



EL DORADO
K A N S A S

Housing Needs Assessment

City of El Dorado | August 2023

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Disclaimer

This study was conducted by the PPMC at Wichita State University. The PPMC is an independent research body unaffiliated with the City of El Dorado. This report was prepared by the research team and data collected from external sources. PPMC's findings are based on assumption of data accuracy received from internal and external sources. The findings represent the findings, views, opinions, and conclusions of the research team alone. The report does not express the official or unofficial policy of Wichita State University.

Introduction

Affordable housing is a major contributing factor to a balanced and well-functioning city and in turn, its communities, and neighborhoods. The City of El Dorado undertook this Affordable Housing Needs Assessment to establish a data-based foundation for the creation and preservation of affordable housing. The need for affordable housing cannot be easily reduced to one number or one need. Maintaining affordable housing is a complex and dynamic pursuit. Important highlights from the assessment include:

Data

- 60% of El Dorado residents are homeowners; 40% are renters
- Median home values, rents, and incomes have increased since 2016
- Approximately 12% of El Dorado houses are currently vacant
- 53% of El Dorado houses were built before 1960; 75% before 1980
- Housing deficits exist for home owners earning more than \$50,000 per year and renters earning between \$5,000 and \$20,000 per year

Stakeholder Feedback

- The cost of development, specifically the cost of construction, was identified as a major barrier to housing in El Dorado
- There are significant land and geographic barriers limiting housing expansion
- Stakeholder consensus was a greater diversity of housing types and a focus on ownership are essential
- An unfavorable perception towards non-single-family homes and zoning are obstacles to diversifying housing
- Stakeholders believe the lack of housing in El Dorado has a systemic impact, limiting community growth and economic development
- Stakeholders would like to see El Dorado take advantage of current State funding opportunities available

Background

A housing needs assessment is a comprehensive endeavor aimed at gathering extensive information and conducting a thorough analysis of housing needs and challenges within a specific geographic area, which:

- Provides a clear understanding of the dynamics of the housing market
- Identifies gaps between housing supply and demand
- Informs the development of effective housing policies and interventions

The assessment is a critical step in addressing the housing needs of a community and ensuring that housing options align with the diverse requirements of its population.

The primary objectives of conducting a housing needs assessment are:

- *Identify Housing Needs:* One of the primary goals of the assessment is to identify the specific housing needs of various demographic groups residing in the area. This includes low-income households, seniors, students, individuals with disabilities, and others. By gathering insights into the types of housing required, such as affordable housing, supportive housing, rental units, or homeownership opportunities, the assessment enables targeted strategies to address the identified needs.
- *Understand Housing Affordability:* Assessing housing needs involves a comprehensive analysis of housing affordability within the target area. It aims to determine whether the available housing options are financially viable for the population and sheds light on the affordability challenges faced by households. This information is crucial for designing appropriate policies and programs to tackle housing affordability issues effectively.
- *Inform Policy Development:* A housing needs assessment serves as the foundation for policy development. By analyzing the gathered data and identifying housing gaps and challenges, policymakers can make well-informed decisions and formulate targeted strategies to address the housing needs of the

community. The assessment aids in the allocation of resources, prioritization of interventions, and the development of policies that align with the specific requirements of the local housing market.

- **Plan for Future Housing Development:** The assessment provides valuable insights into future housing demand, enabling proactive planning and development. By understanding population projections, demographic trends, and economic factors, policymakers and developers can anticipate future housing needs. This information helps determine appropriate housing targets and plan for the construction and renovation of housing units accordingly.
- **Support Funding Applications:** Housing needs assessments play a crucial role in securing funding for housing-related initiatives. The findings and recommendations derived from the assessment can be used to support grant applications, funding requests, or partnership proposals. A robust needs assessment strengthens the case for funding by providing evidence-based justifications for the allocation of resources.
- **Engage Stakeholders:** Engaging various stakeholders is an integral part of the housing needs assessment process. This includes government agencies, housing developers, community organizations, and residents. Involving these stakeholders throughout the assessment fosters collaboration and ensures that diverse perspectives and insights are considered. Such engagement creates a sense of ownership and collective responsibility in addressing the housing challenges identified.
- **Monitor and Evaluate Progress:** A housing needs assessment establishes a baseline against which progress can be measured. By periodically repeating the assessment, policymakers can monitor changes in housing needs, assess the effectiveness of implemented policies, and make necessary adjustments to housing strategies over time. This monitoring and evaluation process ensures the identified housing needs continue to be addressed in a dynamic and responsive manner.

In summary, a housing needs assessment serves as a crucial tool for policymakers, administrators, and stakeholders to gain a comprehensive understanding of housing market dynamics, identify specific housing needs, and guide the development of targeted policies and interventions. The assessment is vital in addressing housing affordability issues, planning for future housing development, and ensuring that housing options effectively meet the diverse needs of the population.

Demographics

Knowing the demographic makeup of an area is key to understanding and addressing the housing needs of a community. Data on age, racial composition, disability, and socioeconomic status can reveal who lives in the area and inform decisions about how to allocate scarce resources to best meet the needs of the people. Examining demographic data can also provide insight into mobility trends among different populations into and out of the geographic area.

