

CITY OF BARTLESVILLE AFFORDABLE HOUSING PLAN



Adopted July 14, 2008

Produced by City of Bartlesville Community Development Department

Credits

City of Bartlesville Affordable Housing Plan

Adopted by Bartlesville City Council on July 14, 2008

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Housing and Urban Development Barriers to Affordable Housing Initiative City of Bartlesville: A Self-Assessment

Introduction

In mid-2006, the United States Department of Housing and Urban Development launched a campaign known as the “National Call to Action for Affordable Housing Through Regulatory Reform”. This campaign invites States, cities, towns and other municipalities to participate in a voluntary network of communities interested in addressing their own regulatory barriers. As an authority which regulates the housing industry, the City of Bartlesville recognized the need to participate in this program. Understanding that, directly or indirectly, city regulations can increase the cost and reduce the supply of affordable housing, the City Council formed the Affordable Housing Task Force and directed it to initiate a self-evaluation of its ordinances, codes, regulations, policies and procedures and report back with possible modifications thereto which might assist in increasing the supply of affordable housing in the community. This document is the result of this self-assessment.

1. An Analysis of the City of Bartlesville Housing Market

1.1 Summary

With the changing demographics of the City of Bartlesville evidenced by the 2000 Census combined with the diversification of the economic development market and new job growth within the area, community leaders recognized that the escalating price of housing was making it increasingly difficult for many people to live within the city limits of Bartlesville, including city and county staff, policemen, teachers, retail clerks, and service people. As such, the City Council encourages the construction of affordable housing in Bartlesville and perceives the following benefits of increasing the inventory of affordable housing:

- Promote social-economic diversity within our citizenry;
- Provide a ready inventory of employees for local employers;
- Promote racial and ethnic diversity within our citizenry;
- Provide different economic levels of housing within our community;
- Increase longevity of employment by enabling employees to live closer to work; and
- Ensure there are viable housing alternatives for City employees within the city limits.

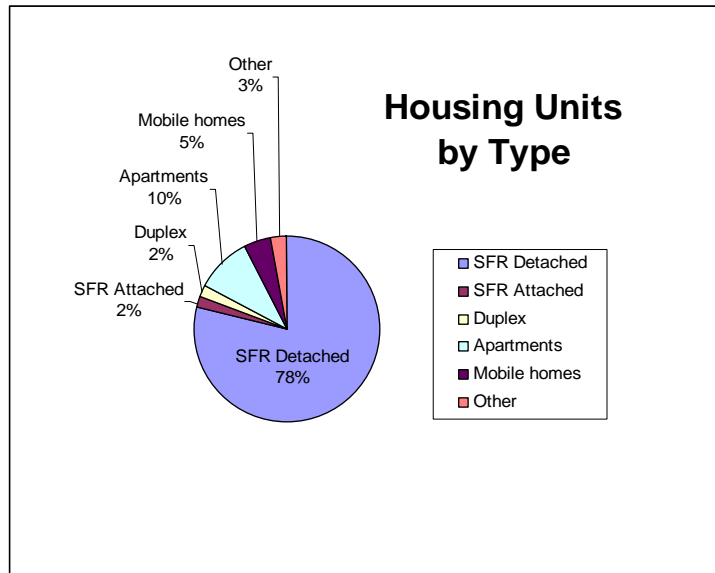
This Plan includes information on the City of Bartlesville’s housing market, and housing goals and strategies. This Plan was presented to the Bartlesville-Washington County Metropolitan Planning Commission at a public meeting on June 25, 2008. It was then presented to the Bartlesville City Council at a public meeting on July 14, 2008, and was adopted by the Bartlesville City Council on July 14, 2008.

1.2. Population and Housing Units

Population in the City of Bartlesville has remained level over the past 30 years. In 1980 the population was 34,568, in 1990 it was 34,256, and in 2000 it was 34,748. However, over the past three years, population growth has increased due to increased job opportunities with major employers within the community. City staff estimated Bartlesville’s January 1, 2008 population at 36,470, a 5% increase over the 2000 population of 34,748. Population projections estimated by city staff are as follows:

Year	Population	Percent Change
2000 (Census)	34,748	
2008	36,470	+ 5%
2010	37,200	+ 2%
2015	38,300	+ 3%
2020	39,450	+ 3%
2025	40,400	+ 2.4%
2030	41,400	+2.5%

Based upon the 2000 U.S. Census, the City of Bartlesville population of 34,748 had 16,091 total housing units. Of those units, 78% of them were traditional single-family detached residential units. The remaining 22% were single-family attached units, duplex units, apartments, mobile homes, or other residential dwelling units.



