affordable housing, education, police protection, and public safety⁵.

Whereas the Consolidated and Action Plans are federal mandates and the Comprehensive Plan is mandated by the State, Henderson’s Housing Policy is not mandatory. Rather, it is an innovative and proactive approach to addressing affordable housing issues and opportunities.

The chart on the following page compares the content, coverage period, and revision date for the Housing Policy Plan in relation to the City of Henderson’s Action Plan, Consolidated Plan, and Comprehensive Plan.

Each of these plans covers a spectrum of policy and program areas. Planning and implementation timeframes range from the Action Plan’s annual budget and schedule to the Comprehensive Plan’s twenty-year planning horizon. This Policy Plan schedules tasks through the end of the decade.

In recognition of the broad scope of these other plans, the Policy Plan focuses more narrowly upon providing housing for those in the workforce earning from 60 to 120 percent of the area median income. This is housing in short supply for those employed in essential service areas, such as nurses, teachers, police, and firefighters, as described below.

⁵ City of Henderson Comprehensive Plan, Update 1996: page 2

Henderson Plan Comparison

	ACTION PLAN	CONSOLIDATED PLAN	HOUSING POLICY PLAN	COMPREHENSIVE PLAN
Content	<ul style="list-style-type: none"> Summarizes the actions the City plans in the coming year to carry out its 5-year strategies. Presents the County’s proposed CDBG and HOME-funded projects for the program year. 	<ul style="list-style-type: none"> Citizen participation & consultation Housing market analysis & needs Homeless needs Persons with special needs Community development needs Fair housing Lead-based paint Barriers to affordable housing Anti-poverty strategy Institutional structure Strategic plan Monitoring standards & procedures Action Plan 	<ul style="list-style-type: none"> Affordable housing market analysis and needs assessment Overview of planning framework and community development approaches Description and best practice examples of 21 affordable housing tools Goals and objectives Strategies 	<ul style="list-style-type: none"> Vision statement Six elements, with goals, objectives, policies, and implementation actions for each: <ul style="list-style-type: none"> economic development land use housing community facilities environmental quality transportation and streets
Coverage Period	<ul style="list-style-type: none"> FY 2002-2003 (one year) 	<ul style="list-style-type: none"> FY 2000-2005 (five years) 	<ul style="list-style-type: none"> 2002-2010 (eight years) 	<ul style="list-style-type: none"> 2003-2023 (twenty years)
Revision Date	<ul style="list-style-type: none"> FY 2003 	<ul style="list-style-type: none"> FY 2005 	<ul style="list-style-type: none"> 2010 	<ul style="list-style-type: none"> (as required)

REGION-SERVING PLANS

Several plans exist that seek to shape policy for land use, the environment and such social issues as special needs housing and homelessness on a larger geographic scale.

Southern Nevada Regional Policy Plan

The Southern Nevada Regional Policy Plan, dated February 22, 2001, establishes regional planning guidelines that will be followed by Las Vegas, North Las Vegas, Henderson, Boulder City, Clark County, the Clark County School District, regional and state agencies, and public utilities. The main elements of these guidelines are: conservation, open space and natural resource protection; population forecasts; land use; transportation; public facilities; air quality; and infill development.

Relevant to this policy plan are the following initiatives for infill development: providing incentives (such as enterprise zones, blight removal, public investment, and assistance with leasing); encouraging major public investment in facilities such as regional civic entertainment facilities in the urban core; and identifying revenue sources, tax increment financing, or other tax incentives such as low-interest construction loans, utility fee waivers, and provision of open space and amenities.

Homeless

The Southern Nevada Homeless Coalition commissioned a study in 1999, which included a “point-in-time” count of the homeless population in Southern Nevada on the night of May 12-13th, 1999. The final estimation was 6,707 homeless persons. The largest homeless population was within the City of Las Vegas, and only 4.4 percent of the regional count (or 293 homeless persons) were within the City of Henderson.

The study noted that although the shelters were operating at 60 percent capacity on the night of the count, 40 percent of the homeless population were sleeping on the streets. Of the homeless population, 20 percent were elderly, 25 percent were physically disabled, and 17 percent were diagnosed with mental illness. The race and ethnicity of the population was 59.5 percent white, 26.7 percent African American, 7.7 percent Hispanic, and 6.1 percent other. Approximately one third of the population had some form of employment, and of those unemployed, 44.8 percent were not looking for work.

Special Needs

The Nevada Special Needs Housing Assessment⁶, completed in August of 2002, estimates and assesses rental housing needs for several subpopulations, such as elderly persons, and those persons with a disability or an illness. The Needs Assessment was stated to have two primary purposes: “To obtain estimates of special needs populations in the Las Vegas and Reno areas; and To determine the rental housing needs of special needs populations in these areas.”

⁶ Nevada Special Needs Housing Assessment; BBC Consulting: August, 2002.

The following summarizes the housing gaps for those special needs populations in the Las Vegas area, as stated in the Nevada Special Needs Housing Assessment:

- Persons with Alzheimer's/dementia: 12,000 individuals living alone without caregivers.
- Persons 55 years and older: 58,000 households living alone, with family, or are precariously housed.
- Persons with physical disabilities: 31,200 live with family or are precariously housed.
- Persons with developmental disabilities: Needs largely filled by licensed facilities, family, and friends, but will grow as caregivers age.
- Persons with mental illness: 19,000 living with family or alone; 700 in homeless shelters; and 3,400 unsheltered.
- Persons and families who are homeless: 8,175 estimated to be living on the street; 3,700 are precariously housed.
- Victims of domestic violence: 8,500 individuals living with perpetrators, families, alone, or unsheltered.
- Persons with HIV/AIDS: 1,200 to 1,600 individuals living in nursing/group homes or are precariously housed.
- Parolees: 400 to 1,000 are precariously housed or homeless.

Fair Housing

The City of Henderson is currently developing an updated Analysis of Impediments to Fair Housing Choice (AI). HUD requires that grantees certify that they will affirmatively further fair housing. The AI is the key to certification, providing grantees with an effective tool for identifying the specific conditions that perpetuate the dual housing market, and an official strategy for addressing them. This process is one of the most important responsibilities of HUD grantee jurisdictions.

Appendix I presents a summary of these and other policy and planning documents.

III. Review of Recent Initiatives in Various Cities

After reviewing current housing initiatives nationwide, Henderson identified several cities, two of which are also in the Western region of the country, whose initiatives are closely related to the objectives of this study. These cities, Scottsdale, Arizona; Chicago, Illinois; and Portland, Oregon are undertaking or have completed similar strategic planning processes to that which Henderson is undertaking in its Affordable Housing Policy Planning process. The following table compares the elements of their affordable housing strategies and agendas (as of August 2002).

In Scottsdale, Chicago, and Portland, the housing strategies/plans all contained four major components: an introduction to the community and its housing issues; a statement of need; an agenda/set of strategies; and recommendations for implementation.

Scottsdale and Portland created full Strategies that were adopted by their City Councils. The Chicago Metropolis 2020 group created an action agenda, for use in the City's adoption of policies.

Comparisons of Affordable Housing Strategies and Agendas

<u>City</u>	<u>Title</u>	<u>Elements of Plan/Strategy</u>	<u>Planning Process</u>	<u>Status of Approval</u>
Scottsdale/ Phoenix, AZ	<i>A Strategy for the Creation and Preservation of High Quality, Safe, and Affordable Housing</i>	<ul style="list-style-type: none"> ➤ Introduction ➤ Purpose ➤ Methodology ➤ Strategy development ➤ Demographic profile ➤ Housing affordability profile ➤ Scottsdale's affordable housing need categories ➤ Scottsdale housing board policy statement ➤ Affordable housing goals and implementation strategies 	<ul style="list-style-type: none"> ➤ Task Force for the Creation of High Quality, Safe and Affordable Housing was created, with staff from Planning, Redevelopment, Transit, Neighborhood Services, Asset Management, Human Services and Economic Development. 	<ul style="list-style-type: none"> ➤ Adopted by the City Council on July 6, 1999.
Chicago, IL	<i>Recommendations for Developing Attainable Workforce Housing in the Chicago Region</i>	<ul style="list-style-type: none"> ➤ Executive summary ➤ Overview of workforce housing in the Chicago metro area ➤ An attainable workforce housing agenda 	<ul style="list-style-type: none"> ➤ Developed by Chicago Metropolis 2020, a group created in 1999 by The Commercial Club of Chicago to "promote innovative solutions to long-term challenges facing the Chicago region." ➤ Made up of CEOs and senior executives, representatives of labor, government, faith-based groups, and other civic organizations. 	<ul style="list-style-type: none"> ➤ Chicago Metropolis 2020 released report and action agenda in summer 2002. ➤ Chicago Metropolis 2020 will work with public and private policy makers at local, regional, state, or federal level to review agenda items and consider how to incorporate them into housing action plans.
Portland, OR	<i>Regional Affordable Housing Strategy</i>	<ul style="list-style-type: none"> ➤ Introduction to issues ➤ Affordable housing needs ➤ Regional housing goals ➤ Strategies for increasing and preserving the supply of affordable housing ➤ Recommendations for implementation ➤ Glossary ➤ Appendices 	<ul style="list-style-type: none"> ➤ The Metro Council developed the Affordable Housing Technical Advisory Committee (H-TAC), consisting of 28 representatives from local governments, nonprofit and for-profit developers, the business and financial community, affordable housing advocates, and representatives from the governor's office, Oregon Housing and Community Services Department, and U.S. HUD. 	<ul style="list-style-type: none"> ➤ June 2000

IV. Henderson's Affordable Housing Planning Process

THE TECHNICAL ADVISORY COMMITTEE (TAC)

The City, through its Neighborhood Services Division, initiated the Housing Policy Plan process by facilitating the creation of a local technical advisory/review committee (TAC) to steer the Plan's development. This group, whose members are listed to the right, includes local government representatives from the following departments: Attorney, Building, Community Development, Neighborhood Services, Property Management, Public Works, Redevelopment Authority and Utilities.

The roles and responsibilities of the TAC included:

- Providing information relating to Henderson's:
 - Current studies, priorities, and initiatives
 - Affordable housing needs
 - Plans for future growth and (re)development
- Review and making suggestions relating to the:
 - Scope of work and timetable
 - Statement of affordable housing needs
 - Report drafts
 - Policy Plan drafts
- Facilitating the review and approval of plan drafts by:
 - City departments
 - Real estate and business community
 - Community leaders and stakeholders
 - Elected officials
 - Citizenry

*Affordable Housing
Technical Advisory Committee
(TAC)*

Departmental Representative

Attorney:
Liza Conroy
Mark Zalaoras

Building:
Greg Blackburn

Community Development:
Stephanie Garcia

Neighborhood Services:
Douglas Kuntz

Property Management:
John Rinaldi
Bob Wilson

Public Works:
Ken Koshiro

Redevelopment Authority:
Cody Walker

Utilities:
Sue Regan

A kickoff meeting with the TAC was held on May 29th. During this meeting, TONYA Inc., a national management consulting firm assisting the City in developing the plan, reviewed the scope of work, timeline, and the duties of the TAC. TONYA presented its research to date, which included explanations and examples of 21 affordable housing tools, needs assessment materials, and a document review, which included City and regional plans.

One of the assignments for the TAC following the kickoff meeting was to rank 21 proposed affordable housing tools to determine the most appropriate tools for Henderson.

The TAC convened a second time for a progress meeting on July 10th. At this meeting, TONYA shared the results of the ranking, provided a summative report on inclusionary housing, and delivered the housing market analysis and needs assessment update found in Chapter 2 of this report. After reviewing this information during August, the TAC met on September 4th to finalize the ranking of tools and to discuss implementation strategies.

PUBLIC PARTICIPATION AND COMMENTS

The Draft Housing Policy Plan was distributed during the first week of November to receive formal review and comment by the public. The plan approval process began with the publishing of a draft Plan and will culminate with the publication of the final Plan approved by the City Council.

During the plan approval process, the City held focus groups attended by the public and City staff to receive comments about Henderson’s affordable housing needs and opportunities. These sessions were facilitated by TONYA and staff from the Neighborhood Services Division.

V. Structure of the Plan

This Plan is the culmination of a nine-month engagement, which included:

- ✓ a housing market analysis and affordable needs assessment (Chapter 2);
- ✓ extensive review of community planning and development approaches and implementation tools used successfully by Cities and Counties nationwide (Chapters 3 and 4); and
- ✓ a planning process, driven by a Technical Advisory Committee and community participation, which resulted in the development of implementation strategies, goals, and objectives to promote affordable housing in Henderson’s future (Chapter 5).