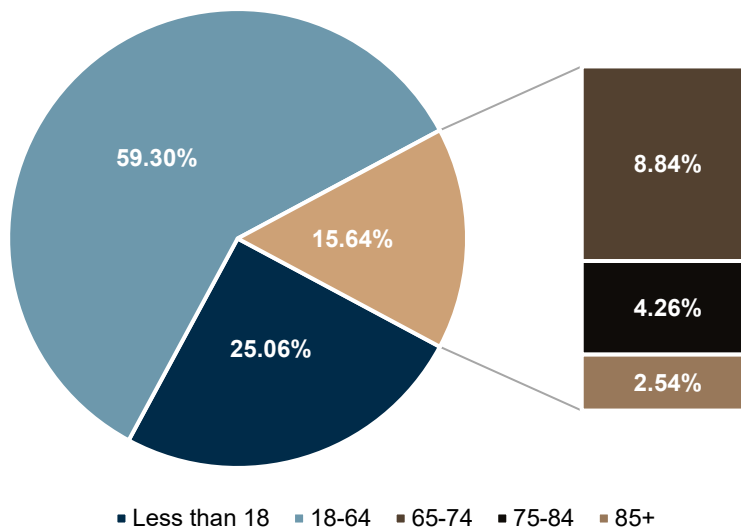
Population

Total Population

12,855

Source: U.S. Census Bureau, American Community Survey 5-year estimates

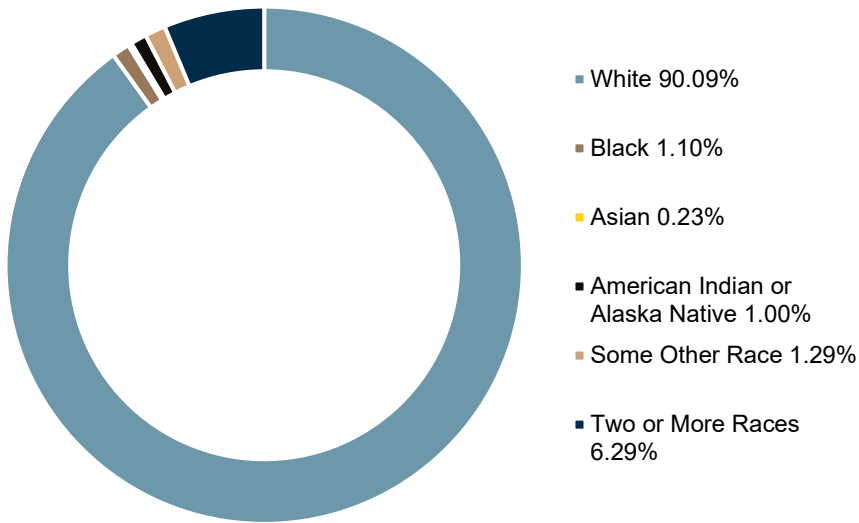
Figure 1: Population by Age



Source: U.S. Census Bureau, American Community Survey 5-year estimates

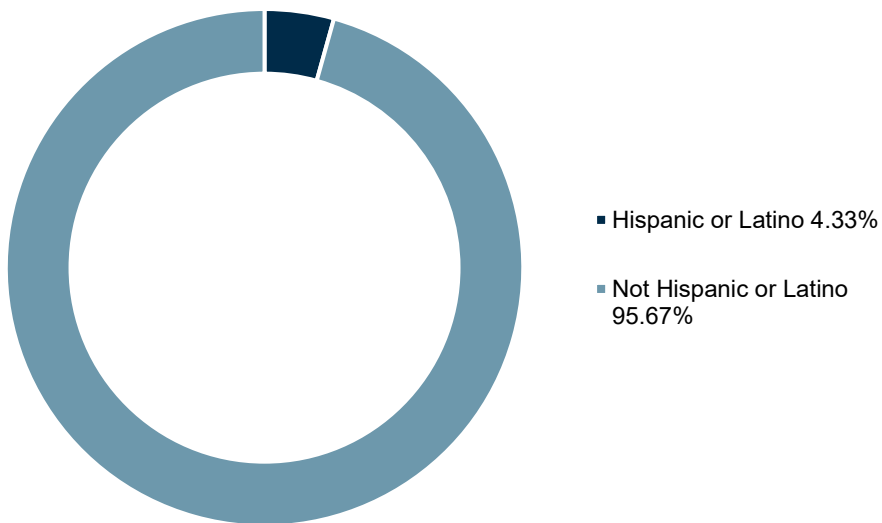
Race and Ethnicity

Figure 2: Racial Composition



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Figure 3: Ethnic Composition

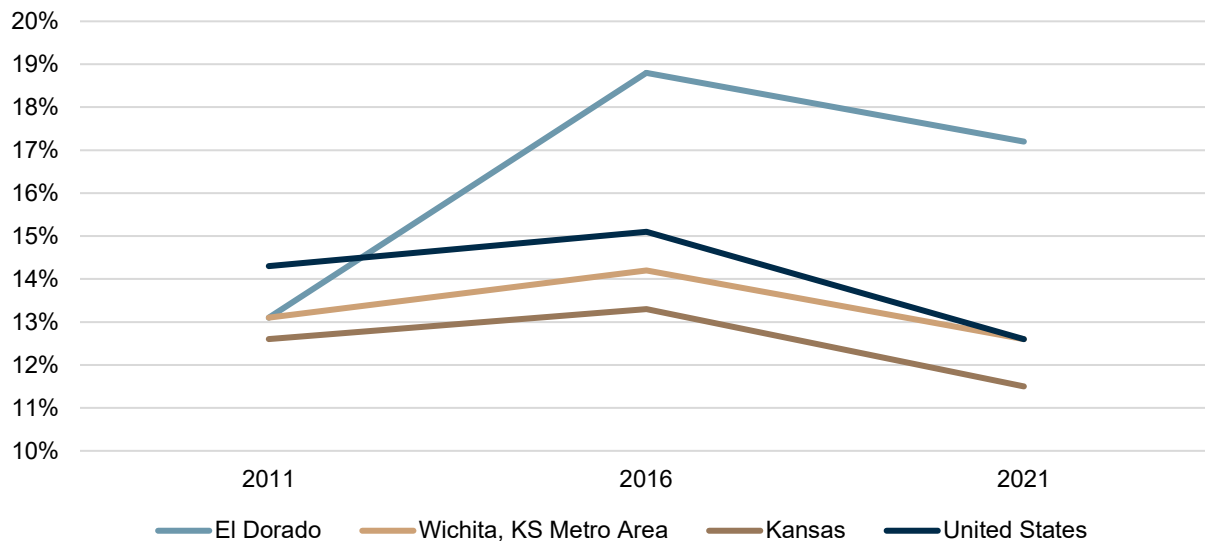


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Poverty Level and Trend

Monitoring the poverty rate is important to understanding community needs. Tracking the poverty rate over time allows policy makers to discern significant trends that may signal noteworthy shifts, such as the increase or decrease in economic distress or changes in the demographic makeup of an area driven by a lack of affordable housing. By closely examining changes in the poverty rate, policymakers and stakeholders can gain valuable insights into the socioeconomic dynamics at play and make informed decisions regarding resource allocation and targeted interventions to address the evolving needs of the community.

Figure 4: Local, State, and National Poverty Levels

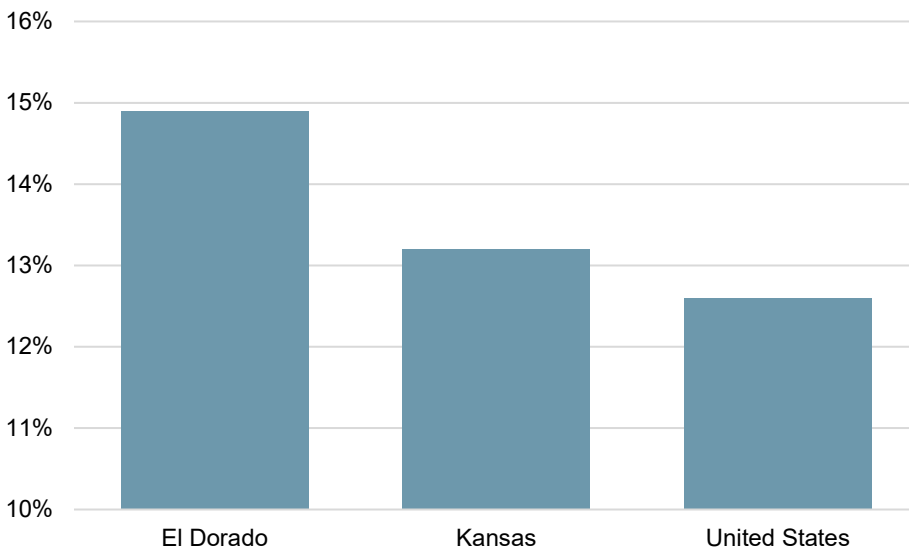


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Share of Population with A Disability

Disabilities include not only physical disabilities, but also developmental and other non-physical disabilities, each with distinct and varying requirements. Certain individuals with physical disabilities require housing accommodations such as wider doorways or easily accessible showers. Recognizing the unique needs stemming from different types of disabilities is paramount when addressing housing considerations.

Figure 5: Share of the Local, State, and National Populations with a Disability (includes both physical and non-physical disabilities)



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Housing Stock Characteristics

An understanding of the housing stock's characteristics allows policy makers to identify and proactively address potential issues that may require attention. This includes concerns related to substandard housing quality or vulnerability to flooding risks. Additionally, a thorough assessment of the housing stock enables the identification of discrepancies between the available types of housing units and the specific needs of the population. By closely examining these dynamics, policymakers and stakeholders can make informed decisions regarding interventions, ensuring that the housing stock is aligned with the needs of the community and mitigating any mismatches that may impede optimal housing outcomes.