Like many mid-western communities, the City of Bartlesville is overwhelmingly a community of homeowners. Of the 14,565 total occupied housing units, in Bartlesville, 70.5% of the City’s residents own the home in which they live, compared with 74%, 68.4%, and 66.2% for Washington County, the State of Oklahoma, and the United States, respectively. The remaining 29.5% of occupied housing units (4,306) are rental units.

Over 83.4% of Bartlesville residences are single-family homes (includes detached and attached units and mobile homes) compared to 85% in the State of Oklahoma and 74% in the United States.

1.3 Age and Condition of Existing Housing Stock

By 2009, approximately 42.5% of the housing units in Bartlesville will be 50 years old or older. By the year 2020, that number will rise to 49.5%. A majority of these housing units are in need of, or will be in need of, substantial rehabilitation.

This is not uncommon for any normal growth community in the United States. The post-war years precipitated a housing boom throughout the United States that lasted through the 1950's resulting in the construction of moderately and low-priced homes. The majority of the homes built in these post-war years consisted of modest housing construction quality that does not meet today's building standards.

The City of Bartlesville has three (3) census tracts out of ten (10) total which are qualified as low-moderate income areas. According to census data, these three census tracts contain many of these post-war production-built homes (the median year the housing structures were built within these three census tracts was 1944, 1946 and 1951). Additionally, 48% of all housing units within these three census tracts are renter-occupied, and many of these are the subject of property maintenance code violations which are addressed each year by the Neighborhood Services Division of the Community Development Department.

1.4 New Housing Construction

According to data provided by the City of Bartlesville Building Services Division, building permit activity for the construction of new single-family residential homes has reflected the increased job growth and commensurate population growth of the community over the past three years as shown in the following table.

Year	Number	Total Valuation	Average Valuation
1996	48	\$3,888,117	\$81,002
1997	56	\$9,044,450	\$161,508
1998	59	\$7,977,418	\$135,210
1999	25	\$5,339,000	\$213,560
2000	33	\$4,571,300	\$138,524
2001	33	\$8,544,670	\$258,929
2002	54	\$7,857,895	\$145,517
2003	90	\$15,434,148	\$171,491
2004	82	\$11,728,068	\$143,025
2005	178	\$34,754,177	\$195,248
2006	204	\$38,430,623	\$188,385
2007	242	\$39,549,284	\$163,427

This data also reflects the increase in the number and price of speculative housing being built in Bartlesville in recent years.

1.5 Cost of Living and Home Sales

The composite cost of living in the Bartlesville area is approximately 6% lower than the national average, and affordability ranks high on Bartlesville's strengths. In fact, according to a resident survey conducted by Angelou Economics, affordability ranked as the region's primary asset.

One primary component of cost of living is home prices. In the third quarter of 2005, the average price of sold homes in the Bartlesville area was \$107,406, compared to a statewide average of \$108,994 and a national average of \$299,600.

According to data provided by the Bartlesville Association of Realtors for annual residential sales from 1996 to 2007, housing sales prices have risen by 71% over the twelve year period, or an average of 5.9% per year, as shown in the following table:

Year	Average Annual Residential Sales Price
1996	\$74,299
1997	\$78,062
1998	\$85,783
1999	\$82,647
2000	\$87,447
2001	\$91,903
2002	\$103,125
2003	\$102,040
2004	\$95,954
2005	\$110,718
2006	\$124,116
2007	\$130,986

This increased sales price exceeds adjustment for the Consumer Price Index over the years (the same home purchased in 1996 at \$74,299 would cost \$98,185.49 in 2007) and reflects the increasing property values and increasing valuation of new housing being built over the years.

According to 2007 data compiled by the Oklahoma Association of Realtors, housing is less expensive in Bartlesville than in other cities and for the State as shown below:

	Average Home Sales Price
Bartlesville	\$130,986
Greater Tulsa Area	\$155,036
Stillwater	\$148,278
Norman	\$154,616
State of Oklahoma	\$149,443

Source: Oklahoma Association of Realtors, 2007

1.6 Rental Occupied Units, including Apartments, and Renter Profile

Of all occupied housing units within the City of Bartlesville, 30% of them are renter occupied, slightly less than the 32% rental occupancy rate for the State of Oklahoma. Of the rental occupied housing units approximately half are single-family residential housing units (includes single-family attached, single-family detached, and mobile homes) and 50% are apartment units (includes duplex, tri-plex, four-plex and structures of 5+ units per building). Of the latter 50%, 34% of these dwelling units are located within complexes with five or more units per building. Of all total rental units, 44.6% were built before 1960 and of those, three in four are traditional single-family detached residential units, many of which are poorly maintained.