The remaining chapters of the Affordable Housing Policy Plan are summarized below:

- ***Chapter Two: Affordable Housing Needs Assessment***
Presents an overview of future supply and demand in the City’s housing market and an assessment of future housing needs.
- ***Chapter Three: Community Planning and Development Framework and Approaches***
Examines the components of the planning framework and broad-based community development approaches.
- ***Chapter Four: Affordable Housing Strategy and Implementation Tools***
Compares current and recent initiatives of various cities and summarizes the implementation tools chosen for Henderson.

- *Chapter Five: Goals and Objectives*
Details Strategies, Roles and Responsibilities, Timeline, and Resources for Henderson to implement the Policy Plan.

- *Appendices*
Includes review of City and regional documents, explanations, examples and best practices of 21 affordable housing tools, and summary report with checklist on inclusionary housing programs.

Chapter Two: Affordable Housing Needs Assessment

I. Introduction

This assessment provides an update to forecasts of Henderson, Nevada’s affordable housing demand and supply throughout the remainder of this decade. This analysis, completed during August of 2002, is based upon information found in Henderson’s current Consolidated Plan and other local and national data sources⁷. It focuses upon housing affordability and needs projected to 2010. Part of this discussion includes a housing affordability analysis for an illustrative range of local occupations and the calculation of the “tipping point” at which households can afford the average priced home in several Henderson neighborhoods.

BACKGROUND

In recent years, Southern Nevada has attracted a large influx of retirees, job-seekers, and businesses due to its favorable social and economic environment (including no personal income tax and low business taxes) and new casino and hotel construction. The City of Henderson’s housing and development patterns have been heavily influenced by this job and population growth.

Henderson experienced its largest amount of housing production in the 1980 – 90s. This period accounts for 90 percent of the City’s current housing stock. Also during this time, Henderson was, and continues to be, ranked among the country’s leading residential housing producers. As a result of this growth, the demand for available residential, commercial, recreational, and municipal sites has risen, causing land prices to rise and the municipal infrastructure to become strained citywide.

The City’s housing needs differ based on the two distinct communities—separated by a major freeway and heavy industry—of East and West Henderson. Development began in East Henderson, the older area of town, during and after World War II. This is where most of the City’s older and less expensive housing units are located. After many years of improvement, this area has experienced some recent decline in housing conditions, but it remains a desirous place to live and work.

On the other hand, 94 percent of the units in West Henderson were built after 1980. This includes several planned communities—Green Valley, Green Valley South, McDonald Ranch, and Whitney Ranch—made up of large-scale single and multifamily units targeted for households at or above the area median income. It is also where many new retirees have chosen to relocate.

The City’s older, less desirable housing stock is one source of housing needs: 7,393 of the City’s units were built prior to 1978 and potentially have lead-based paint hazards, and 2,304 units were estimated to be substandard in 1995.

⁷ This update utilizes Census 2000 data that has been released to date and other demographic projections.

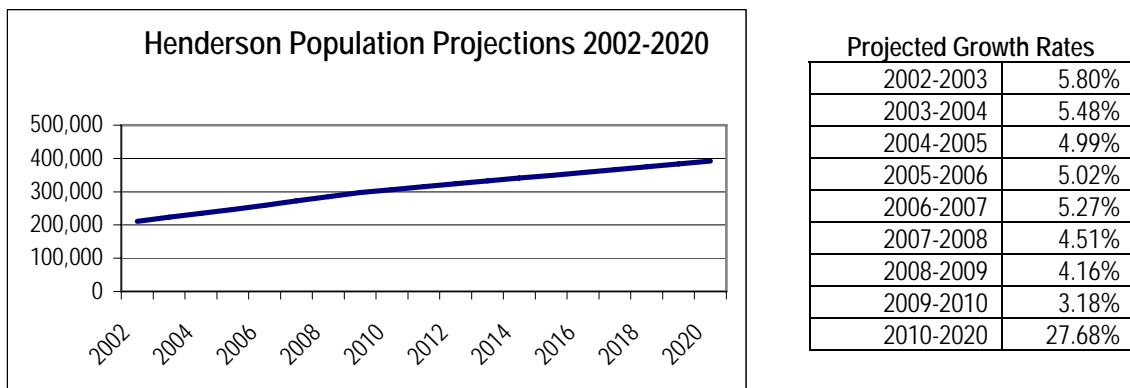
In 2000, Henderson’s 69,346 unit housing stock included 63.1 percent single-family, 33.9 percent multifamily, and 3 percent mobile homes/other. The current homeownership rate of 70.5 percent is significantly higher than Clark County, Nevada, and the Country as a whole.

Even though restricted by local regulations governing their siting, rental units play a significant role in providing affordable housing opportunities in Henderson. This housing stock and its renters are threatened currently by rising rents and declining quality caused by Henderson’s strong housing demand.

II. Housing Demand

Current and Projected Populations: 2002 to 2020

Henderson, one of the fastest growing cities in the country, grew by 170 percent in the 1990s and is estimated to have a current population of 210,850. The population is expected to increase an additional 45 percent by 2010 to over 306,000, and to nearly 400,000 by 2020 as shown below⁸. The magnitude at which Henderson has grown in recent years, and continues to grow, has significant implications for housing, infrastructure, and service needs.



For example, the elderly population⁹ is expected to continue growing in Henderson at a rate of 7 percent annually, according to the demographic research firm, Claritas, Inc., while the overall population of the City is projected to grow an estimated average of 5 percent annually from 2002 to 2010. As the elderly population grows at a faster rate than that of the City’s overall population, it will create pressure for a different set of services and housing options, ranging from home care to supportive housing.

⁸ These projections are published in the City of Henderson’s *Henderson 2002 Economic and Demographic Overview*.

⁹ In the past decade, Henderson’s elderly population has grown at a faster rate than the City as a whole. Between 1990 and 2000, the population of persons 60 years and older increased by nearly 225 percent. As of 2000, elderly persons made up 14.5 percent of the Henderson’s total population, or 25,410.

Housing Tenure

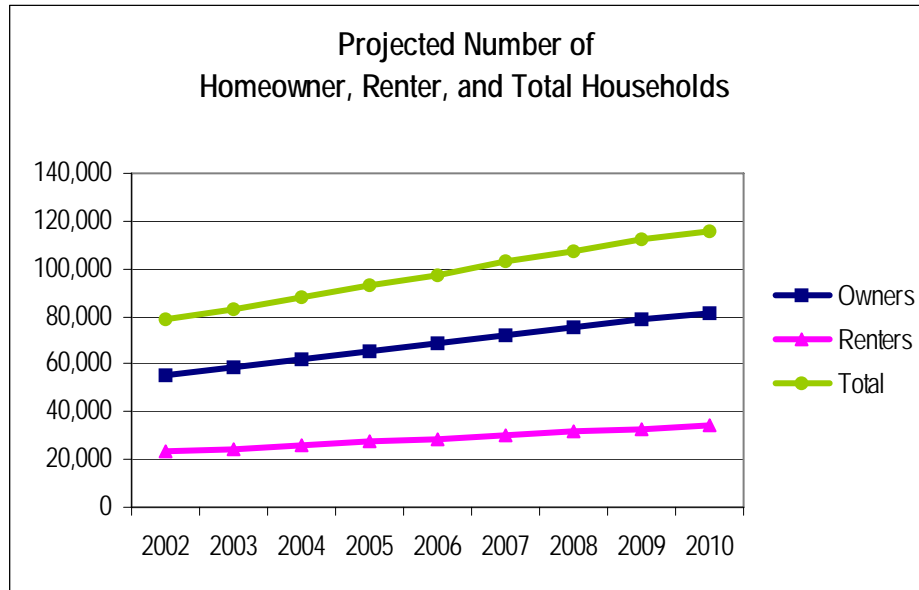
Henderson currently has an estimated 78,693 households, with an average size of 2.59 persons each¹⁰. Based on the 2000 Census, Henderson has an enviable homeownership rate of 70.5 percent, compared to the national average of 66.2 percent.

The charts below show the growth in households through 2010 assuming the current average household size of 2.59 and the current homeownership rate of 70.5 percent is maintained.

Growth in Homeowner and Renter Households: 2002-2010

	Households	Population Growth per Year	Household Growth per Year	Home-ownership Rate	Owners	Renters
2002	78,693	12,219	4,718	70.5%	55,479	23,215
2003	83,411	12,223	4,719	70.5%	58,805	24,606
2004	88,130	11,733	4,530	70.5%	62,132	25,998
2005	92,661	12,407	4,790	70.5%	65,326	27,335
2006	97,451	13,680	5,282	70.5%	68,703	28,748
2007	102,733	12,325	4,759	70.5%	72,427	30,306
2008	107,491	11,868	4,582	70.5%	75,782	31,710
2009	112,074	9,440	3,645	70.5%	79,012	33,062
2010	115,719	8,490	3,278	70.5%	81,582	34,137

By 2010, the number of Henderson’s households is projected to almost double, with over 80,000 households owning and over 34,000 renting. This growth is represented annually in the table above and in the following graph.



¹⁰ Households are equal to total number of occupied housing units. The City Community Development Department provided vacancy rates, broken out by Zip Code. The average household size is equal to the total population divided by the total number of occupied units.

III. Housing Supply

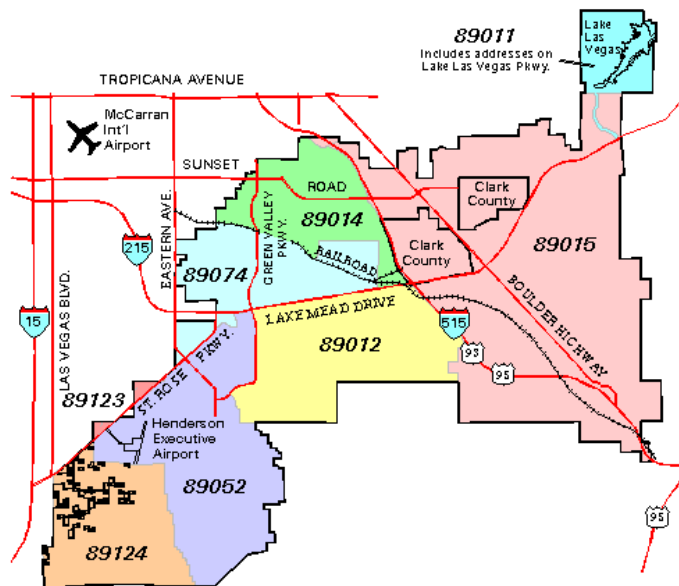
The percent of growth in housing units surpassed the percent growth in population during the 1990s. During the nineties, the housing stock grew by 180 percent to reach 71,149 units by 2000. The chart below, published in *Henderson's 2002 Economic and Demographic Overview*, estimates the number of housing units by type as of January 1, 2002 by zip code (see map below).

Housing Counts and Population Estimates: 2002

Zip Code	Single Family	Mobile Homes	Multi-Plex	Apartment Units	Town Homes	Condos	Total Units	Population Housing Units	Population in Group Quarters	Total Population
89011*	236	0	0	0	3	0	239	573	0	573
89012	7,767	1	0	1,679	354	11	9,812	22,692	0	22,692
89014	7,173	36	0	6,097	1,029	1,261	15,596	38,499	266	38,765
89015*	18,480	1,643	496	3,132	551	570	24,872	67,549	293	67,842
89052	9,579	2	0	2,329	285	274	12,469	27,556	0	27,556
89074	12,284	362	0	2,501	1,259	1,600	18,006	46,558	432	46,990
89123	0	8	0	0	0	0	8	17	0	17
89124	3	0	0	0	0	0	3	6	0	6
Totals	55,522	2,052	496	15,738	3,481	3,716	81,005	203,450	991	204,441

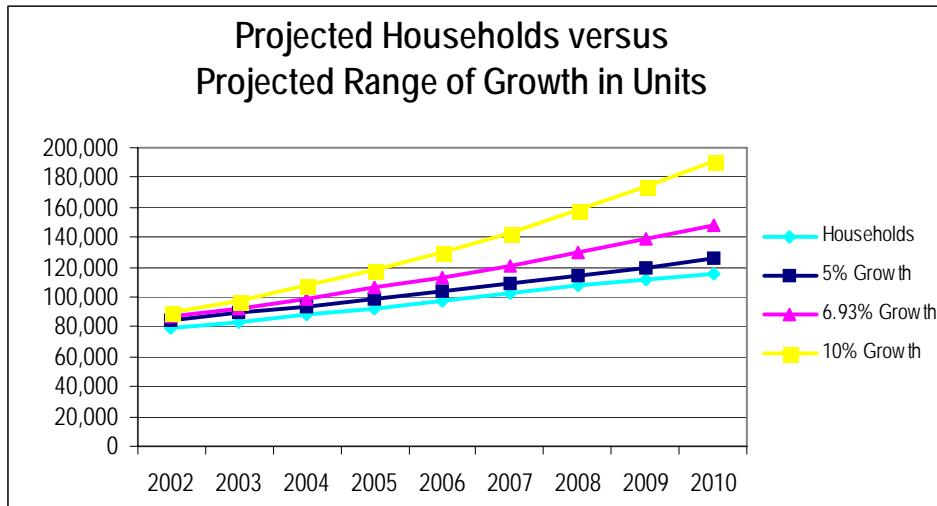
*Zip Codes 89011 and 89015 are East Henderson, and the rest are West Henderson.