Housing Values

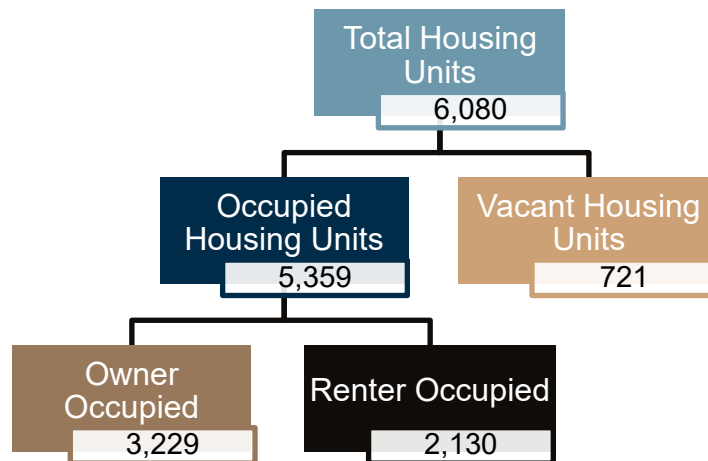
Median Home Value = \$97,800

Median Gross Rent = \$806/month

Source: U.S. Census Bureau, American Community Survey 5-year estimates

Housing Stock

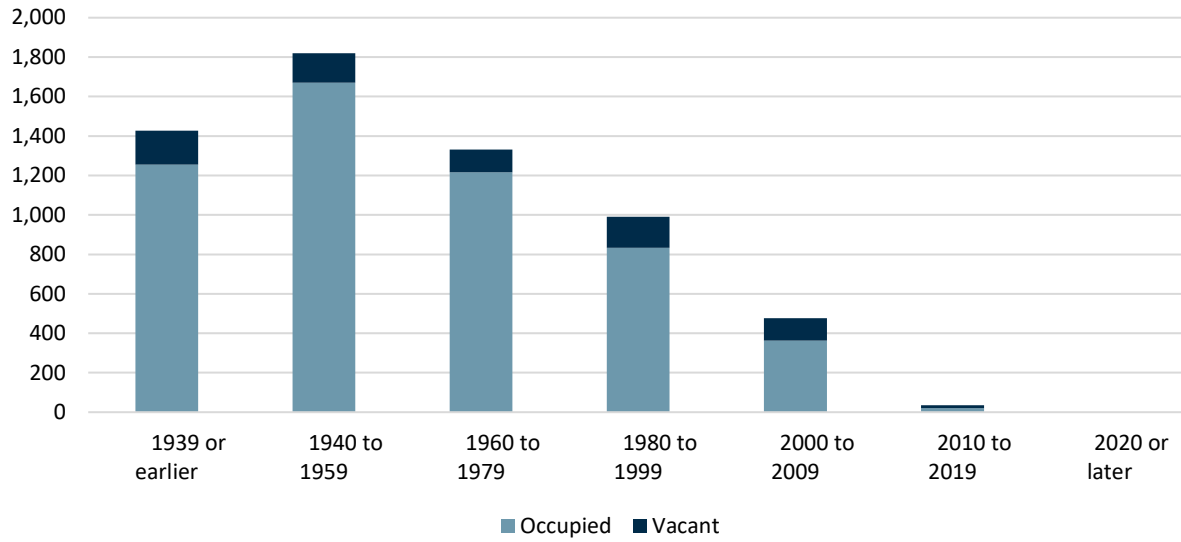
Figure 6: Total Housing Stock



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Older homes tend to require more maintenance and investment relative to newer homes, so it can be helpful to know the age distribution of the local housing stock.

Figure 7: Age of Housing Stock

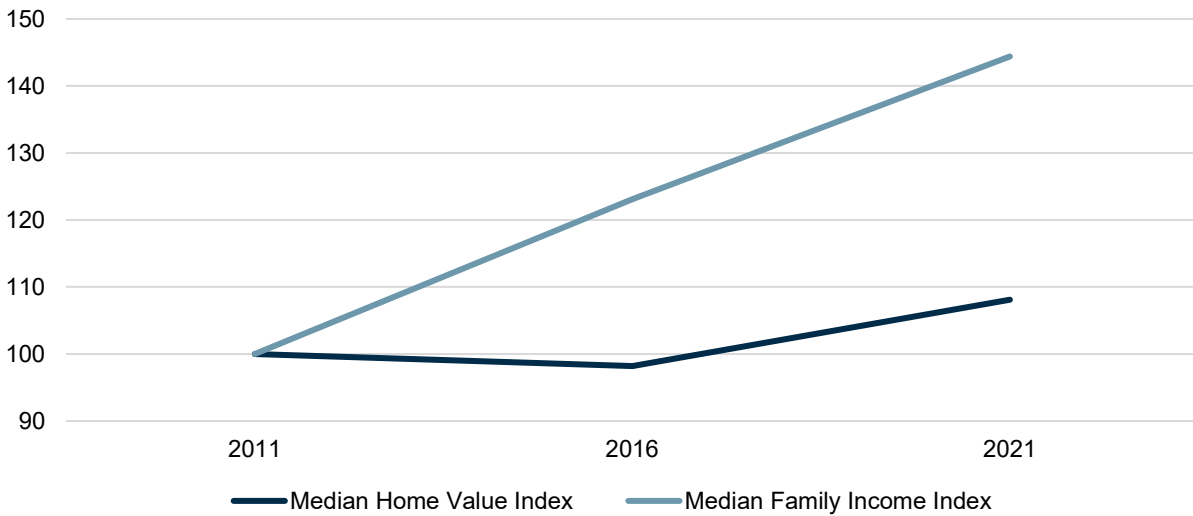


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Affordability

Ownership Affordability

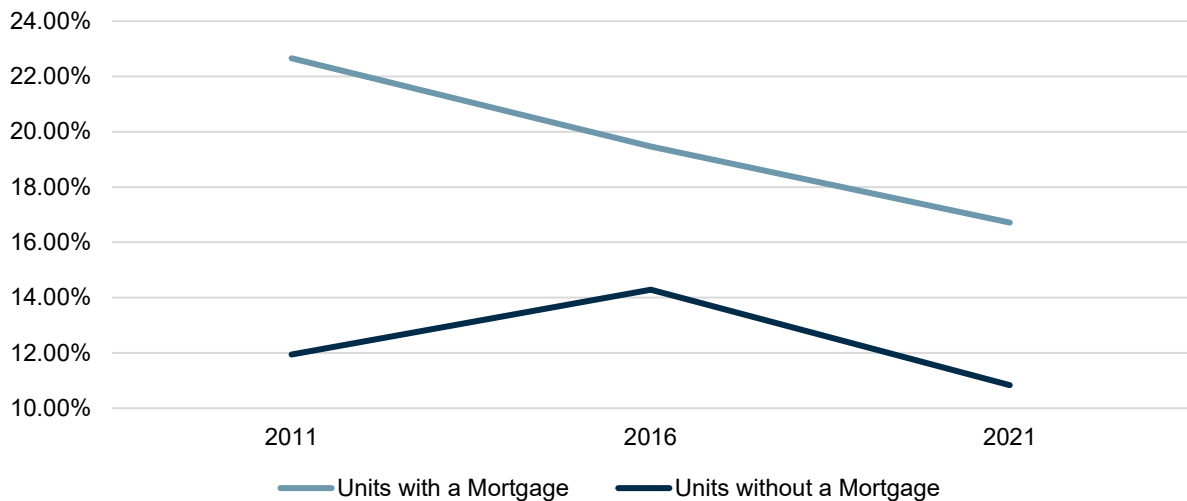
Figure 8: Trends in Home Values and Income



Source: U.S. Census Bureau, American Community Survey 5-year estimates

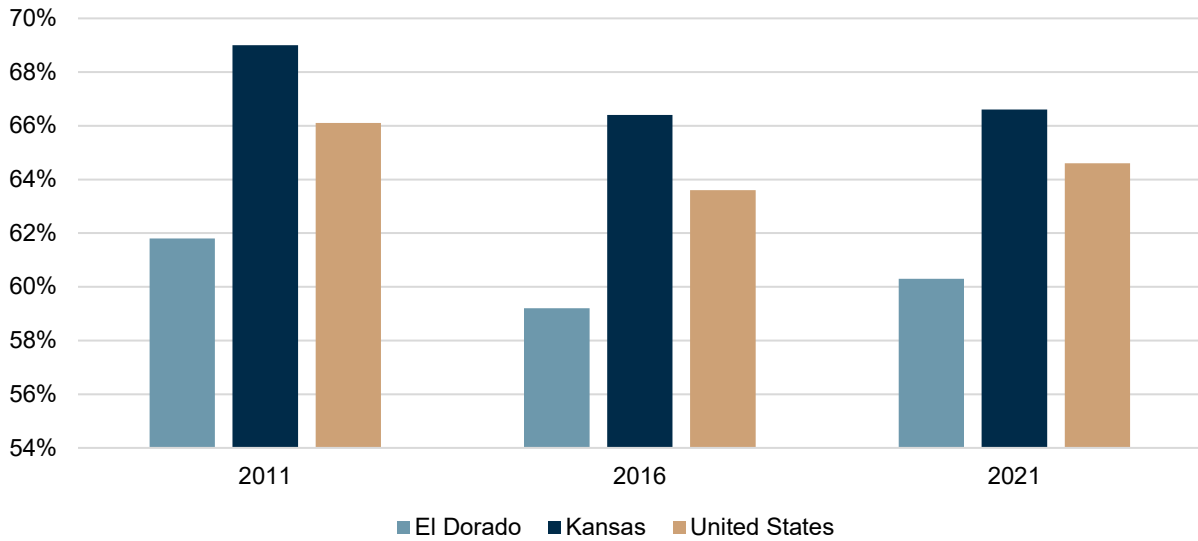
Note: Dollar values have been turned into index numbers with their year 2011 values set to 100. The values have not been adjusted for inflation.