For rental housing, average rents in Bartlesville also compare favorably within the State of Oklahoma.

	Average Monthly Rent for 2 Bedroom Unit
Bartlesville	\$473
Greater Tulsa Area	\$629
Stillwater	\$587
Norman	\$587

Source: HUD 2007 Fair Market Rents

According to the 2000 Census, the rental vacancy rate in the City of Bartlesville, 7.9%, was lower than that for Washington County (8.0%) and the State of Oklahoma (10.6%).

The following provides a profile of the rental market in Bartlesville according to the 2000 Census:

- 21% are minority citizens
- 16.9% are 65 years of more
- 31.6% are households with children under 18 years of age
- 16.9% are married couple families with children
- 3.2% are single fathers with children
- 11.2% are single mothers with children
- 57.8% earn less than \$25,000 per year
- 34.2% of all renters spend 30% or more of their housing income for rent, with 18.5% spending 50% or more for rent

1.7 Housing Affordability

A key factor in determining the availability of affordable housing in a community is income data. The City of Bartlesville proposes to use a fairly standard definition of affordability (no more than 30% of income to be devoted to housing costs) and moderate income (80%-120% of area median income). According to a recent Statewide Housing Affordability Study completed by the Oklahoma Housing Finance Agency (dated January 11, 2008), even though Oklahoma has some of the most affordable housing in the country, many wage earners cannot afford to own a home or even rent one without paying an unreasonable percentage of their income.

In Washington County, the Fair Market Rent (FMR) for a two-bedroom apartment is \$473. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$1,576 monthly or \$18,920 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a housing wage (the amount a person working full-time must earn to afford the fair-market rent on a two-bedroom unit without paying more than 30% of his or her income in rent) of \$9.09 an hour. With an estimated mean (average) wage for a renter in Washington County of \$9.79 an hour, rental of a two-bedroom apartment is a possibility for a family with only one wage earner. However, in order to buy an average priced home in Washington County priced at \$128,889, a person would have to make an hourly wage rate of \$15.78. Therefore, in order to purchase an average priced home, a family must have 1.6 wage earners earning the average wage of \$9.79 an hour.

However, for workers in certain occupational groups who earn the Oklahoma minimum wage of \$5.85 an hour or more, but less than the Washington County average wage of \$9.79 per hour, renting or owning a home in Washington County becomes more difficult or impossible. As shown in the following table, workers at the low end of the pay scale for these occupational groups cannot afford to buy or rent in Washington County and those in the middle group can afford to rent only. While those at the top of this occupational grouping may now be able to buy and rent in Washington County, they will soon be priced out of the housing market if the increasing cost of housing in our community continues to exceed the income earned for the workers within these occupational groups.

Occupational Grouping	Can afford to buy	Can afford to rent only	Cannot afford to buy or rent
Community & Social Service	X		
Protective Services	X		
Healthcare Support		X	
Education, Training, & Library		X	
Office and Administrative Support		X	
Farming, Fishing, & Forestry		X	
Production		X	
Food Preparation & Serving-related			X
Building & Grounds Cleaning & Maintenance			X
Personal Care and Service			X

Source: Oklahoma Housing Finance Agency

In June 2005, the percentage of workers in Washington County who worked in one of the above fields is as follows:

Occupational Grouping	Total Number of Workers	Female Workers	Minority Workers	Hispanic Workers
All Workers	4862	2034	1216	151
Community & Social Service	49	36	13	2
Protective Services	68	11	15	1
Healthcare Support	113	95	26	0
Education, Training, & Library	75	47	19	3
Office and Administrative Support	857	606	205	19
Farming, Fishing, & Forestry	33	3	6	2
Production	601	140	162	20
Food Preparation & Serving-Related	442	218	122	22
Building & Grounds Cleaning & Maintenance	263	102	67	7
Personal Care and Service	107	82	30	1

Source: Oklahoma Employment Security Commission

Note that in the above table, those workers in the occupational grouping categories highlighted in yellow are the workers who can neither afford to buy or rent housing within the Bartlesville area. In percentage terms, this accounts for 16.7% of all workers. Additionally, 34.5% of all workers can afford only to rent, but not buy housing within the Bartlesville area. Taken together, this data tells us that 53.6% of all workers, the majority of all workers, within Washington County cannot afford to buy a home within the Bartlesville area.