Zip Codes of Henderson



By this estimate, there are 68,415 persons and 25,111 housing units in East Henderson, and 136,026 persons and 55,894 housing units in West Henderson. Based on population projections and the City’s average household size today, Henderson will gain more than 37,000 households by 2010 and will need that many more housing units to accommodate the growth.

In fact, current trends suggest that housing production will surpass 37,000 units by 2010. Between 2000 and 2002, Henderson’s housing stock increased by roughly 6.93 percent a year. As shown in the following chart, the City will gain between 44,000 and 110,000 new units by 2010, if growth ranges between 5 and 10 percent a year.



IV. Housing Affordability

Henderson’s current Consolidated Plan demonstrates that a substantial number of households in Henderson are priced out of the homeownership and rental markets. This report updates the Plan’s affordability analysis utilizing 2002 data to make assumptions about current and future housing affordability. According to the 2000 Consolidated Plan, 12.5 percent of renter households and 8.1 percent of owner households paid more than 30 percent of their income on housing expenses. Applying these same percentages to the estimated households of 2002, approximately 2,900 renters and 4,500 homeowners are cost burdened¹¹.

WAGE ANALYSIS OF CLARK COUNTY EMPLOYEES: 2001

The first chart analyzes the average wages of typical occupations (policemen, nurses, teachers, gaming officers, personal care, and construction workers) in Clark County. The chart shows the average wage and the funds available for an affordable rental or mortgage payment.

¹¹ Cost burdened is defined as a household paying more than 30% of its monthly income towards housing expenses.

Ownership

The next chart describes how affordability for homeowner housing varies geographically, assuming interest rates of 7 and 8 percent. This analysis confirms that many areas of Henderson are not affordable to working families.

Based on these analyses, only dual-income households of the selected illustrative occupations can afford the average priced home in East Henderson's 89015 Zip Code or West Henderson's 89014 or 89012 Zip Codes, as illustrated below.

The results of the analysis show that in East Henderson, a household earning \$58,900 to \$64,900 (or 110-122 percent of Henderson's AMI) can afford the average price of a home in the 89015 Zip Code¹². A household composed of a City of Henderson Office Assistant II and a gaming surveillance officer/gaming investigator can afford this average price of \$178,174, assuming it can provide a down payment of 5 percent.

The cost of purchasing a home in West Henderson's neighborhoods is less attainable for lower-income households. A household earning \$71,700 to \$79,000 (or 134-148 percent of the AMI) can afford the average priced home of \$217,017 in the 89014 Zip Code. Of the occupations listed in the following wage analysis chart, a household made up of a firefighter and a nurse can afford this average priced home.

The least affordable area, Zip Code 89012, has an average home price of \$271,411, which is affordable to a household earning between \$89,700 and \$98,900 (168-185 percent of the AMI). A household made up of a teacher and a criminal investigator would have the combined income needed to purchase the average priced home in this area.

Rental

The analysis then examines the affordability of rental housing in both East and West Henderson in comparison to the cost of homeownership. While expensive, current rent levels are below the amount needed to purchase a home at the average sales price in either part of Henderson.

¹² The range is based on a 7 percent versus 8 percent annual interest rate for the mortgage.

Wage Analysis of Clark County, Nevada: 2001

**subtracts out insurance and taxes from monthly housing expense.*

***assumes 30-year conventional fixed rate loan.*

	Mean Wages				Wage as Percent			Affordable Housing		Mortgage**	
	hourly	weekly	monthly	annual	of Average Wage	of AMI		Monthly	Monthly	7%	8%
	wage(1)	wage	wage		(Henderson)	Henderson AMI	Clark County AMI	Expense	Mortgage*	interest	interest
					\$33,129	\$53,383	\$41,657	28%		rate	rate
City of Henderson Starting Salaries											
Office Assistant II	\$17.09	\$683.54	\$2,734.17	\$32,810	99%	61%	79%	\$766	\$628	\$94,358	\$85,554
Secretary I	\$18.65	\$746.13	\$2,984.50	\$35,814	108%	67%	86%	\$836	\$685	\$102,997	\$93,387
Accountant Clerk	\$17.60	\$703.96	\$2,815.83	\$33,790	102%	63%	81%	\$788	\$647	\$97,176	\$88,109
Accountant I	\$19.03	\$761.15	\$3,044.58	\$36,535	110%	68%	88%	\$852	\$699	\$105,070	\$95,267
Fire Fighter	\$22.62	\$904.77	\$3,619.08	\$43,429	131%	81%	104%	\$1,013	\$831	\$124,897	\$113,244
Police	\$23.39	\$935.46	\$3,741.83	\$44,902	136%	84%	108%	\$1,048	\$859	\$129,133	\$117,085
Parks Maintenance I	\$15.17	\$606.88	\$2,427.50	\$29,130	88%	55%	70%	\$680	\$557	\$83,775	\$75,958
Meter Reader	\$18.95	\$758.10	\$3,032.42	\$36,389	110%	68%	87%	\$849	\$696	\$104,651	\$94,886
Public Works Maintenance I	\$19.32	\$772.60	\$3,090.42	\$37,085	112%	69%	89%	\$865	\$710	\$106,652	\$96,701
Protective Service Occupations											
First line supervisor/manager Protective Service Worker	\$27.32	\$1,092.80	\$4,735.47	\$56,826	172%	106%	136%	\$1,326	\$1,087	\$163,424	\$148,176
Detectives and Criminal Investigators	\$26.38	\$1,055.20	\$4,572.53	\$54,870	166%	103%	132%	\$1,280	\$1,050	\$157,801	\$143,078
Protective Service Worker (other)	\$12.03	\$481.20	\$2,085.20	\$25,022	76%	47%	60%	\$584	\$479	\$71,962	\$65,247
Child, Family, and School Social Workers											
Child, Family, and School Social Workers	\$20.45	\$818.00	\$3,544.67	\$42,536	128%	80%	102%	\$993	\$814	\$122,329	\$110,915
Licensed Practical & Vocational Nurses											
Licensed Practical & Vocational Nurses	\$16.64	\$665.60	\$2,884.27	\$34,611	104%	65%	83%	\$808	\$662	\$99,538	\$90,251
Education, Training, and Library Occupations											
Education, Training, and Library Occupations	\$18.08	\$723.20	\$3,133.87	\$37,606	114%	70%	90%	\$877	\$720	\$108,152	\$98,061

Wage Analysis of Clark County, Nevada: 2001 (continued)

*subtracts out insurance and taxes from monthly housing expense.

**assumes 30-year conventional fixed rate loan.

	Mean Wages				Wage as Percent			Affordable Housing		Mortgage**	
	hourly	weekly	monthly	annual	of Average Wage	of AMI		Monthly	Monthly	7%	8%
	wage(1)	wage	wage		(Henderson)	Henderson AMI	Clark County AMI	Expense	Mortgage*	interest	interest
					\$33,129	\$53,383	\$41,657	28%		rate	rate
Gaming											
Gaming Dealers	\$6.22	\$248.80	\$1,078.13	\$12,938	39%	24%	31%	\$302	\$248	\$37,207	\$33,736
Change Persons and Booth Cashiers	\$9.66	\$386.40	\$1,674.40	\$20,093	61%	38%	48%	\$469	\$384	\$57,785	\$52,393
Surveillance Officers & Gaming Investigators	\$15.15	\$606.00	\$2,626.00	\$31,512	95%	59%	76%	\$735	\$603	\$90,625	\$82,169
Gaming Supervisors	\$17.61	\$704.40	\$3,052.40	\$36,629	111%	69%	88%	\$855	\$701	\$105,340	\$95,512
Personal Care and Service Occupations											
Child Care Workers	\$7.39	\$295.60	\$1,280.93	\$15,371	46%	29%	37%	\$359	\$294	\$44,206	\$40,081
Concierges	\$11.71	\$468.40	\$2,029.73	\$24,357	74%	46%	58%	\$568	\$466	\$70,047	\$63,512
Personal and Home Care Aides	\$7.46	\$298.40	\$1,293.07	\$15,517	47%	29%	37%	\$362	\$297	\$44,625	\$40,461
Nonfarm Animal Caretakers	\$10.96	\$438.40	\$1,899.73	\$22,797	69%	43%	55%	\$532	\$436	\$65,561	\$59,444
Construction Occupations											
Carpenter	\$20.13	\$805.20	\$3,489.20	\$41,870	126%	78%	101%	\$977	\$801	\$120,414	\$109,179
Electrician	\$21.98	\$879.20	\$3,809.87	\$45,718	138%	86%	110%	\$1,067	\$875	\$131,481	\$119,213
Construction Laborer	\$14.70	\$588.00	\$2,548.00	\$30,576	92%	57%	73%	\$713	\$585	\$87,933	\$79,729
First-Line Supervisor/ Construction Manager	\$23.90	\$956.00	\$4,142.67	\$49,712	150%	93%	119%	\$1,160	\$951	\$142,966	\$129,627
(1) Source: Occupational Employment Statistics (OES)/ Wage Survey; Nevada Department of Employment, Training & Rehabilitation											

Geographic Affordability

Area Median Income (Henderson)	\$53,383
Area Median Income (Clark County)	\$41,657

Homeowner Housing

Annual Wage (and % AMI) and Down Payment Needed to Buy Various Priced Homes (at 7% interest rate)

	Sales Price	Down Payment	Mortgage Amount	Monthly Mortgage at 7% interest	Total Monthly Cost***	Annual Income	Percent of AMI (Henderson)	Percent of AMI (Clark County)
Average Home Price, 89012*	\$271,411	\$13,571	\$257,841	\$1,715	\$2,092	\$89,656	168%	215%
Average Home Price, 89014*	\$217,017	\$10,851	\$206,166	\$1,372	\$1,673	\$71,688	134%	172%
Average Home Price, 89015*	\$178,174	\$8,909	\$169,265	\$1,126	\$1,373	\$58,857	110%	141%
Median Home Value, 2002**	\$185,684	\$9,284	\$176,400	\$1,174	\$1,431	\$61,338	115%	147%

Annual Wage (and % AMI) and Down Payment Needed to Buy Various Priced Homes (at 8% interest rate)

	Sales Price	Down Payment	Mortgage Amount	Monthly Mortgage at 8% interest	Total Monthly Cost***	Annual Income	Percent of AMI (Henderson)	Percent of AMI (Clark County)
Average Home Price, 89012*	\$271,411	\$13,571	\$257,841	\$1,892	\$2,307	\$98,882	185%	237%
Average Home Price, 89014*	\$217,017	\$10,851	\$206,166	\$1,513	\$1,845	\$79,065	148%	190%
Average Home Price, 89015*	\$178,174	\$8,909	\$169,265	\$1,242	\$1,515	\$64,913	122%	156%
Median Home Value, 2002**	\$185,684	\$9,284	\$176,400	\$1,294	\$1,578	\$67,649	127%	162%

*Source: www.realtor.com, June14, 2002

**2000 Census; assumes 9.1% appreciation per year (www.homestore.com)

***includes property taxes, homeowner & mortgage insurance

Rental Housing

Comparable Monthly Rent and Mortgage/Tax/Insurance Payments

	Monthly Housing Expense	Comparable Monthly Mortgage*	Affordable Mortgage 7% interest rate	Affordable Mortgage 8% interest rate	Monthly Income	Annual Income	Percent of AMI (Henderson)	Percent of AMI (Clark County)
2001 FMR (2-bedroom)	\$783	\$642	\$96,506	\$87,502	\$2,796	\$33,557	63%	81%
2001 FMR (3-bedroom)	\$1,090	\$894	\$134,345	\$121,810	\$3,893	\$46,714	88%	112%
Median Rent, 2000 Census	\$857	\$703	\$105,627	\$95,772	\$3,061	\$36,729	69%	88%
Overall Rental Rates 9/99, 89012	\$897	\$736	\$110,557	\$100,242	\$3,204	\$38,443	72%	92%
Overall Rental Rates 9/99, 89014	\$781	\$640	\$96,260	\$87,279	\$2,789	\$33,471	63%	80%
Overall Rental Rates 9/99, 89015	\$717	\$588	\$88,372	\$80,127	\$2,561	\$30,729	58%	74%

*affordable monthly mortgage plus taxes and insurance equals monthly housing expense.