Figure 9: Median Monthly Housing Costs as a Percentage of Median Income



Source: U.S. Census Bureau, American Community Survey 5-year estimates

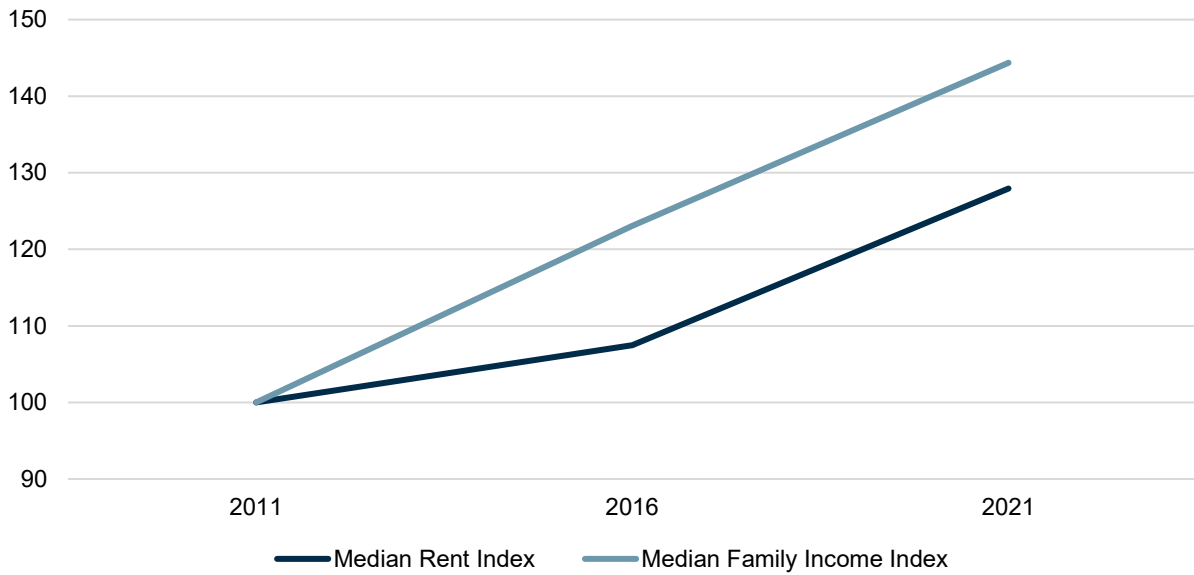
Figure 10: Home Ownership Rate



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Rental Affordability

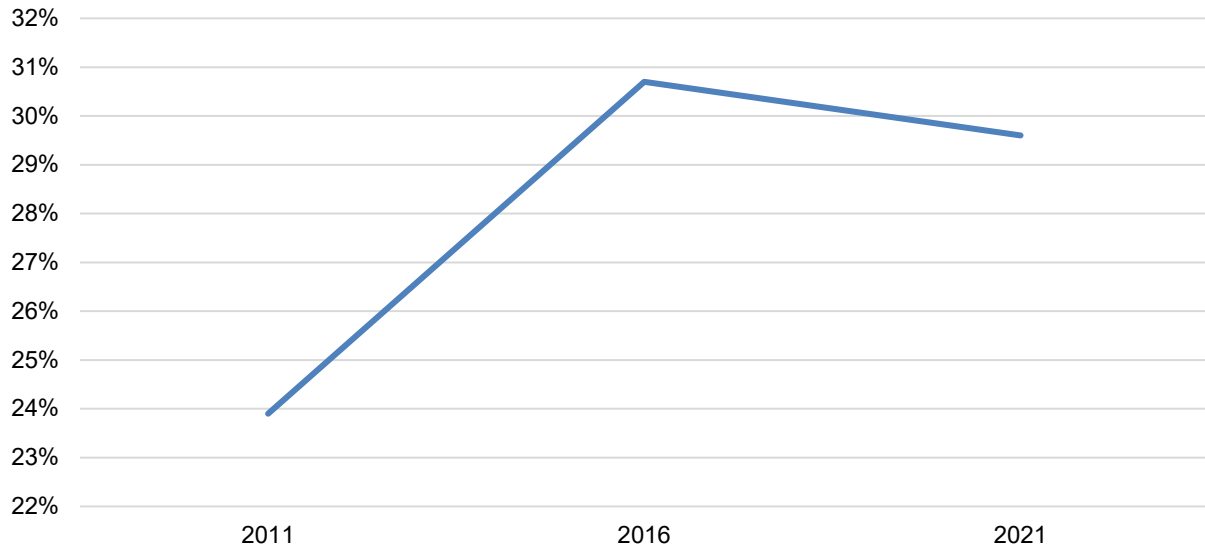
Figure 11: Trends in Rent and Income



Source: U.S. Census Bureau, American Community Survey 5-year estimates

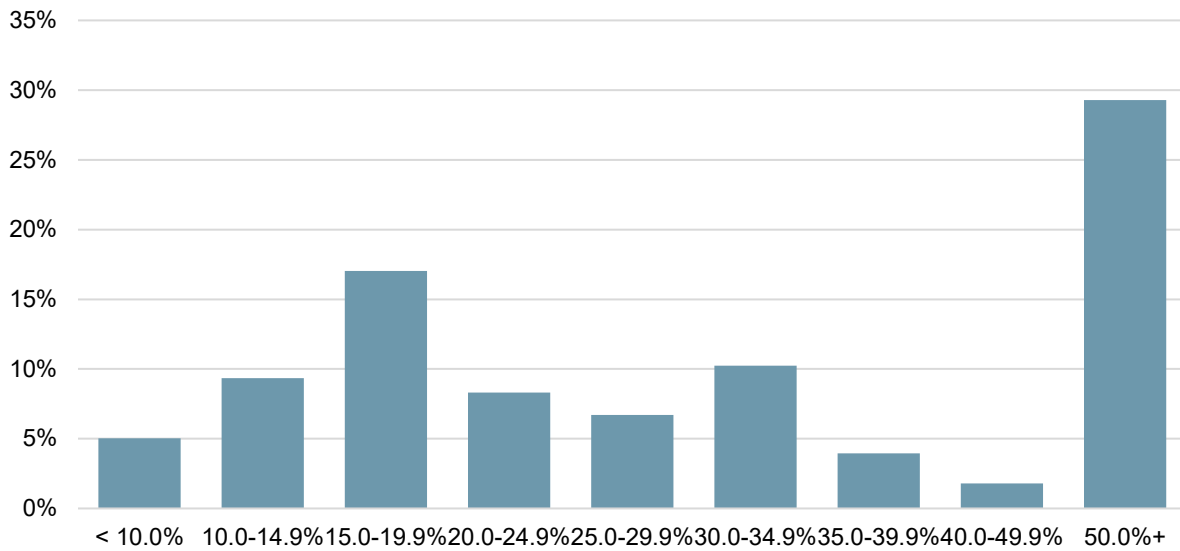
Note: Dollar values have been turned into index numbers with their year 2011 values set to 100. The values have not been adjusted for inflation.