In addition, data compiled by the Oklahoma Employment Security Commission projects employment by major occupation in each of these occupational groupings to increase by the year 2010 within the State of Oklahoma as shown in the following table. With the exception of two categories, growth within the at-risk occupations is expected to increase within Oklahoma by double-digit percentages, and for the workers who cannot afford to rent or buy within Washington County (shown in yellow highlight), the growth averages 21.67% by the year 2010, further supporting the need for affordable housing.

Occupational Grouping	Growth 2000-2010
All Workers	16.06%
Community & Social Service	23.52%
Protective Services	23.10%
Healthcare Support	30.14%
Education, Training, & Library	21.63%
Office and Administrative Support	9.46%
Farming, Fishing, & Forestry	11.35%
Production	7.78%
Food Preparation & Serving-Related	17.86%
Building & Grounds Cleaning & Maintenance	19.01%
Personal Care and Service	28.14%

For persons who rely upon Monthly Supplemental Security Income (SSI) payments, housing affordability is also a problem. SSI payments for an individual in Washington County is \$603 per month. If SSI represents an individual's sole source of income, by applying the 30 percent rule for affordable housing, this individual can afford \$181 in monthly rent, while the FMR for a one-bedroom is \$388.

Based upon the data presented above, the divide between the haves and have-nots in housing continues to widen, making painfully obvious the reality that incomes (for several occupational sectors) are not keeping up with home prices. This can be attributed in part to an increase in the cost of raw land and development, coupled with the dramatic climb in costs of nearly every type of material that goes into home construction.

1.8 Target Populations

Affordable housing is needed for the workforce, as well as additional segments of the population including senior citizens, persons with disabilities, and single heads of household. Many people in these groups live on fixed incomes. The following statistics for each target group are from the 2000 Census.

Elderly



- Those aged 65 years and older comprise 18.6% of total population in 2000
- Fastest growing age group in Bartlesville
- 9.4% of the population is over age 75

Workforce



- Ages 25 to 54
- Most likely have children under the age of 18
- Comprises 46.8% of all owner-occupied households, but 60.8% of all renter-occupied households
- Larger families (5 or more members) have fewer resources to purchase a home; Households with 5 or more persons make up 7.3% of all households

Female-Head of Household



- More likely to have low incomes
- Less likely to be homeowners
- Comprise 13.7% of all 2+ person households in Bartlesville, and of those, 22% had children under 18
- 52% of all female-headed households are below the poverty level, and those with children under 18 comprise 45.3% of all families below the poverty level
- Female-headed households have a median family income of \$21,551 per year versus all families at \$44,617 per year; For female-headed households with children under 18 years, the median family income drops to \$17,660 per year

Homeless



- Could be prevented with provisions for housing for the lowest income residents
- Providing housing for the homeless minimizes the need for emergency shelter and transitional housing services
- Actual size of this population is difficult to estimate

Disabled



- 22.9% of Bartlesville residents report disabilities, including those with mental and physical handicaps
- Those living on SSI income would need to spend 64% of their income to rent a one-bedroom apartment in Bartlesville
- Often have special needs for home accessibility

Young Adults



- 18 to 24 year-olds
- Tend to be students with low incomes who spend a greater portion of their budget on housing
- Accounts for 8.1% of all residents in Bartlesville
- Median household income for this age group is \$23,611 per year

Underskilled



- Those persons without a high school diploma or GED equivalent
- Accounts for 13.6% of all Bartlesville workers
- Often includes those who do not speak English (5.3% of the total population)
- Includes minimum wage households (identified as those earning less than \$15,000 per year) which comprise 19.1% of all households

2. Affordable Housing Defined

City of Bartlesville's Affordable Housing Definition

"Affordable housing" means residential housing that has a sales price or rental amount that is within the means of a household that is moderate income or less.

- **Owner Occupied:** In the case of dwelling units for sale, housing that is affordable means housing in which principal, interest, taxes (which may be adjusted by state and local programs for property tax relief,) and insurance, constitute no more than thirty percent (30%) of the gross household income for a household with less than one hundred and twenty percent (120%) of area median income, adjusted for family size.
- **Rental Units:** In the case of dwelling units for rent, housing that is affordable means housing for which the rent, heat, and utilities other than telephone constitute no more than thirty percent (30%) of the gross annual household income for a household with eighty percent (80%) or less of area median income, adjusted for family size.