(6) Affordability defined as a household spending no more than 28 percent of its monthly income towards housing expenses.

The table on the following page further details the incomes necessary to rent or own affordable housing in Henderson. The chart illustrates the “tipping point,” by percent of median income, at which households can begin to afford the average priced home in the illustrative three Zip Codes.

The following represents the findings in the least expensive of the three illustrative zip codes, East Henderson’s 89015:

- At current prices, it takes a household earning approximately 10 percent above the median income (or \$58,721) to purchase the average-priced home of \$178,174.
- The monthly housing costs for this home (\$1,373) are 26 percent greater than the FMR for a three-bedroom unit (\$1,090).
- Renters able to afford this FMR, those earning 88 percent of AMI, can only afford to purchase homes at 79 percent of this average price (or \$141,416), provided they can obtain the required down payment and closing costs.

The following statistics illustrate the affordability crisis in West Henderson’s most expensive Zip Code, 89012:

- A household must earn approximately 68 percent above the median income (or \$89,656) to purchase a home at the average sales price of \$271,411.
- The monthly housing costs (\$2,092) for this average-priced home are 92 percent greater than the FMR for a three-bedroom unit (\$1,090).
- Renters that earn 88 percent of AMI (or \$46,714) are able to afford this FMR in Henderson. However, these households can only afford to purchase homes at 52 percent of this average sales price (or \$141,416), which assumes that they can obtain the required down payment and closing costs.

Renting versus Owning: the Tipping Point

Area Median Income (Henderson)	\$53,383
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Percent of AMI	Monthly Wage	Affordable Monthly Expenses	Affordable Monthly Mortgage	Affordable Mortgage*	Affordable Sales Price**
10%	\$445	\$125	\$102	\$15,352	\$16,160
20%	\$890	\$249	\$204	\$30,705	\$32,321
30%	\$1,335	\$374	\$306	\$46,057	\$48,481
40%	\$1,779	\$498	\$409	\$61,409	\$64,641
50%	\$2,224	\$623	\$511	\$76,762	\$80,802
60%	\$2,669	\$747	\$613	\$92,114	\$96,962
70%	\$3,114	\$872	\$715	\$107,466	\$113,122
80%	\$3,559	\$996	\$817	\$122,819	\$129,283
90%	\$4,004	\$1,121	\$919	\$138,171	\$145,443
100%	\$4,449	\$1,246	\$1,021	\$153,523	\$161,604
110%	\$4,893	\$1,370	\$1,124	\$168,876	\$177,764
120%	\$5,338	\$1,495	\$1,226	\$184,228	\$193,924
130%	\$5,783	\$1,619	\$1,328	\$199,580	\$210,085
140%	\$6,228	\$1,744	\$1,430	\$214,933	\$226,245
150%	\$6,673	\$1,868	\$1,532	\$230,285	\$242,405
160%	\$7,118	\$1,993	\$1,634	\$245,637	\$258,566
170%	\$7,563	\$2,118	\$1,736	\$260,990	\$274,726
180%	\$8,007	\$2,242	\$1,839	\$276,342	\$290,886

*assumes 7% annual interest rate

**assumes the ability to make a 5% down payment

	can afford to buy average priced house in East Henderson (89015)	\$178,174
	can afford to buy average priced house in West Henderson (89014)	\$217,017
	can afford to buy average priced house in West Henderson (89012)	\$271,411

V. Future Housing Needs

Housing Affordability

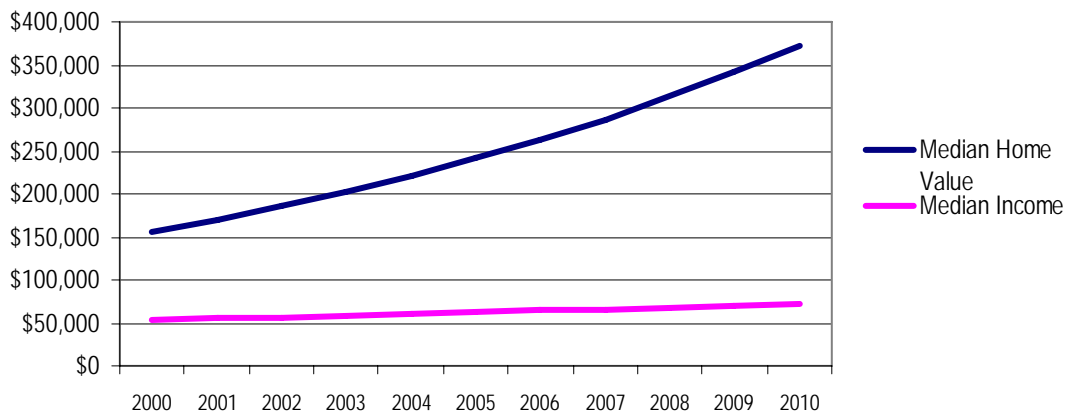
The projections below of median home value to median income assume a continuation of today's trends – 9.10 percent annual home appreciation¹³ and 3.12 percent annual wage inflation¹⁴. The following two charts illustrate graphically that Henderson's housing affordability gap will increase dramatically over the remainder of the decade.

Comparison of Median Home Value to Median Income

	Median Value	Appreciation	Median Income	Wage Inflation	Median Value/ Median Income
2000	\$156,000	9.10%	\$53,383	3.12%	2.92
2001	\$170,196	9.10%	\$55,050	3.12%	3.09
2002	\$185,684	9.10%	\$56,769	3.12%	3.27
2003	\$202,581	9.10%	\$58,542	3.12%	3.46
2004	\$221,016	9.10%	\$60,370	3.12%	3.66
2005	\$241,128	9.10%	\$62,255	3.12%	3.87
2006	\$263,071	9.10%	\$64,199	3.12%	4.10
2007	\$287,011	9.10%	\$66,204	3.12%	4.34
2008	\$313,129	9.10%	\$68,271	3.12%	4.59
2009	\$341,623	9.10%	\$70,403	3.12%	4.85
2010	\$372,711	9.10%	\$72,602	3.12%	5.13

Sources: U.S. Census Bureau, ehome.com, Henderson 2002 Economic & Demographic Overview, Nevada Department of Employment, Training & Rehabilitation

Median Home Value versus Median Income

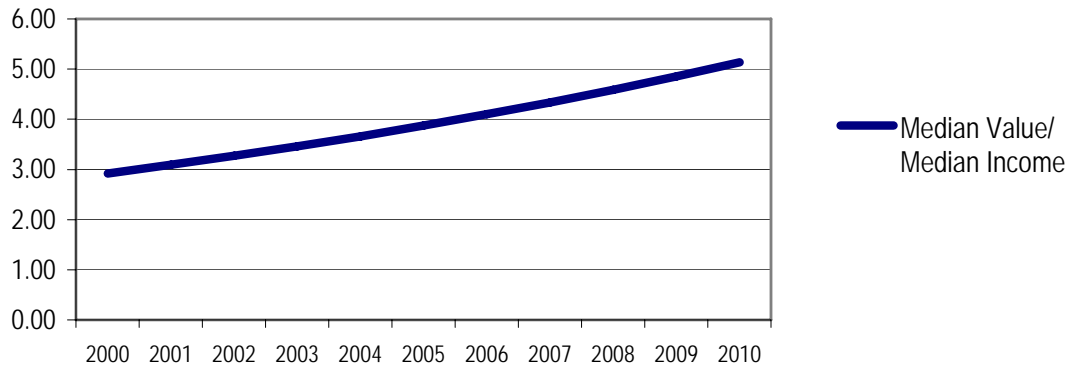


¹³ Source: <http://www.ehome.com/ehome/buyers/neighborhoodprofile.asp>

¹⁴ This is an average wage inflation based on inflation of average wage in Clark County between 1998-1999 and 1999-2000 (Nevada Department of Employment, Training, and Rehabilitation).

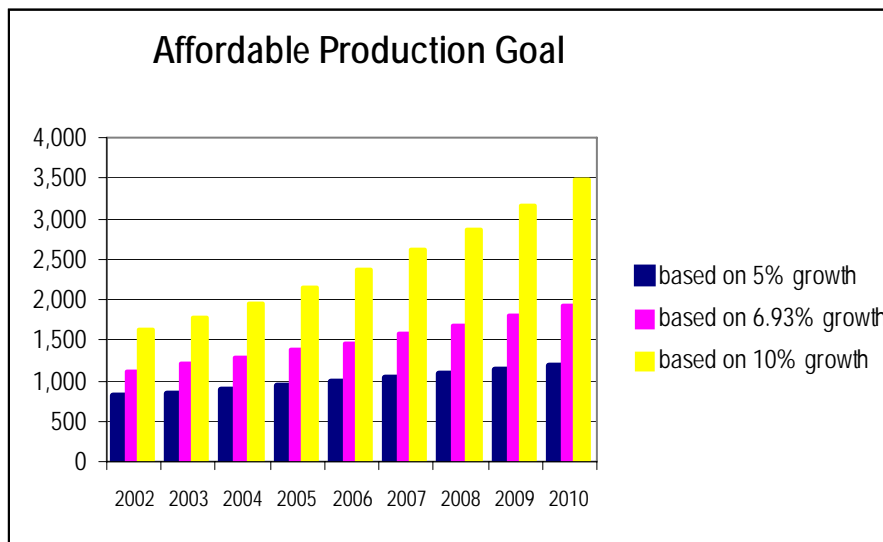
Currently, the ratio of the median home value to the median household income in Henderson is 3.27 and could increase to as high as 5.13 by 2010. Assuming that this ratio should parallel the current affordable housing cost-to-income ratio of around 3:1, the year 2010 will provide far less options for affordable housing than exist today. As a result of this analysis, it is concluded that the production of affordable units will be Henderson's greatest housing need over the next 8 years.

Ratio of Median Home Value to Median Income



Closing the Gap

As stated, this gap will continue to make housing increasingly unaffordable. However, if at least 20 percent of all new units produced are affordable to low-income households, the number produced annually would range from a low of 810 units (assuming 5 percent growth) in 2002 to as high as 3,473 units (assuming 10 percent growth) in 2010. The following graph illustrates how these production levels can be achieved given different growth assumptions.



VI. Conclusion

In summary, Henderson's population is projected to grow significantly over the next decade, at an average of 5 percent a year. The elderly subpopulation is expected to grow at an even faster rate of 7 percent annually. The changes in population composition will effect the type of units being produced and the services needed throughout the next 8 years. The number of housing units produced, however, will likely exceed the growth in households by 2010, based on a projected range of 5-10 percent annual growth in housing units.

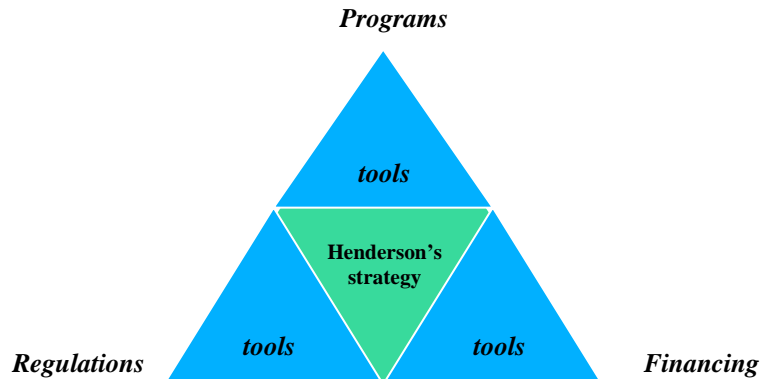
Even with the increase in units, it is becoming less possible for low-income households and average-wage workers to purchase an average-priced home in East Henderson, and even more difficult in West Henderson. Between the increasing cost of newly constructed units and the appreciation of existing units, affordable housing is expected to be the number one housing need in Henderson throughout the decade.

Chapter Three: Framework and Approaches to Community Planning and Development

I. Planning Framework

Within the context of affordable housing, community planning and development is framed around three major components: programs, regulations, and financing. Within this framework, a city can develop specific strategies based upon an accurate assessment of the need, demand, and supply of affordable housing and its supporting infrastructure. Successful strategies emerge from the appropriate mix and use of these components as described in the following chapter. The diagram below shows these relationships conceptually.

Community Planning and Development Framework



II. Approaches to Development

Several effective approaches to community planning and development have emerged in many communities that are utilizing this mix of financial, regulatory, and programmatic tools. These include developing mixed-income communities, inclusionary housing, healthy communities, workforce housing, smart growth and sustainable development.