Figure 12: Median Gross Rent as a Percentage of Household Income



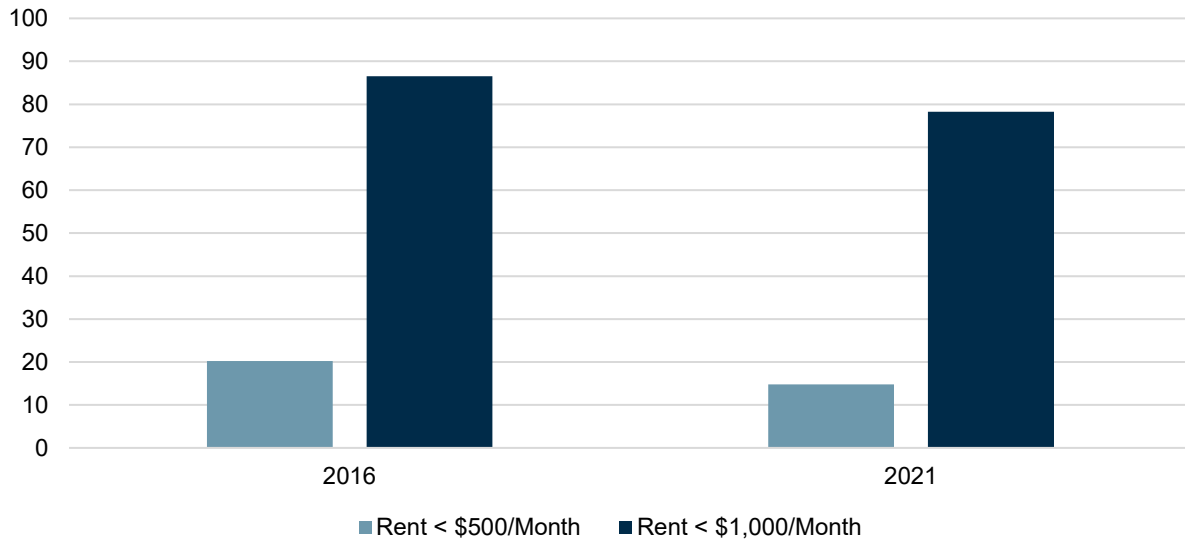
Source: U.S. Census Bureau, American Community Survey 5-year estimates

Figure 13: Gross Rent as a Percentage of Household Income (2021)



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Figure 14: Percent of Rental Units below \$500 and \$1,000 a Month

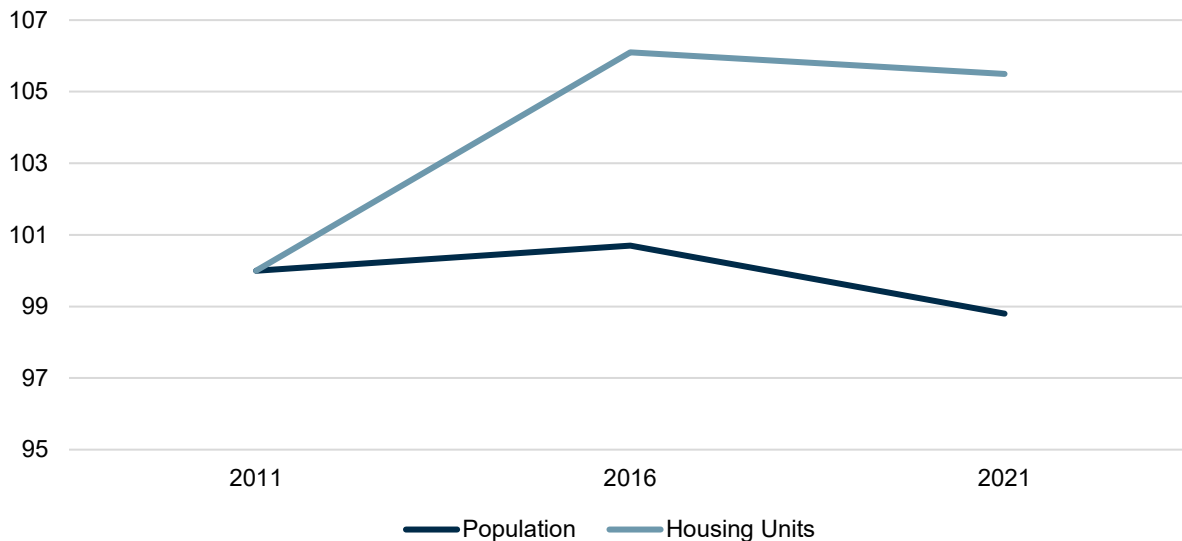


Source: U.S. Census Bureau, American Community Survey 5-year estimates

Alignment of Supply and Demand

The following chart provides insights into the alignment between housing supply and population. When the population decline surpasses the growth of the housing stock, an excess of housing units may arise, putting downward pressure on property values. Additionally, this surplus can contribute to increased vacancy rates. On the other hand, when the population outpaces the housing stock, there is typically a decline in the vacancy rate as vacant units are occupied.

Figure 15: Rates of Housing Supply versus Population



Source: U.S. Census Bureau, American Community Survey 5-year estimates

Note: Relative changes in population and housing units have been turned into index numbers with their year 2011 values set to 100.

Table 1: Affordability by Income Level

Income Range	Maximum Affordable Home Price		Number of Units in Income Range		Households in Income Range		Surplus (+) or Deficit (-)	
	Lower Limit	Upper Limit	Owner-Occupied	Rented	Owners	Renters	Owner-Occupied	Rented
Less than \$5,000	\$ -	\$ 16,362.2083	123	220	34	105	89	115
\$5,000 to \$9,999	\$ 16,362.2083	\$ 32,721.1442	123	74	25	107	98	-33
\$10,000 to \$14,999	\$ 32,724.4167	\$ 49,083.3526	123	73	66	330	57	-257
\$15,000 to \$19,999	\$ 49,086.6250	\$ 65,445.5609	511	73	141	156	370	-83
\$20,000 to \$24,999	\$ 65,448.8333	\$ 81,807.7692	389	315	57	165	332	150
\$25,000 to \$34,999	\$ 81,811.0417	\$ 114,532.1859	800	630	289	247	511	383
\$35,000 to \$49,999	\$ 114,535.4583	\$ 163,618.8109	592	486	528	493	64	-7
\$50,000 to \$74,999	\$ 163,622.0833	\$ 245,429.8526	330	237	640	239	-310	-2
\$75,000 to \$99,999	\$ 245,433.1250	\$ 327,240.8942	178	22	653	136	-475	-114
\$100,000 to \$149,999	\$ 327,244.1667	\$ 490,862.9776	30	0	654	152	-624	-152
\$150,000 or More	\$ 490,866.2500	∞	30	0	142	0	-112	0

Source: PPMC calculations using U.S. Census Bureau, American Community Survey 5-year estimates

The maximum affordable home price represents the maximum home price that would result in a household paying 30 percent of gross income toward a mortgage, taxes, and insurance. The mortgage payment is calculated for a 30-year mortgage at a 7.5 percent rate and a 20 percent down payment. The property taxes assume a mill rate of 170.

Stakeholder Feedback

Methodology

The PPMC conducted four focus groups on June 9, 2023. The purpose of these discussions was to learn about the state of the local housing market directly from El Dorado leaders, businesspeople, realtors, and residents.

The project's steering committee helped identify community members to be invited to the focus groups. Expanding on a list of stakeholders who were engaged for a previous housing study in 2019, they identified thirty-eight people to invite. Sixteen people participated. Two of the 16 participants answered the questions via email because they were unable to attend.

Findings

Barriers to Housing

Participants were asked to identify barriers to a prosperous housing market in El Dorado. Their answers covered a range of topics from housing development and construction to homebuying.

Cost of Development & Construction

Focus group participants identified the cost of development as a main barrier. Since the cost of development depends on the cost of construction, developers must build decently sized homes to offset the cost of construction. This limits what types of housing can be developed.