Affordable housing includes all types of year-round housing, including, but not limited to, single-family, multi-family, manufactured housing, housing originally constructed for workers and their families, accessory dwelling units, housing accepting rental vouchers and/or tenant-based certificates under Section 8 of the United States Housing Act of 1937, as amended, and assisted living housing, where the sales or rental amount of such housing, adjusted for any federal, state, or municipal government subsidy, is less than or equal to thirty percent (30%) of the gross household income of the low and/or moderate income occupants of the housing.

This definition is has been based on the standards set by the U.S. Department of Housing and Urban Development (HUD) and the definition of affordable housing used by the State of Rhode Island.

2.1 Income Limits

The city of Bartlesville will use income limits that are set annually by HUD in order to determine affordability levels for "moderate income" to "extremely low income" households. These income limits are based on a household's total income and number of people living within that household. HUD defines the individual household income limits as follows:

- Extremely Low Income: Annual earnings below 30% of the Area Median Income (AMI).
- Very Low Income: Annual earnings below 50% of the AMI.
- Low Income: Annual earnings below 80% of the AMI.
- Moderate Income: Annual earnings between 80% to 120% of the AMI.

The following table depicts HUD’s 2008 income limits for Washington County.

Income Limits	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Area Median Income (AMI)	\$37,000	\$42,312	\$47,562	\$52,875	\$57,125	\$61,312	\$65,562	\$69,812
Low Income	\$29,600	\$33,850	\$38,050	\$42,300	\$45,700	\$49,050	\$52,450	\$55,850
Very Low Income	\$18,500	\$21,156	\$23,781	\$26,438	\$28,563	\$30,656	\$32,781	\$34,906
Extremely Low Income	\$11,100	\$12,694	\$14,269	\$15,863	\$17,138	\$18,394	\$19,669	\$20,944
Moderate Income	\$44,400	\$50,774	\$57,074	\$63,450	\$68,550	\$73,574	\$78,674	\$83,774

2.2 Definitions of Affordability for Homeowners and Renters

A. Price Range Affordable to Buyers of Moderate Income or Lower

As previously defined, a for sale house is considered affordable if the principal, interest, taxes, and insurance are no more than thirty percent (30%) of the gross household income for a household with less than one hundred and twenty percent (120%) of area median income, adjusted for family size. The following table shows the monthly costs of affordable units for each income range. The last row displays the maximum monthly cost, contingent on household size, for an owner-occupied unit to be considered “affordable” in Bartlesville.

Monthly Cost Limits of Affordable Owner-Occupied Units in Bartlesville, PITI*

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Area Median Income	\$925	\$1,058	\$1,189	\$1,322	\$1,428	\$1,533	\$1,639	\$1,745
Low Income	\$740	\$846	\$951	\$1,058	\$1,143	\$1,226	\$1,311	\$1,396
Very Low Income	\$463	\$529	\$595	\$661	\$714	\$766	\$820	\$873
Extremely Low Income	\$278	\$317	\$357	\$397	\$428	\$460	\$492	\$524
Moderate Income	\$1,110	\$1,269	\$1,427	\$1,586	\$1,714	\$1,839	\$1,967	\$1,094

*PITI= principal, interest, taxes, and insurance

Affordable House Price*

	1 Person	2 Person	3 Person	4 Person	5 Person
Area Median Income	\$103,624	\$119,935	\$135,999	\$152,310	\$165,307
Low Income	\$80,963	\$93,936	\$106,812	\$119,934	\$130,358
Very Low Income	\$46,968	\$55,062	\$63,155	\$71,248	\$77,749
Extremely Low Income	\$24,281	\$29,063	\$33,969	\$38,873	\$42,676
Moderate Income	\$126,311	\$145,809	\$165,184	\$184,683	\$200,380

*7.0% interest, 30-year term, 3% down payment

A. Price Range Affordable to Renters

The affordability calculations for affordable rental units are similar to those for owner-occupied units. However the definition of “affordable” differs slightly. Affordable, in terms of rental units, means housing in which the rent, heat, and utilities cost no more than thirty percent (30%) of the gross annual household income for a household with eighty percent (80%) or less of area median income. This lower standard is used due to the assumption that renters usually have lower incomes than homeowners. The following table displays the monthly costs considered affordable for each income range. The last row displays the maximum monthly cost, contingent upon household size, of a unit that would be considered affordable in Bartlesville.