Mixed-income communities

The goal of mixed-income communities is to eliminate concentrated poor urban areas and the problems, such as crime, drugs, and unemployment, which typically accompany them. By integrating households earning various incomes and providing them with security, maintenance, and social services, these communities become both viable and desirable. Furthermore, advocates believe that working-class residents can serve as role models to low-income residents, especially the children, and can encourage “upward mobility.”

New Settlement, a mixed-income community owned and operated by Settlement Housing Fund (SHF) in New York City, claims that they have seen a dramatic decrease in crime and an increase in employment, which they attribute to the income mix and available supportive services and amenities. Seventy percent of the units are affordable to low-income households, some of which were formally homeless.

Similarly, the Chicago Housing Authority (CHA) and the non-profit Chicago Dwellings Association (CDA) have created a Mixed-Income New Communities Strategy (MINCS) to rehab some of the City's public housing. At CHA's Lake Parc Place, low-income families live in half of the units and working-class families live in the other half. The CHA Chairman maintains that crime and graffiti have virtually been eliminated in the development and 15 to 20 percent of the previously unemployed households now have at least one member working.

Inclusionary Programs

Inclusionary programs encourage the development of affordable housing units among market-rate units. Among the various types of inclusionary programs are density bonuses, transfers, flexible zoning and development standards, and infill development.

Montgomery County, Maryland was a pioneer of developing a local inclusionary housing program. As described on page 35, the County requires that developers of 50 or more units of housing to make 12.5 to 15 percent of the units affordable. In return, developers receive a density increase of up to 22 percent. The County controls selling price of the units for 10 years and rental rates for 20 years to ensure affordability. As described in Chapter Four, Denver recently passed an inclusionary zoning ordinance and San Diego has one under development as well.

To establish inclusionary housing ordinances in San Diego and Denver, both cities have used participatory processes, which have involved the City Council, local planning or housing commissions, community residents and other stakeholders. In Denver, it took nearly three years of debate and revisions to the legislation before its approval in August of 2002. This length of time, however, has ensured a participatory process among the stakeholders.

The matrices in Appendix II compare the elements of these ordinances, and Appendix III includes an overview of inclusionary zoning/housing programs.

Healthy Communities

The concept of healthy communities embraces the idea that a healthy environment makes for healthy families and a superior quality of life. Over the past ten years, the National Civic League (NCL) has helped communities across the country improve their quality of life through healthy communities initiatives. According to the NCL, communities across the country have defined "healthy communities" as those that have:

- a clean and safe environment
- a diverse and vibrant economy

- good housing for all
- people who respect and support each other
- a place that promotes and celebrates its cultural and historical heritage
- a place where citizens and government share power
- a place that has affordable health care for all
- a place that has good schools
- a place that has and supports strong families¹⁵

The Colorado Trust initiated the Colorado Healthy Communities Initiative (CHCI) in 1992 to bring together local leaders, government agencies, business people, citizens, and nonprofit organizations to discuss quality of life and health issues and to develop programs to address those issues. Twenty-eight communities in Colorado have participated in the Initiative, which was administered by the National Civic League.

Smart Growth

Smart growth is the notion of planning responsibly for future growth and where it should be located, using principles such as mixed-use and high density development, a range of housing options, walkability, open space, and public transportation.

Boulder, Colorado exemplifies smart growth through its use of urban growth boundaries. In addition to the City’s “urban-service areas” that have been in place since 1978, the County observes strict growth controls to protect open space. The combination of these efforts have resulted in a coordinated effort to manage growth responsibly.

Sustainable Development

The Brundtland Commission Report of 1987 first introduced the concept of sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainable development has become a paradigm today for communities that strive for social well-being, economic opportunity, and environmental quality.

Chattanooga, Tennessee is one of the best examples in this country of a community that has embraced sustainable development and transformed its quality of life, after being named the “worst polluted city in the country” in 1969. During the past decades, the City has focused on reducing industrial pollution, enhancing downtown transportation, encouraging fair and affordable housing, cleaning up the Tennessee River, and creating more community facilities and open spaces.

Chattanooga has maintained sustainable development as its approach to implementing economic development, while preserving natural resources and respecting the environment. The City utilizes the community-driven Millennium III planning process, which focuses on Chattanooga’s social and economic needs and helps establish final goals and projects for the 21st century.

¹⁵ National Civic League, Healthy Communities Initiatives:
www.ncl.org/cs/services/healthycommunities.html

Workforce Housing

The workforce housing approach promotes safe, decent and affordable housing in a mixed-income environment typically for households earning 60 to 120 percent of the area median income (AMI). The approach seeks the support of local employers and encourages sustained employment among low-income households.

The Chicago Metropolis 2020, a group made up of senior executives and representatives of labor, government, faith-based groups, and other civic organizations in the metropolitan Chicago region, recently released a report and action agenda for developing attainable workforce housing in its region¹⁶. The agenda addresses the region's affordable housing crises—over 730,000 families, or 25 percent of those in the region, spend more than 30 percent of their income on mortgage or rental payments. To exacerbate the crisis, 100,000 families are paying over 50 percent of their income towards monthly rental expenses and are severely cost burdened¹¹.

Chicago Metropolis 2020 attributes the lack of attainable housing partially to a mismatch between the location of new jobs and the location of affordable, workforce housing. The agenda focuses on specific action items, but acknowledges the following as overall needs to increase the supply of such housing:

- Expansion of the HUD voucher program in the region;
- Expansion of the Low-Income Housing Tax Credit program;
- Support for programs that allow lower income families to purchase homes;
- Implementation of the very ambitious Chicago Housing Authority Transformation Plan which called for the replacement of many CHA high-rise properties with new mixed-income developments;
- Business support for Employer-Assisted Housing (EAH);
- Reform of Cook County tax classification system so that the tax on rental housing would be reduced; and
- Creation of a new private sector compact related to workforce housing, mass transit and job creation.¹¹

¹⁶ “Recommendations for Developing Attainable Workforce Housing in the Chicago Region,” Chicago Metropolis 2020; Summer 2002: pages 2-4.

Chapter Four: Affordable Housing Strategy and Implementation Tools

I. Affordable Housing Strategy

Henderson’s Comprehensive Plan, which is being updated, provides a broad framework for development. The Plan’s current housing goals include:

- Providing an ample selection of housing opportunities for families and individuals of various socioeconomic levels.
- Increasing affordable housing opportunities throughout the City.
- Encouraging masterplanned residential communities that provide a variety of housing types and lifestyles.
- Encouraging housing compatibility criteria.

Implementation of the Policy Plan and the accomplishment of its objectives depend heavily upon the refinement and integration of its elements into the revised Comprehensive Plan. The Policy Plan’s goals and objectives, found in the next chapter, make it possible to include relevant portions of the Policy Plan in the revised Comprehensive Plan.

As a bridge between the Comprehensive Plan’s twenty-year horizon and the more immediate action steps detailed in the City’s Consolidated Plan, the Affordable Housing Policy Plan focuses upon strategy development and the acquisition of tools and resources to accomplish mid-range goals and objectives related to affordable housing. Although more narrowly focused than these plans, which address a wider range of social issues, housing tenures, and diverse populations, the Policy Plan nonetheless recognizes the importance of creating and maintaining a good quality of life for all of Henderson’s citizens.

While covering the remainder of the decade, several considerations “front-load” the use of these tools and the plan’s implementation strategies. Foremost is the immediate need for affordable housing, followed closely by the release of BLM land for development and Henderson’s plans to build a new college.

Given these needs and opportunities, **workforce housing** appears to be the most appropriate development approach to focus upon in this Plan. Due to the increasing demand to rent or purchase a home affordably and the severely limited availability of affordable housing for working families, increasing numbers of workers are being forced to live greater distances from Henderson’s jobs and perhaps to find alternative residence and employment outside of Henderson.

In addition to creating difficulties in stabilizing and expanding Henderson’s workforce, this situation will lead to difficulties in delivering basic public services and the inability

to maintain the character of Henderson’s existing population. Unless addressed, Henderson’s population will continue to grow older and more needy as younger households increasingly cannot find or afford a place to live.

By its very nature, workforce housing, targeted to those households earning from **60 to 120 percent** of the area median income, works with the private sector to mix incomes and scatter affordable housing opportunities geographically, avoiding the negative impacts and unintended consequences of some Federally assisted housing. This is housing for Henderson’s nurses, teachers, firefighters and police, and others employed in critical service areas.

By investing in affordable workforce housing initiatives, as described in the next two chapters, Henderson can seize opportunities to help stabilize employees, boost employee morale, and improve the quality of their lives at work and at home. This is clearly a “win-win” situation – employers gain increased loyalty and reduced turnover, employees reduce commuting costs and time and are able to purchase a home affordably, and the community benefits from a stable tax base, less traffic and pollution.

To achieve this objective, the Policy Plan places emphasis upon the dispersal and integration of workforce housing into mixed-income model communities throughout Henderson. As an implementation strategy, the Plan embraces the use of tools identified as particularly beneficial to the production and rehabilitation of affordable housing. These tools represent the broad spectrum of programs, regulations, and financing available to impact the supply, demand, and potential investment in Henderson’s affordable housing.

As one of its guiding principles, the Policy Plan’s elements maintain a revenue neutrality; i.e., plan elements maintain or add to the community’s resources rather than diminishing them. This synergy is created by leveraging public and private development initiatives and linking their added-value to other beneficial endeavors. An excellent example of this benefit is the potential use of proceeds generated by new development in West Henderson to promote redevelopment in East Henderson.

The introduction of such inclusionary housing practices involves close cooperation and partnerships that move away from traditional low-end housing developments that neither reflect Henderson’s current character, nor its envisioned future.

II. Affordable Workforce Housing Implementation Tools

TWENTY-ONE PROPOSED TOOLS

The TAC reviewed existing tools, policies, and best practices used nationwide to determine twenty-one potential affordable housing tools with potential application in Henderson. Appendix IV describes these tools in greater detail and Appendix V provides examples of cities where they are being utilized.

The tools were presented in three categories to City staff at the Technical Advisory Committee kickoff meeting according to their primary impact upon demand, supply, or investment. These tools, which were further defined as primarily **financial (f)**, **regulatory(r)**, or **programmatic (p)**, are listed below:

Affordable Housing Tools

Demand-Side	
• Employer-Assisted Housing	<i>f</i>
• Purchase/rehabilitation loans and guarantees	<i>f</i>
• Enhanced buyer and tenant counseling/training	<i>p</i>
• Marketing existing neighborhoods and communities	<i>p</i>
• Individual Development Accounts (IDAs)	<i>f/p</i>
Supply-Side	
• In-fill lot acquisition and clearance/new construction	<i>p</i>
• Land-banking/land trusts	<i>p</i>
• Inclusionary set-asides/bonuses	<i>r</i>
• Coordinated infrastructure (re)development	<i>p</i>
• Housing code and systematic code enforcement	<i>r</i>
• Property maintenance codes	<i>r</i>
• Expedited plan reviews	<i>r</i>
• Flexible implementation of codes/design standards	<i>r</i>
• “Downzoning” land use plan modifications	<i>r</i>
Investment	
• Linked deposits/investments	<i>f</i>
• Trusts/revolving loan funds	<i>f</i>
• Housing partnerships (public/private/non-profit)	<i>p</i>
• Revisions to State’s LIHTC Qualified Allocation Plan	<i>p</i>
• Section 279 TIF funds	<i>f</i>
• State and Federal grants	<i>p</i>
• BLM land sales	<i>f/p</i>

TAC’S TWELVE TOOLS FOR HENDERSON

After the kickoff meeting, the TAC ranked the 21 proposed affordable housing tools as to their appropriateness for use in Henderson. The following pages are devoted to descriptions, examples and applications in Henderson for the top twelve tools. The chart below lists the twelve proposed financial, regulatory, and programmatic tools. While some, such as loans and counseling, are in use, most offer a new or enhanced approach to tackling Henderson’s affordable housing needs and objectives.

TAC Proposed Tools

Financial Tools
<ul style="list-style-type: none"> • Employer-Assisted Housing • Purchase/rehabilitation loans and guarantees • Linked deposits/investments • Section 279 TIF funds • Trusts/revolving loan funds
Regulatory Tools
<ul style="list-style-type: none"> • Inclusionary set-asides/bonuses • Property maintenance codes • Flexible implementation of codes/design standards
Programmatic Tools
<ul style="list-style-type: none"> • In-fill lot acquisition and clearance/new construction • Enhanced buyer and tenant counseling/training • Housing partnerships (public/private/non-profit) • BLM land sales

Infill Housing

Description

Infill is the process of developing new housing units in already established neighborhoods. Infill takes place when an existing structure is torn down and replaced with a new one, or when an empty lot is developed. A major advantage of infill development is the presence of existing infrastructure and services available to the area.