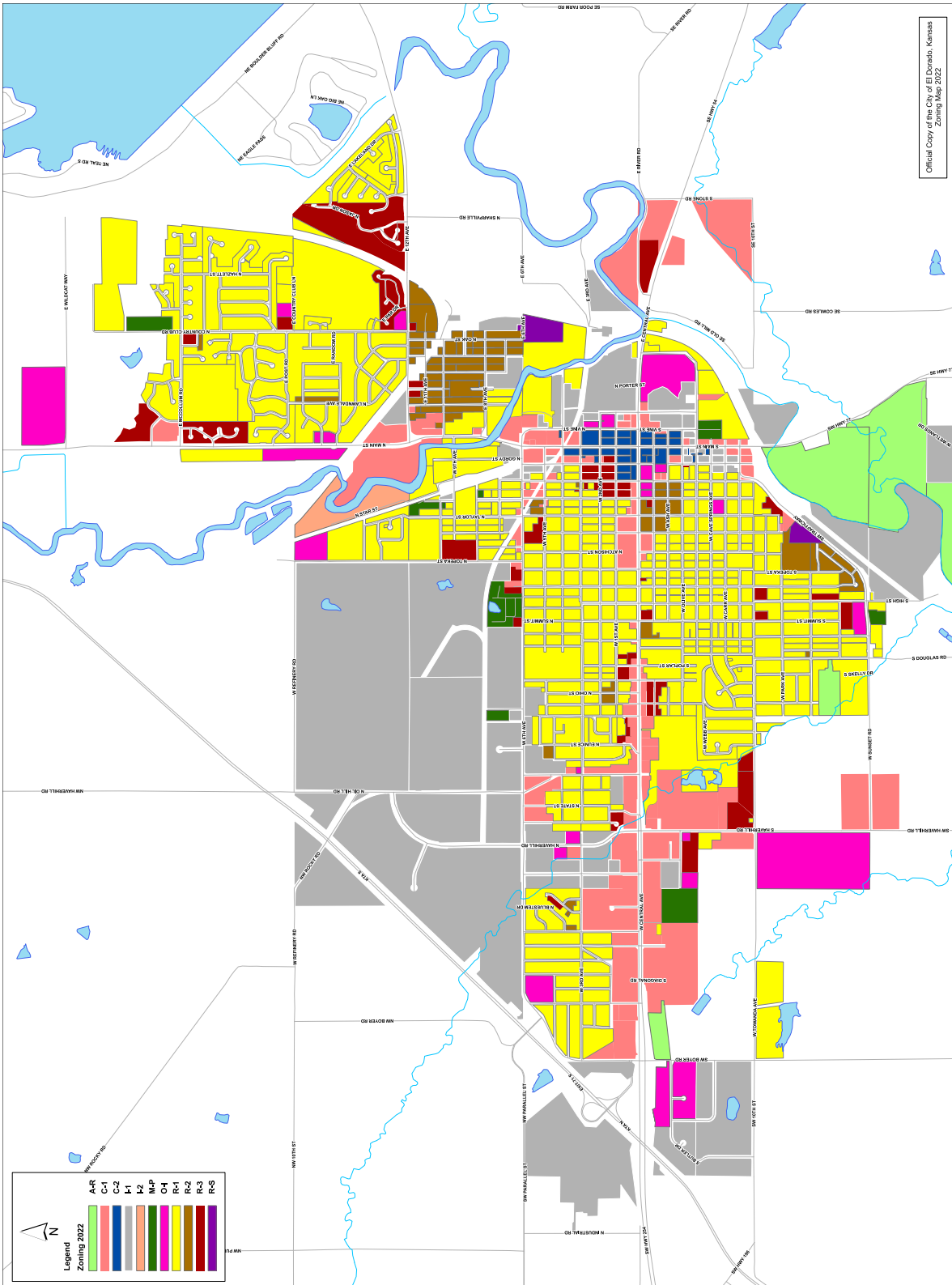
Lack of infrastructure like streets and other utilities adds significantly to the cost of development. There are not many large plots of land already set up with the necessary infrastructure. There are some small plots of land with existing infrastructure in the city that could be developed individually; however, sporadic development is not the most profitable for developers.

Some participants felt local developers are not equipped to attempt large scale development or willing to take on the financial risk associated with it. Costs can be driven up when there is little competition among local developers. While profit is always a primary interest, local developers with connections to the community may also prioritize community interests. One participant recalled that El Dorado used to have more local developers. Nowadays there are few local developers willing to take on the financial risk.

Geographic Barriers

The land and geographic makeup of El Dorado make housing expansion and development challenging. A significant floodplain and the El Dorado Correctional Facility limit expansion east of town. Barriers south and west of town include the oil refinery, oil transmission mains, and floodplains.

Figure 16: El Dorado Zoning Map



Participants identified North El Dorado as the primary location for future development. Discussions highlighted some challenges associated with development in the north.

- Currently, North El Dorado is primarily industrial space. Land would have to be rezoned to allow for residential development.
- To expand the necessary infrastructure for residential development to the north, key landowners will have to be willing to sell or actively develop their land.
- A key selling point of El Dorado has been its proximity to Wichita. Developing housing in North El Dorado means residents are slightly further from Wichita. The perception is that northwest El Dorado is a much longer drive, especially without a northwest bypass to expedite traffic flows to the west.

Reluctant Land and Property Owners

Participants identified owner reluctance to sell land and property as a barrier in both current and potential residential areas. If and property owners were willing to sell, it would:

1. Create housing supply in established residential areas by filling currently vacant homes and lots, and
2. Promote new residential development on large plots of land.

While there are a range of reasons property owners are reluctant to sell, the City may be in a position to act as an intermediary between owners and potential developers.

Competition in Wichita and Andover

El Dorado competes with Wichita and surrounding communities like Andover and Augusta for both residents and developers. Located just 30 miles southwest of El Dorado via I-35, Wichita is the region's metropolitan hub. El Dorado has marketed its proximity to Wichita to attract residents. This tactic has the potential to both help and hurt the growth of El Dorado. On the one hand, potential residents may see proximity to Wichita and its amenities as a benefit of living in El Dorado. On the other hand, potential residents may see the proximity to Wichita as a reason to live in Wichita and commute to work in El Dorado.

Wichita has its own pool of potential developers that could invest in El Dorado, but there are challenges associated with attracting non-local developers. When demand for housing is high in their local area, it may be difficult to convince developers to invest in a different community. Compared to Wichita, El Dorado has not been able to support as many higher-end homes. Focus group participants identified the higher-end housing market as a gap in El Dorado's housing market. This will be further discussed in the section "Housing Types Needed."

El Dorado is 18 miles northeast of Andover. Due to its similar size and other characteristics, El Dorado is often compared to Andover. In 2017, Andover surpassed El Dorado in population (U.S. Census Bureau). While many focus group participants expressed frustration with the fact that El Dorado is frequently compared to Andover, there are some important implications of Andover's recent growth for El Dorado. Executives, young professionals, and other workers choose to live in Andover and commute to El Dorado for work. Participants credited this to their ability to develop more higher-end homes and other attractive amenities like the Andover school district.

Cost to Buy

All focus groups stressed the importance of homeownership for the wellbeing and growth of the community. Some participants identified the cost of buying a home as a barrier within the El Dorado housing market. Representatives from the financial sector said they work with potential homebuyers whose main barrier to buying is a down payment.

Participants concerned with the cost to buy would like to see financing programs and tax incentives for homebuyers. They felt existing funding opportunities could be better advertised to potential homebuyers.

Unfavorable Perception of Non-Single-Family Homes

A couple of focus groups identified an unfavorable perception towards non-single-family homes as an obstacle to diversifying housing in El Dorado. Some participants explained

that when housing projects have been proposed in the past, a common response from residents has been “not in my backyard” (NIMBY). While residents may support diversified housing projects like apartment complexes, manufactured or modular homes, and duplexes, some are concerned with what affects development may have on their property values and current way of life.

Housing Types Needed

Overall, focus group participants would like to see greater diversity of housing types in El Dorado with a focus on ownership. Specific housing types identified included:

- Transitional housing like patio/slab homes for seniors wanting to downsize,
- Retirement housing,
- Single family homes for purchase,
- Apartments for rent,
- Duplexes for rent, and
- Manufactured, modular, container, and tiny homes.

Price

Most participants agreed the price range in highest demand with the lowest supply is homes for sale for \$130,000 to \$180,000. Some participants also stressed the need for higher-end family homes in the price range \$200,000 to \$250,000. Participants felt that more housing supply within both price ranges would make El Dorado more competitive in the region.

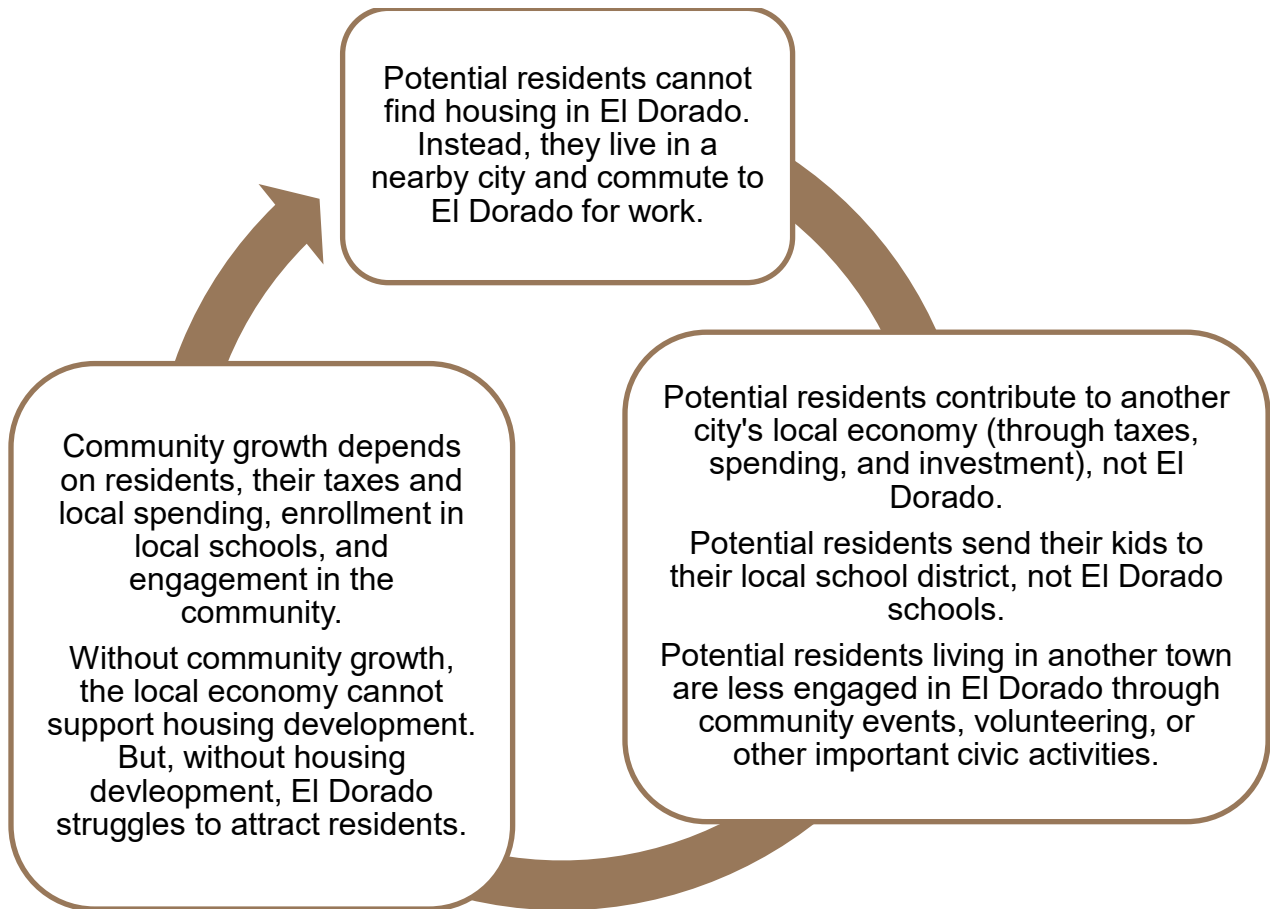
As for rentals, participants were less specific with what price was in highest demand or lowest supply but agreed monthly rents have gone up with the market.

Zoning Changes to Support Diversification

It is important to note that in order to develop more housing types, the City will likely have to re-zone some areas. Currently, most of El Dorado is zoned “R-1, Single-Family Residential,” which only allows for one single-family home unit per lot.

Impact of the Housing Shortage

Participants were asked to discuss the impact of the shortage of housing in El Dorado. Answers were specific but also systemic. Although each focus group discussion was unique, each described the same impact a shortage of housing has on community growth: when a potential resident cannot find housing in El Dorado the local economy, workforce, schools, and sustainability of the community are negatively impacted.



Participants said there have been multiple businesses that wanted to locate in El Dorado, promising to bring jobs to the area. However, El Dorado has not been prepared to meet what would be a sharp increase in housing demand. This limits El Dorado's economic growth.

When workers live in neighboring communities, they do not pay taxes to El Dorado or contribute to the local economy by shopping for groceries or gas. Although they work in El Dorado, since they live in another community, they are less likely to be civically engaged in El Dorado. They send their children to school in their community, not USD 490.

Enrollment in El Dorado schools has declined in recent years. There are children in the El Dorado school system who struggle with housing insecurity and homelessness. Future community growth depends on a population of children who can grow up and contribute to the community.

Potential Strategies and Solutions

The City's Role

Focus group questions asked participants how they understand the City's role in eliminating barriers to improving the housing market. Many would like to see the City play a bigger role in land and resource allocation, believing it is the City's role to plan for future development. Some ideas included:

- Considering and approving different zoning districts,
- Acquiring land,
- Investing in infrastructure like streets and other utilities, and
- Incentivizing reluctant property and landowners to sell.

Participants would like to see the City take advantage of the current funding opportunities through Kansas Housing Resource Corporation and the Kansas Department of Commerce to assist their efforts. More details about which of the State funding opportunities or programs El Dorado may qualify for can be found in the section Funding Opportunities on page 30.

The Greater Community's Role

In order for the City and greater community to be successful in efforts to increase affordable housing, other stakeholders will have to play a continued role. To accomplish

any of the tasks listed above – zoning, land, infrastructure, and incentives – will require community involvement and support. Those community members who are or who work closely with developers, homebuyers, contractors, and other essential groups must be engaged in future efforts.

Additionally, there are many State-level funding opportunities available for non-governmental organizations concerned with housing. While the City should certainly apply for current funding opportunities, developers, non-profit organizations, and other local entities can and should take advantage of programs designed for them.

Using the findings of this assessment, it would be in the interest of the City to establish a housing committee to develop goals, strategies, and outcomes to measure to ensure progress is made.

Focus Incentives on Developers; Continue to Improve Financing Programs for Homebuyers

Many participants agreed lack of development and trouble attracting developers are the main factors influencing the El Dorado housing market. For this reason, they would like to see more incentives for developers, specifically related to infrastructure. Lacking the existing infrastructure necessary to develop large plots of land is a deterrent for potential developers.

Other participants emphasized the importance of continued support for El Dorado homebuyers and owners. They support increased awareness about currently available funding opportunities for homebuyers and programs to help homeowners to update and maintain their property.

Diversify Housing

Diversifying housing types within El Dorado can be both a short and long-term strategy for improving housing supply. In the short term, current and potential residents would have some place to live in the community, while more traditional housing types are revitalized and developed. In the long-term, residents will have access to a wide variety of housing types that may better suit their needs.

Two actions that can be taken now to work towards more diversified housing are:

1. Rezoning plans and preparations for potential development areas, and
2. Making improvements to and maintaining existing non-single-family homes, specifically existing mobile home parks.

Overcoming negative perceptions associated with some non-single-family homes will have to be a long-term goal but necessary if El Dorado residents are serious about diversifying the housing market.