Application in Henderson

Infill housing development plays an important part in the revitalization of Henderson's older areas. This type of development affords the opportunity to address long-standing issues with property titles and ownership, declining housing conditions, and non-conforming lot sizes and uses. Through the aggregation of property, infill development provides a vehicle to amass land sufficient to undertake larger scale projects, provide on-site amenities, and ensure design integrity.

Many communities utilize eminent domain or condemnation to acquire infill properties, but this type of development can also be accomplished through voluntary sales in situations where speculation has not driven prices beyond their fair market value.

Redevelopment plans for downtown Henderson call for this type of infill through development of higher density rental, mixed use, and ownership projects. Other parts of West Henderson have benefited and stand to benefit further from infill development to alleviate problems with housing conditions, property maintenance, and mobile homes.

examples

Orlando, Florida: Tandem Single-Family Development

- Pioneered the concept of allowing subdivisions to include "tandem single family development" as a conditional use on lots that allow duplex development.
- Requires a minimum separation of 10 ft. between structures, with no less than 5 ft. on each side of the property line.
- Design requirements encourage consistency with the existing development pattern of the neighborhood.

Daly City, CA: Second Unit Ordinance

- Permits the development of accessory apartments by right. Created 400 affordable units in less than ten years.

High Point, NC: Infill Housing Reimbursement Program

- Provides up to \$10,000 per unit for construction of homes for first-time buyers in core city neighborhoods.
- \$100,000 in local general funds are committed to this program.
- In 1997 ten homes were constructed through this program.

Phoenix, Arizona: Infill Housing Program

- Encourages the development of single-family, owner-occupied housing on vacant, orphaned, or underutilized land located in the mature portions of Phoenix.
- Quality house construction through higher development standards.
- Encourages and focuses on owner-occupied housing.
- Encourages development of infill housing through various incentives: waiving up to \$1,000 of building permit review and permit fees; waiving the Development Occupation Fees for water and sewer; waiving up to \$50 for a fence permit; and waiving up to \$500 per house/subdivision for development processing fees.

BLM Land Sales

Description

Henderson recently annexed 6,200 acres adjacent to southwest Henderson. The City is requesting 1,500 acres be released from the BLM through its auction process. The City has entered into discussions with HUD and the BLM to develop cooperative agreements and set aside significant portions of land for affordable housing. Henderson’s planning for annexation and land sales is a significant element of the City’s plan for growth management and offers a real opportunity to encourage significant increases in affordable housing production.

Application in Henderson

The provisions of the Southern Nevada Public Land Management Act (PL-105-263) provide for the sale of land for affordable housing.

This process can be utilized as a model to demonstrate the benefit of mixed income, scattered site development. The challenge is to establish a policy for this sale that offers flexibility in its resale and accommodates the objectives of scattered site development.

An essential element of this process is setting the discount appropriately to make the project affordable.

The City, and other jurisdictions, are working closely with the Nevada State Offices of HUD and the BLM to develop this policy and to effect its implementation through an approved federal land-use plan and nomination process. This includes preparing development and action plans depicting the number and types of properties to be constructed, and descriptions of the target population, construction schedule, and related projects.

examples

Northern Las Vegas: BLM Land Sale

- The pending dispositions of land under the provisions of the Southern Nevada Public Land Management Act are the first sales of BLM land to include discounts that encourage affordable housing development.

A recent BLM land sale in the North Las Vegas area suggests that without these provisions, land will continue to sell above its fair market value, and as a result, these parcels and housing will remain unaffordable to many.

Purchase/Rehabilitation Loans and Guarantees

Description

Loans for down payment and closing cost assistance increase a household’s purchasing power and provide the needed link to enable homeownership.

A purchase guarantee is a tool that works to achieve long-term affordability in areas where there is potential for depreciation. It is a vehicle by which an owner is guaranteed a fair return in the event of unprofitable property resale. This return is guaranteed by providing the difference between the resale price and the original purchase price plus improvements. This is often tied with marketing initiatives, and addresses the lack of confidence in older parts of communities.

Application in Henderson

The City’s housing programs are administered by the Neighborhood Services Division to provide assistance to homebuyers and owners. Currently, the Division administers the following programs: the HOME Program, Interest-Free Deferred Loans; Emergency/Repair Grant; Low-Interest Loans; Lead Paint Hazard Reduction Grant; First Time Homebuyer Program; Affordable Housing Production; General Contractors; and Affordable Rental Housing.

Loan guarantees, allowed under Federal regulations, also could be utilized to leverage public funds as part of public-private lending partnerships.

examples

Richland, WA: Downpayment Assistance Program

- Assists qualified low and moderate income first-time home buyers with up to 50% of the down payment, and closing costs and other associated costs payable at the time of closing.
- Assistance is in the form of a 0% interest loan, with repayment deferred until sale or transfer of the property.

Boise, ID: Assistance in Building Homes

- Helps low- and moderate-income families build a home, by lending up to \$25,000 for a residential lot.
- 5.5% interest, 30-year term, payments deferred for 5 years if family is 65% or less of median family income.
- U.S. Bancorp provides up to \$67,000 @ 7.5%, 30 years for the construction loan.

Fresno, CA: Downpayment and Closing Cost Assistance

- 3.5% interest, 20-year term, which is forgiven unless the property is transferred.
- Buyer must provide from \$2,000 to \$4,000 from own resources to qualify.

Cambridge, MA: Soft Second Mortgage Program

- Reduces a borrower’s monthly costs by dividing the loan into two components: a conventional 30-year fixed rate loan (usually for 75% or less of the purchase price) and a subsidized second mortgage (interest only for 10 years).
- Program has a 5% down payment requirement, more flexible underwriting than many conventional mortgage products, and lower closing costs.
- Eligibility is contingent upon a family moderate income, completion of a first-time homebuyer class, and meeting with a Housing Access Counselor.
- Program is funded by the state and loans are available through seven lenders.

Housing Partnerships

Description

Housing partnerships are created by different entities joining together, based on expertise and resources, to create affordable housing. This is often used as a vehicle to leverage private funds. Non-financial types of leveraging include “executives on loan” and volunteers.

Application in Henderson

Numerous examples of formal and informal partnerships - with community groups, Fannie Mae, the State of Nevada, and Federal agencies, among others - are underway in Henderson. One example of a partnership is that of Nevada Fair Housing, WDC, and Nevada Power, who together provide homebuyer counseling.

Opportunities exist to strengthen these relationships and to establish new ties with non-profits, conventional lenders, and public and private community stakeholders through these types of partnerships.

examples

Jackson, MS: Jackson Metro Housing Partnership

- Formed in 1992 to bring resources of various sectors together to increase homeownership.
- Partnership between the City, financial institutions, private businesses, and non-profit organizations.
- The City sends 85% of the federal money it receives for housing to the partnership, and contributes to infrastructure improvements in areas targeted by the partnership.
- Services range from loans for existing houses to working with groups to build new affordable units.
- Received a “Best Practice” by the U.S. Conference of Mayors.

Houston, TX: HouseHouston

- Partnership between the City of Houston and Fannie Mae, launched in 1995 to help 30,000 families through a \$2 billion five-year investment.
- 3 goals of the partnership: expanding homeownership opportunities; increasing multifamily affordable housing; and raising homeowner awareness and building counseling capacity.
- By 1998, the \$2 billion investment had benefited 36,000 families. The partnership was renewed in 1999, with a \$3.8 billion commitment to assist 60,000 families.

Enhanced Buyer and Tenant Counseling/Training

Description

Counseling and training aim to expand the market for lower-income households to become homebuyers and responsible tenants. They help households secure property (pre-purchase) and maintain it (post-purchase), often in conjunction with credit repair and life-skills training.

Application in Henderson

Most lending programs now require homebuyer training, and attention is increasingly turning toward maintaining this property once it is acquired.

As opportunities for first-time homeownership increase, additional emphasis upon credit and life-skill counseling will be needed. It will become increasingly important to ensure that a wider range of prospective buyers is prepared for the duties and responsibilities of owning a home and becoming good neighbors, both as tenants and owners.

Vehicles such as homebuyer clubs, saving plans, and lease-purchase and employer-assisted housing programs can be utilized to assist those less prepared to assume ownership due to financial or credit issues.

Currently, a partnership consisting of Nevada Fair Housing, WDC, and Nevada Power provides first-time homebuyer counseling. In addition, the Economic Opportunity Board (EOB), a local non-profit, provides this service in-house.

examples

Chattanooga, TN: "Fastrak to Homeownership"

- Chattanooga Neighborhood Enterprise (CNE) nonprofit originated this Fannie Mae-approved, nationally recognized training program.
- Two hundred public and private groups use the program nationally.
- After performing an initial assessment, participants are steered to either one-on-one counseling or a Life Skills course (household financing, home maintenance, personal growth, and pre-purchase homebuyer training) before beginning the Fastrak instruction, or they begin the Fastrak course immediately.
- Fastrak covers budgeting, underwriting and credit, finding a home, financing, the mortgage process, and post-purchase topics such as home maintenance, default, and foreclosure. CNE also provides mortgage loans with a default rate of less than 2%.

New Orleans, LA: Neighborhood Development Foundation (NDF)

- NDF is an affiliate of The Enterprise Foundation, which helped to establish the organization.
- Major elements of its homeownership program are financial counseling, homeowner training workshop and landlord training.
- The NDF program quickly became a national model because of its success in creating homeowners without using any incentives, such as mortgage subsidies, or new homes offered at discount prices. NDF has served as a consultant to Enterprise-affiliated housing organizations that wanted to start similar programs.
- Annual output (based on 1995 data) is 455 clients trained and 209 clients became homebuyers.

Housing Trusts/ Revolving Loan Funds

Description

Housing trusts are dedicated sources of revenues that are contributed to housing activities on an ongoing basis to create a permanent source of revenues. With Revolving Loan Funds, proceeds from loans are recycled to make additional loan funds available for others.

Application in Henderson

Creation of a trust fund requires identification of a significant and sustainable funding source(s). Revolving loan funds, however, could act as conduits for smaller revenue streams generated by such diverse sources as tax increment financing (TIF), loan repayments, linkage funds and other private contributions and exactions.

Currently, the State of Nevada funds a statewide program for affordable housing, the Account for Low-Income Housing Trust Fund¹⁴. Funds from the trust are allocated by formula to participating jurisdictions (state and local governments) to expand and improve the supply of rental housing through new construction and rehabilitation of multifamily projects. Funds from the State Trust may also be used to provide financing for down payment assistance and homeowner rehabilitation of single-family residences, and to provide emergency assistance to families who are in danger of becoming homeless.

Funding is supported with a real property transfer tax of ten cents for each \$500 of value or fraction thereof. All funds allocated must be used to benefit individuals and families whose incomes do not exceed 60% of the area median income, as defined by the U.S. Department of Housing and Urban Development.

These funds have been utilized in Henderson to provide emergency rental assistance through Henderson Allied Community Advocates (HACA). Other uses and the creation of other funds are possible.

¹⁴http://www.nvhousing.state.nv.us/low_income/liindex.htm

examples

Chicago, IL: Low-Income Housing Trust Fund

- Efforts of housing and homeless advocates led to the creation of the fund.
- Average annual expenditure of \$700,000.
- Revenue sources: interest from bond fees used to capitalize the fund; fees charged for first-time homebuyer program.
- 300-plus units supported annually.
- Benefits households earning up to 50% of the median income.

Santa Clara Co, CA: Housing Trust Fund of Santa Clara County (HTSCC)

- Extreme affordable housing crisis in Santa Clara County, located in the middle of Silicon Valley, where households making \$50-70,000 a year are at the poverty level.
- Lack of adequate financing was a chronic barrier to the development of affordable housing.
- In 1999, a group of community leaders and private executives created the public-private partnership, HTSCC, to leverage existing housing resources and to build up revolving loans and grants.
- Corporate and community investors back the HTSCC's three programs: low-interest loans for down payments and closing costs for first-time homebuyers, gap financing for affordable rental housing projects, and assistance to help homeless attain stable housing.

Boulder, CO: Boulder Community Housing Assistance Program

- An Affordable Housing Task Force created in 1989 suggested that a housing trust fund be started.
- Residential and commercial development taxes and an increase in property taxes made the fund's creation possible.
- Benefits households earning 30 to 60% of the median income.
- Average of \$5 dollars leveraged per project for each dollar contributed by the fund.

Inclusionary Set-asides/bonuses

Description

Inclusionary set-asides and bonuses encourage the addition of affordable housing for low- and moderate-income households among market-rate units.