Potential Impact of Solving the Housing Shortage

Participants felt strongly that adequate housing supply would greatly benefit the El Dorado housing market and community overall. In the same way that the housing shortage has a negative systemic impact on El Dorado by limiting growth, adequate housing supply could positively impact economic and community growth.

A prosperous housing market would make El Dorado a more competitive option among potential residents and their families. With more residents comes an increased tax base and contributions to the local economy. A stronger local economy can support more amenities and growth, both of which are attractive to businesses who bring jobs. When potential residents have an adequate housing supply to choose from, they stay in the community and get connected. The wellbeing of a community depends on connected residents.

Align Efforts with State Housing Strategies

The State of Kansas, through the Kansas Housing Resource Corporation and the Office of Rural prosperity, conducted a statewide, comprehensive housing needs assessment in 2021. This section will highlight:

1. Key characteristics of South-Central Kansas and how they relate to housing challenges, and
2. State strategies and how they align with El Dorado.

Key Characteristics

Much of the demographic information included in the State report was covered in the Demographics section earlier. However, the State reported data at the County level. Some notable findings about Butler County include:

- Except for Butler County (2.28 percent increase), all other Counties surrounding Sedgwick County saw population decreases between 2010 and 2020.
- In 2019, Butler County had the second highest number of employees per 1,000 people. Overall, the region saw a decrease in employees (-25.8 percent).
- In 2020, Butler County had an 8.33 percent vacancy rate.¹
- Compared to other counties in the region, Butler County has the youngest housing stock with the median year built being 1981.
- In 2020, Butler County had one of the lowest ratings (5.95 percent) for housing in poor condition or worse and one of the highest ratings (73.1 percent) for housing in fair to average condition.
- From 2010 to 2019, Butler County saw no increase in the number of owner-occupied cost burdened households² (19.99 percent). There was an increase (41.64 percent) in the number of renter-occupied cost burdened households.

¹ The State considers a 5 to 6 percent vacancy rate “good” for a community.

² Households who pay more than 30 percent of their income for housing.

State Goals and Strategies

The report outlined six goals for improving housing cross the State and strategies to support them.

1. More middle-income housing (freeing up existing homes or building new),
2. Diversifying the housing stock to align with local and employer needs,
3. Extend housing security for existing affordable units,
4. Increase investment in older homes and vacant units,
5. Address labor shortages among trade workers, and
6. Share knowledge, initiatives, and innovations across the State.

The State report outlines many strategies to support these six goals, but this report will highlight a few of the most relevant strategies to El Dorado:

- Encourage Businesses to take advantage of State business incentives for housing.
- Emphasize middle-income units when implementing Rural Housing Incentive Districts and Upper Story RHIDs.
- Preserve the State's older housing stock using the Neighborhood Revitalization Program (NRP) and expand local rehab programs.
- Include requirements for diverse units when writing agreements to help finance development.
- Ensure municipal codes do not slow or prohibit housing development and streamline the approval process.
- Offer prepackaged site plans to builders to facilitate innovative development.
- Sponsor trade programs and encourage succession planning for existing, essential trade businesses.
- Stay up to date on other housing initiatives going on across the state.

Funding Opportunities

As a result of the 2021 Statewide Housing Assessment, the State of Kansas has been working to enhance and promote their funding opportunities for housing. There are programs for each player involved in housing – homebuyers or renters, developers, community organizations, and local governments. Given stakeholders agreed a key strategy will be to incentivize developers while supporting homebuyers, leveraging the benefits of multiple types of funding opportunities will be important.

Some programs are offered directly through the State through the Department of Commerce or the Kansas Housing Resource Corporation. Others are federally funded programs highlighted by the State. Based off the findings of this assessment, the City and other community members should consider applying for the following programs.

*For more information on these programs, click on the program titles which link to State websites.

For the City of El Dorado

[Rural Housing Incentive District \(RHID\) Program | Reimbursement](#)

The purpose of the RHID program is to assist local governments in incentivizing developers to local areas by either financing:

1. Housing development infrastructure, or
2. Renovations of buildings 25 years old or older.

A City or County must pass a resolution to establish the bounds of an RHID.

The local government has the choice to either:

1. Issue a bond to fund the infrastructure up front, or
2. Reimburse developers for eligible costs incurred in development.

Either bond debt or reimbursements to developers are paid using whatever incremental increase in real property taxes created by an approved housing development project for up to 25 years.

El Dorado stakeholders identified the high cost of development, infrastructure specifically, as a main barrier to affordable housing development. Given this, the City should consider adopting an RHID to help incentivize development. (Kansas Commerce, C)

[Community Development Block Grant \(CDBG\) Housing Program | Grant](#)

While CDBGs can be used to fund a vast array of project areas, the State has set aside \$2 million for housing activities including rehabilitation and/or demolition, neighborhood development, housing construction, or infrastructure. Projects must benefit low-to-moderate income households in the area. Application requires a 25 percent match. (Kansas Commerce, A)

[Moderate Income Housing \(MIH\) Program | Grant and/or Loan](#)

Since many housing programs are targeted at housing benefitting low-income residents, the State made an intentional effort to fund the Moderate Income Housing Program. MIH can fund a variety of housing projects including construction, rehabilitation, or converting a non-housing unit to a housing unit. While the responsibility for compliance remains with the local government receiving funds, the program encourages private-public partnerships to accomplish the projects. (Kansas Housing Corporation, A)

For Other Local Entities

[Affordable Housing Program \(AHP\) | Grant](#)

Designed for developers and community organizations, non- and for-profit alike, the AHP helps to finance a wide range of housing projects. Projects must meet one of two purposes:

1. Owner-occupied projects: Down payment and/or closing cost assistance for the purchase of a home *or* the rehabilitation of an owner-occupied home. In this

case, 100 percent of units in the project must be for low- or moderate-income households.

2. Rental projects: Purchase, construction, or rehabilitation of a rental project. At least 20 percent of units must be occupied by very low-income households.
(Kansas Commerce, B)

HOME Rental Development Program | Loan

In an attempt to strengthen public-private partnerships and develop affordable rental housing, Kansas' HOME Rental Development Program provides funds to developers.

The State sets aside at least 15 percent of funding for the HOME Investment Partnership Program for [CHDOs](#). CHDOs are nonprofit, community-based organizations with staff whose mission is to develop affordable housing for the community. Kansas' HOME program targets affordable rental development. Funds can be used for a variety of activities that advance affordable rental development. (Kansas Housing Resource Corporation, B)

Federal and State Low Income Housing Tax Credit (LIHTC) | Tax Credit

The LIHTC provides credits to offset investor federal income tax liability with the aim of incentivizing affordable rental development by making it more affordable. Property owners and developers are eligible for the tax credit. The credit is offered for either construction or rehabilitation of rental housing:

- In rural areas,
- For special needs populations,
- To address a housing shortage,
- Housing with HUD Section 8, USDA Housing Assistance, or Public Authority, or
- Housing developments with a wait list.

(Kansas Commerce)

For Individuals

The State offers many programs for homeowners and potential homebuyers. Some include:

- [First Time Homebuyer \(FTHB\) Program](#)
- [Homeownership Set-Aside Program](#)
- [Weatherization Assistance Program](#)

(Kansas Commerce)

Conclusion

Evidenced through this assessment, there is a shortage of quality housing in El Dorado. According to trends in median income, home values, and rents, the lack of new construction over the last 40 years, and an understanding of the barriers to housing in El Dorado offered by stakeholders, the shortage of housing is expected to persist. Stakeholders clearly described the limiting impact of the housing shortage on current economic growth of El Dorado. Stakeholders expect the shortage to persist if the City does not provide additional incentives for developers and continue to support financing programs for homebuyers.

Going forward, this assessment can be used for:

- Policy development
- Funding applications
- Future planning
- Progress monitoring

Altogether, the information provided on El Dorado demographics, housing stock, affordability, supply and demand, and stakeholder feedback can help the City make informed decisions about interventions, resource allocation, and targeted solutions to address the evolving needs of the community.

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