A set-aside mandates that developers of projects, with specific characteristics, set aside a certain number or percentage of affordable units on- or off-site, or contribute funds in-lieu of this set-aside. A density bonus is an incentive, often used with inclusionary zoning, which allows developers to build more units than typically allowed (lowering the marginal cost per unit) in return for the provision of affordable units.

Application in Henderson

Adding affordable unit requirements to larger rental and sale developments is a highly productive method to produce affordable housing. These provisions leverage public resources while facilitating scattered site development of affordable housing in West Henderson.

East Henderson could also benefit from such inclusionary housing requirements through the adoption of cash payments and off-site development options as an alternative to on-site production in other parts of the city.

At current rates of development, these benefits could easily result in several hundred additional units of affordable housing, or their cash equivalent, annually.

examples

Montgomery County, MD: Inclusionary Housing Program

- Requires that developers of 50 or more units of housing to make 12.5 to 15 percent of the units affordable.
- In return, developers receive a density increase of up to 22 percent.
- County controls selling price of the units for 10 years and rental rates for 20 years to ensure affordability.
- After the time period is up, and units are resold at market-rates, the County shares in the profits.
- The County Housing Authority and a non-profit clearinghouse can purchase up to 40 percent of the affordable units built through this program.
- Sliding scale for the density bonus to encourage and reward higher proportions of affordable housing.

See matrix in Appendix II comparing Denver's inclusionary zoning ordinance and San Diego's proposed program.

Tax Increment Financing

Description

Section 279 of the Nevada Revised Statutes, part 685, states that cities of 300,000 or more that receive revenue from tax increments must set aside a stated percentage for low-income housing. Henderson, with an estimated population of 214,000, is not required to do this, but may opt to set-aside such revenues to: “increase, improve, and preserve the number of dwelling units in the community for low-income households.”

Application in Henderson

While currently voluntary, Henderson’s population growth will soon require mandatory contributions of TIF revenues to affordable housing. These funds could be utilized to encourage new mixed income development in East Henderson as well to facilitate tenant purchases and the rehabilitation of existing properties.

examples

Chicago, IL: Tax-Increment Financing Program

- TIF districts help to improve neighborhoods, restore buildings, provide job training and retention, and create affordable housing.
- To develop TIF districts, the City works with community groups, businesses and developers to identify areas that suffer from problems such as age, obsolescence, illegal uses of properties, deterioration, and lack of maintenance.
- Over 100 TIF districts throughout the City.
- 23-year maximum life of a TIF district.

San Jose, CA: Leveraging Public/Private Financing for Affordable Housing Development

- City won a HUD Best Practice in Community Development for its “super-leveraging” of public and private funds to meet its annual housing production goals, as well as insure high quality housing development for low- and moderate-income households.
- Under California redevelopment law, 20% of annual tax increment dollars are required to be set-aside and utilized for affordable housing activities by each local government and administered by an established Redevelopment Agency.
- The location of many Silicon Valley high technology firms in San Jose helped to generate substantial tax increment dollars, which in turn provided the City with a very flexible source of housing financing compatible with state, federal and private sources.
- In a year’s time, approximately 3,000 multifamily rental units were produced, over 500 homeless transitional shelter beds were provided, and 2,500 first-time homebuyer families were assisted.

Flexible Implementation of Codes/ Design Standards

Description

Flexible implementation of codes/design standards replace specific regulatory requirements with performance-based standards. This flexibility promotes cost-effective construction and rehabilitation.

Application in Henderson

Henderson’s zoning code currently provides a basis for approving new multi-family housing units. The code provides special allowances for density bonuses for elderly projects, and potentially for affordable housing.

Flexible implementation of codes and design standards traditionally deal with building code and subdivision requirements and the waiver or modification of such things as street widths, sidewalk requirements, and minimum lot sizes. Additional focus on green building and energy efficient materials and construction techniques could also yield significant benefit to both the development of affordable housing and the creation of a better environment and quality of life.

examples

Bentonville, AR and Dade County, FL: Zero lot line (ZLL) development

- Increases density in a single family detached environment.
- Showcased in a HUD report (*Removing Regulatory Barriers to Affordable Housing*) as success models for ZLL.
- In Bentonville, the ZLL district allows developers to increase density to 16 houses per acres (including duplexes and detached units), instead of the conventional 4 units.
- Also, average lot cost was reduced 50 – 75%, and streets were narrowed to 24 feet, with sidewalks required on public streets.

Toledo, OH: Linking Energy Efficiency and Affordability

- According to the Alliance to Save Energy, lowering utility bills by 25 percent would facilitate two million more Americans to be homeowners.
- Neighborhood Housing Service of Toledo (NHST) and the U.S. Department of Energy (DOE) are creating Energy Star ® rated homes 30 percent more efficient than the law requires.
- These Energy Star ® rated modular homes, the first developed in Ohio, are 1,700 square feet and use an array of alternative building materials and construction techniques to enable affordability.
- The NHST won the Neighborhood Reinvestment Corporation’s *2001 Winning Strategies: Best Practices in the Work of Homeownership Promotion* award and won the Ohio Governor’s Award for Excellence in Energy Efficiency award in 2000.

Linked Deposits/ Investments

Description

Linked deposits/investments are funds dedicated to housing or related development in anticipation of additional investments or actions. For example, a city may develop a relationship with a banking institution, which will make low-interest loan funds to residents.

Application in Henderson

Linking approval of large-scale commercial developments to required contributions to affordable housing can raise significant funds for affordable housing. This is similar to the obligations established under inclusionary housing/zoning mandates.

Another form of linkage of potential benefit is the deposit of public funds, under favorable terms, in local banks that pledge to engage actively in affordable housing lending.

examples

Loudoun County, VA: Linking Deposits for Housing

- Links a proportion of county deposits (\$5,500,000) in local financial institutions with the affordable housing activities of those institutions.
- Won Virginia Municipal League and Governor’s Housing awards.
- After enabling legislation was secured in the Virginia General Assembly, an RFP was issued to allow equal access among all interested County financial institutions.
- Activities included twenty Affordable Housing Mortgage presentations, Marketing, eight First Time Homebuyers Seminars, \$5,000,000 Home Mortgage funds with no Private Mortgage Insurance, \$3,000,000 in Residential Construction Funds, and Federal Home Loan Bank Funds Advisory Services and presentations to non-profit housing agencies.
- The value of the banks’ housing activities brought about by Loudoun County’s \$5,500,000 investment was calculated at \$8,011,500. The interest income was only \$5,000 below what otherwise would have been earned.

City of Boston, MA: Linkage Ordinance

- Requires developers of major commercial developments to either pay a specified fee to the city or to develop an equivalent value of affordable housing.
- A trust created by the city selects the affordable housing developments for funding and disburses the funds.
- When commercial development affects a surrounding housing market, 10-20 percent of the payments is reserved for that area.

Employer-Assisted Housing

Description

Employer-assisted housing (EAH) is a mutually beneficial means for employers to assist employees with the basic necessity of housing accommodations. There are three general types of assistance used in employer-assisted housing programs, which can each take various forms: interest reduction, principal reduction, and closing cost assistance.

Application in Henderson

Henderson’s larger employers, both public and private, are good candidates for participation in employer-assisted housing programs, since a stable workforce is essential to many sectors of the local economy.

These programs encourage employers to participate in affordable housing efforts by offering contributions to their employees’ down payment or closing costs, indirectly investing in tax credits, or contributing to non-profit employer-assisted programs.

examples

Baltimore, MD: Employee Homeownership Programs

- Helped 213 of the moderate-income members of its 25,000 workforce to buy homes through a homeownership program that provides up to \$10,000 in assistance.
- Employees must have at least \$1,000 of their own money, which the city matches dollar-for-dollar up to \$2,500.
- This is supplemented by a \$7,500 deferred loan with a ten-year term with a declining balance.
- Fannie Mae agreed to purchase the loans and bring together eighteen lenders to make first mortgages.

Yale University: Homebuyer Program

- Provides a homebuyer program for its employees through providing grants of \$2,000 per year for ten years, in addition to \$4,000 for closing costs and home repairs.
- Homeowners must occupy the dwelling for at least two years and it must be located in a neighborhood near the university.
- In the first two years of the program, 227 Yale employees purchased homes (46% were clerical, technical, service, or maintenance workers), requiring a \$4 million commitment by Yale.

Property Maintenance Codes

Description

Property maintenance codes are similar to housing and system codes, though they relate to the exterior conditions of the property. These codes ensure environmental clean-ups, removal of nuisances like junk cars, and elimination of other environmental and health hazards that relate to the environment.

Application in Henderson

Property maintenance has many direct and indirect benefits, such as enhancing property values, building resident and investor confidence, and preserving a good quality of life in Henderson’s older neighborhoods.

Effective property maintenance cannot be accomplished without initiation of a systematic inspection process and enforcement mechanism. Unsightly and unhealthy conditions will continue unless such initiatives are implemented.

A City task force is working on recommendations for staffing, funding, and program operations. It hopes to complete its work by the end of the year. Its recommendations, which must be embraced inside and outside City Hall, should provide the guidance necessary to resolve these issues.

examples

International Property Maintenance Code

- Cities can adopt the International Property Maintenance Code, published by the International Code Council, Inc.
- Code provides standards for the maintenance of property, structures, and equipment located in the city¹.
- Requirements for owners of property to maintain exterior of property, such as: create a safe, sanitary, and clean condition; prevent discharge of smoke, odor, or gases to adjacent properties; prohibit outside storage of unregistered vehicles; and keep area free of weeds or plant growth over 10 inches¹.

South Daytona, FL: Occupational Licenses and Rental Inspection Program

- City requires owners of 1 to 3-unit residential properties to buy an occupational license for each unit.
- \$50 annual license pays for annual inspection based on the standard housing code.
- If violations are not repaired in a timely matter, a lien is put on property.
- Few violations have to go to code enforcement board.

¹ “Publication Summary of International Property Maintenance Code;” Michigan Municipal League.

Chapter Five: Goals and Objectives

As one of its seven Strategic Priorities, the City of Henderson seeks to “ensure quality planning and development as the city grows.” Affordable housing is recognized as an important element of this priority and the priority to “provide safe and strong neighborhoods and maintain neighborhood integrity.”

The following narrative describes actions to advance these priorities based upon the input of citizens, elected officials, and staff who attended focus group sessions and contributed to the development of this Plan. Many of their concerns centered on the increasing cost of housing, the shortage of available land, and the public’s lack of awareness and support.

Participants agreed that unless actions are taken soon to provide more affordable housing, Henderson will lose its ability to attract young, working families who are the backbone of any community. This emphasis upon workforce housing also realizes that other plans and programs are in place to assist other populations.

In targeting 2010, the Plan serves as an important bridge between the longer-range goals and planning horizon of the City’s Comprehensive Plan (15-20 years) and the more immediate one-to-five year objectives of its Consolidated and Action Plans. Together, these plans represent a strong commitment to affordable housing and the strengthening of Henderson’s neighborhoods and their quality of life.

As described in Chapter Four, the goals and objectives presented below span the financial, regulatory, and programmatic realms. They have been categorized by their primary impact upon housing investment, supply, and demand, in recognition that public and private actions must be balanced if they are to tackle Henderson’s affordable housing objectives effectively.

Collectively, these goals, objectives, and action steps form an implementation strategy that supports and encourages the preservation and development of high quality affordable housing and communities that can be launched within the next several years.

As such, the Plan provides a foundation for designing more specific implementation tools and vehicles. These range from amendments of zoning and subdivision regulations to the adoption of new State and Federal regulations. Many of these items will be addressed next year as part of the upcoming legislative sessions, the disposition of BLM land, and the update of the City’s Comprehensive Plan.

Each of the goals and objectives presented below, which address housing investment, supply, and demand respectively, is followed by a discussion of action steps, roles and responsibilities, timelines, and resources. The chapter concludes with a summary of the proposed implementation schedule for these actions.

GOAL: ENCOURAGE A MORE DIVERSE GROUP OF INVESTORS AND LENDERS TO CONTRIBUTE ADDITIONAL RESOURCES TO THE DEVELOPMENT AND FINANCING OF AFFORDABLE HOUSING.

1. Objective: Create opportunities to invest public and private debt and equity capital in affordable housing.

Market-rate housing development typically combines conventional debt financing from private lenders and equity investments from businesses and individuals. Affordable housing finance uses these same sources but traditionally fills the “subsidy gap” with government or philanthropic grants and below-market loans.

More innovative approaches leverage these funds with dedicated revenue streams, such as Section 279 tax-increment financing (TIF) funds, and contributions from inclusionary housing and linkage programs that capitalize housing trusts and revolving loan funds.

The City’s ability to purchase and resale BLM land for affordable housing is perhaps the most challenging and potentially rewarding opportunity to involve the entire community in this type of innovation.

Roles and Responsibilities

Many groups in Clark County currently work to publicize the need for affordable housing and to seek additional resources to fund its preservation and development. In many communities, local housing partnerships garner support for such initiatives through public education and funding campaigns. Such partnerships have also facilitated, and in some cases have managed, public-private ventures and leveraged private investments.

Over time, it may be beneficial to create a single entity or partnership in Henderson to coordinate these activities and to act as a funding and resource conduit locally. In the interim, the City could benefit from additional opportunities to exchange information and address counter-productive administrative and regulatory policies and procedures regionally.

Timeline

As downtown revitalization occurs, a portion of Section 279 funds collected annually could become available for affordable housing development. Additional funds from new housing development could also become available in the next several years as the inclusionary housing program is developed and implemented. Bringing other investment and funding vehicles on-line may take several more years to implement fully.

Resources

While not mandatory, the use of Section 279 funds for affordable housing could be an initial step in creating a self-sustaining funding mechanism. Other short-term initiatives could rely upon additional program income and proceeds from Federal housing programs, and cash contributions from inclusionary housing development. Longer-term resources could include additional Federal and State funding and the issuance of bonds.

Investment Actions and Action Steps	
1.1 Action: Cultivate local housing partnerships.	<ul style="list-style-type: none"> 1.1a Identify key participants and their areas of interest and expertise. 1.1b Determine the nature and extent of their current practice and involvement. 1.1c Seek additional participants and contributors. 1.1d Convene a stakeholders group regularly to explore opportunities and coordinate activity. 1.1e Report activity and progress to the community.
1.2 Action: Utilize 279 TIF funds to rehabilitate and develop affordable housing.	<ul style="list-style-type: none"> 1.2a Estimate annual TIF revenues and determine an appropriate voluntary contribution to affordable housing until the mandatory percentage set-aside is required 1.2b Determine appropriate uses and priorities for expending these funds. 1.2c Create a vehicle to deposit funds into a separate account or revolving fund. 1.2d Establish an application, approval, and disbursement process. 1.2e Monitor and evaluate performance.
1.3 Action: Create linked deposit/investment vehicles.	<ul style="list-style-type: none"> 1.3a Establish or designate a social investment vehicle for public, private, and philanthropic funds. 1.3b Solicit participation/contributions from depositors and other investors. 1.3c Link deposits/investments to additional funding commitments and program participation. 1.3d Utilize existing funds and seek additional funding for high priority projects.
1.4 Action: Capitalize housing trusts/revolving loan funds.	<ul style="list-style-type: none"> 1.4a Seek permanent sources of housing finance from public and private sources to sustain local housing trust funds. 1.4b Utilize debt and equity capital to leverage the financing of affordable housing projects through such investment vehicles as low-income housing tax credit, bond financing, and private mortgages. 1.4c Recycle loan repayments through revolving loan funds to finance additional affordable housing.

GOAL: PRESERVE AND INCREASE THE VARIETY OF HOUSING TYPES, DEVELOPMENTS, AND PLANNED COMMUNITIES THAT ENHANCE HENDERSON’S QUALITY OF LIFE AND MAKE ITS NEIGHBORHOODS MORE LIVABLE.

2. Objective: Work with the private sector and the community to create and maintain affordable housing options.

This goal and objective attempts to balance through innovative approaches to planning the need to preserve Henderson’s existing neighborhoods and housing stock and to support new housing development. The actions and action steps described on the following pages exemplify some of the ways — through inclusionary zoning, property maintenance codes, infill development, disposition of BLM land, and flexible implementation of codes/design standards — to achieve this balance.

These initiatives recognize Henderson’s desire to promote affordable housing’s preservation and production within mixed-income developments that are scattered throughout the community. In existing communities, this may mean attracting higher income households through housing rehabilitation and infill development, and in new developments, this may involve attracting and retaining a diverse population through inclusionary programs and attractive mortgage financing.

Roles and Responsibilities

The City will serve as the lead to initiate and coordinate the actions set forth below in close collaboration with community groups, the private and non-profit sectors, and other units of government. The Community Development Department is facilitating downtown revitalization (Redevelopment), and updating the Comprehensive Plan to include such elements as inclusionary housing and design standards (Planning). The Property Management Division of the City Attorney’s Office is coordinating the disposition of BLM land, assisted by Community Development. Building and Fire Safety is heading inter-departmental efforts to create a property maintenance program.

The City’s Neighborhood Services Division currently works closely with community groups and homeowner associations to facilitate public education, raise awareness, and encourage voluntary compliance. Similar campaigns to gain public participation and acceptance of these other new initiatives will also be part of their approval process and on-going implementation as well. Neighborhood Services works closely with for-profit and non-profit developers to facilitate development of affordable housing units. In addition, Neighborhood Services has responsive and effective housing repair and down payment assistance programs.

Timeline

Some of these actions will begin within the year, while others will take two to three years to reach fruition. The disposition of BLM lands will begin next year and likely continue for some years. The implementation of a property maintenance program may also begin within the first year of this Plan.

Some actions, such as instituting inclusionary housing measures, are tied to the Comprehensive Plan update, beginning in 2003. Other actions will gain momentum throughout the decade. For example, as the Downtown Revitalization Strategy is implemented, opportunities for infill development will increase.

Resources

Initiatives that involve preservation of the current stock and infill development in East Henderson can benefit from such resources as the City's Downtown Revitalization Program and the Federally-funded Community Development Block Grant and HOME programs.

For new development, the City will rely primarily upon the disposition of BLM lands and the creation of an inclusionary housing program. This program may provide cash contributions in lieu of development, which can aid in developing affordable housing throughout the community.

While the creation of a property maintenance program will require some expenditure of public funds for staffing and program operations, it will depend heavily upon the support of community groups to heighten awareness and encourage voluntary compliance.

Supply Actions and Action Steps	
2.1 Action: Implement a property maintenance program.	<p>2.1a Establish local maintenance codes based upon health, safety, and public benefit standards.</p> <p>2.1b Fund, staff, and operate a property maintenance program, which both promotes voluntary compliance and enforces code violations.</p> <p>2.1c Work with community and business groups to educate the public and gain support for property maintenance.</p> <p>2.1d Expand the supply of resources furnished to the Neighborhood Clean-Up Program to more efficiently handle the demand. Seek further commitment from Republic Silver State Disposal to utilize additional resources.</p>
2.2 Action: Facilitate in-fill lot acquisition and clearance/new construction.	<p>2.2a Identify opportunities to acquire land based upon future development plans or issues with existing titles, condition, size, and use.</p> <p>2.2b Designate an entity or entities to acquire property and facilitate relocation of current owners/tenants if needed.</p> <p>2.2c Aggregate sufficient land to undertake new development based upon approved planning and design guidelines.</p>
2.3 Action: Institute inclusionary set-asides/bonuses.	<p>2.3a Establish goals and policies for inclusionary zoning/housing.</p> <p>2.3b Determine the appropriate development type and tenure (owner/renter) for inclusionary projects.</p> <p>2.3c Define developer requirements and incentives.</p> <p>2.3d Target populations, type and price of affordable units.</p> <p>2.3e Provide for long-term affordability.</p> <p>2.3f Create or designate a program administrator.</p> <p>2.3g Amend zoning and subdivisions regulations and ordinances as part of the Comprehensive Plan Update.</p> <p>2.3h Develop and implement appropriate application and approval processes.</p>
2.4 Action: Expedite BLM sale of land for affordable housing.	<p>2.4a Clarify/strengthen the affordable housing provisions of the Southern Nevada Public Land Management Act.</p> <p>2.4b Develop appropriate plans for BLM land which accommodate scattered-site, mixed-income and mixed-use developments.</p>
2.5 Action: Practice flexible implementation of codes/design standards.	<p>2.5a Utilize the flexible implementation of codes/design standards to support the elimination of regulatory barriers to affordable housing.</p> <p>2.5b Provide incentives for development and rehabilitation of affordable housing that conserves energy and natural resources through the use of efficient and cost-effective design, materials, and construction techniques.</p> <p>2.5c Utilize such techniques as multi-party plan reviews, conditional approvals, and progress inspections to avoid and deter construction defects.</p>

GOAL: INCREASE THE OPPORTUNITIES FOR RENTERS, OWNERS, AND BUYERS TO OBTAIN AND MAINTAIN APPROPRIATE HOUSING.

3. Objective: Expand and utilize community housing resources.

With Henderson’s population continuing to expand and diversify, the demand for a wider variety of housing opportunities is taxing an already strained housing market. The City must think strategically about procuring and deploying resources that will most successfully assist residents in obtaining and maintaining the housing that best suits their needs and desires. These resources must track and assist residents as they move from renter to owner to move-up buyer, and as Henderson’s housing stock grows, ages, and is revitalized.

Roles and Responsibilities

Many groups currently provide buyer and tenant counseling and training. These and other groups should be encouraged to expand their assistance to include additional financial literacy and life-skills training which extend beyond initial occupancy. Such training can also become part of employer-assisted housing programs and related asset-building initiatives, as well as the City’s housing assistance and neighborhood service programs.

With the demand for housing resources consistently outpacing the supply, it is also crucial for the City to explore mechanisms that protect these assets and make these funds available to additional homebuyers and renters.

Timeline

Efforts to create employer-assisted housing programs will be coming to fruition within the next year. Other initiatives, such as enhanced homebuyer training, will also be initiated next year. It may take several years to procure and leverage other housing resources and to deal with such issues as construction defects liability.

Resources

Homebuyer and renter counseling services are provided by local non-profits and lending institutions. A wealth of program models and examples is available to guide the development of partnerships and programs to assist the local workforce in obtaining affordable housing within Henderson’s city limits.

Efforts are underway to enroll additional employer-assisted program participants and to utilize City-administered State and Federal housing programs to solicit and leverage additional private resources to support these initiatives. The City has developed a particularly good relationship with the State, which has lead to funding for weatherization and other programs, and has an excellent track record in Federal grant-writing.

Demand Actions and Action Steps	
3.1 Action: Support enhanced buyer and tenant counseling/training.	<p>3.1a Identify existing housing counseling and training agents.</p> <p>3.1b Determine current and projected need for additional types of training/counseling, including post-occupancy case management.</p> <p>3.1c Seek new partnerships and resources to address these needs.</p> <p>3.1d Conduct outreach campaigns to expand participation and broaden the consumer's financial literacy.</p>
3.2 Action: Establish an employer-assisted housing program.	<p>3.2a Review current efforts to establish employer-assisted programs.</p> <p>3.2b Assist with the survey of major employers to determine interest and support.</p> <p>3.2c Assist in the creation of appropriate program design for each participating employer, including linkages with such other related programs as Individual Development Accounts (IDAs).</p>
3.3 Action: Expand the use of purchase/rehabilitation loans and guarantees.	<p>3.3a Explore ways to leverage public funds.</p> <p>3.3b Seek new public and private funding sources.</p> <p>3.3c Create new or enhance existing programs by increasing funding, enlarging service areas, and expanding program eligibility.</p> <p>3.3d Solicit greater participation from homebuyers and property owners.</p>

Implementation Schedule

The following Table summarizes the schedule for undertaking the actions described above. While interdependent, each action step may proceed independently as required. Six of the twelve actions are proposed to be initiated in 2003, with the others getting fully underway within the next two to three years.

This schedule depends heavily upon the timely approval of necessary program designs, funding mechanisms, and administrative procedures. It is flexible and remains responsive to such important milestones as completion of the Comprehensive Plan update and the BLM land disposition timetable.

Implementation is also linked to development of the new Consolidated Plan, which will cover 2006-2010. This planning cycle coincides with the culmination of strategies developed under this Plan. This timing affords the opportunity to develop Consolidated Plan strategies that further those set forth in this Plan.

Action Steps Timeline

2003 Actions

- (1.1) Cultivate local housing partnerships.
- (2.1) Implement a property maintenance program.
- (2.2) Facilitate in-fill lot acquisition and clearance/new construction.
- (2.3) Institute inclusionary set-asides/bonuses.
- (3.1) Support enhanced buyer and tenant counseling/training.
- (3.3) Expand the use of purchase/rehabilitation loans and guarantees.

2004 – 2005 Actions

- (1.2) Utilize 279 TIF funds to rehabilitate and develop affordable housing.
- (1.3) Create linked deposit/investment vehicles.
- (1.4) Capitalize housing trusts/revolving loan funds.
- (2.4) Expedite BLM sale of land for affordable housing.
- (2.5) Practice flexible implementation of codes/design standards.
- (3.2) Establish an employer-assisted housing program.