Monthly Cost Limits of Affordable Rental Units in Bartlesville

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Area Median Income Renter	\$925	\$1,058	\$1,189	\$1,322	\$1,428	\$1,533	\$1,639	\$1,745
Low Income Renter	\$740	\$846	\$951	\$1,058	\$1,143	\$1,226	\$1,311	\$1,396
Very Low Income	\$463	\$529	\$595	\$661	\$714	\$766	\$820	\$873
Extremely Low Income Renter	\$278	\$317	\$357	\$397	\$428	\$460	\$492	\$524

2.3 Homeownership Affordability Findings

The City of Bartlesville 2008 real estate sales data was acquired from the Multiple Listing Service listings for Northeastern Oklahoma. This data showed that within The City of Bartlesville about 64% of homes sold in 2007 were affordable (\$184,683 or lower) to a family of four earning up to \$63,450 (the top of the moderate-income range). Breaking the data down by price ranges, reveals the following distribution:

2007 Affordable Home Sales, for a 4 person family, in Bartlesville

Income Range	Income Limit	Households by Income *		Affordability Limit	Number and Percent Affordable	
		Below:	%		No.	%
Median Income	\$52,875			\$152,310	481	56%
Low Income	\$42,300	\$50,000	65%	\$119,934	347	40%
Very Low Income	\$26,438	\$25,000	34%	\$71,248	128	15%
Extremely Low Income	\$15,863	\$15,000	18%	\$38,873	17	2.1%
Moderate Income	\$63,450	\$75,000	82%	\$184,683	565	64.5%

*Source: Claritas, Inc.

2.4 Rental Affordability Findings

Rental unit affordability data was acquired from HUD’s Consolidated Plan/CHAS 2000 “Affordability Mismatch Data.” This data indicates that within The City of Bartlesville, about 30% of rental units could accommodate and would be considered affordable to a family of four in 2000. The following table breaks down the data by unit size and the amount considered affordable for each income range.

Affordable Rental Units in Bartlesville

Income Range	1 Bedroom		2 Bedroom		3 Bedroom	
	No.	%	No.	%	No.	%
Extremely Low Income	330	8%	390	10%	315	8%
Very Low Income	730	18%	905	22%	685	17%
Low Income	185	4%	225	5%	285	6%
Total Affordable	1245	30%	1520	37%	1285	31%

Source: HUD, CHAS Data

3. Housing Goals

1. Promote the preservation of the City of Bartlesville's existing affordable housing stock through housing rehabilitation resources to maintain the affordable housing that already exists in the community.
2. Maintain housing quality standards to maximize the availability of safe, decent, affordable housing to low-income residents.
3. Encourage the development and redevelopment of neighborhoods to improve community living conditions and reduce poverty.
4. Facilitate partnerships with developers and lenders to implement programs that upgrade Bartlesville's aging housing stock and actively participate in the renewal of neighborhoods suffering from physical deterioration or from the inequitable distribution of public resources in the past.
5. Provide specific incentives which would promote the inclusion of affordable housing in new residential developments.
6. Strive for innovation in the creation of model ordinances, policies, and programs that will expand housing opportunities for low- and moderate-income persons.
7. Encourage private development and investment in affordable housing which can include homebuyer programs; existing homeowner rehabilitation; rental housing acquisition, rehabilitation and/or new construction.
8. Seek possible avenues for preserving and utilizing quality and attractive manufactured housing as a low-income housing option.
9. Support environmentally friendly construction and rehabilitation programs emphasizing quality work to achieve energy efficiency and low cost maintenance. Encourage cost effective building styles, methods, and materials.
10. Actively promote fair housing principles in the community.
11. Promote a full range of housing choices, both types and styles, for all income groups, families of various sizes and types, seniors, and persons with special challenges.
12. Promote a living environment that meets the minimum standards of the City of Bartlesville and State of Oklahoma and provides access to public amenities for all residents, present and future, regardless of income.

4. Affordable Housing Strategies

Overall, the City of Bartlesville has few of the regulatory barriers that are normally considered to be exclusionary. The City regulations provide for small residential lots, mixed use housing, manufactured housing in single-family residential zoning district, and accessory dwelling units; the existing regulations require less parking for senior and disabled housing developments; there are no strict growth management ordinances which restrict or limit the location of new residential development; a one-stop expedited permitting procedure is in place and we encourage concurrent plan review to keep the development process moving forward as quickly as possible. There are areas, however, where modifications could be made that might lower construction costs and assist with the development of affordable housing in our community.

As such, the following are strategies to implement the goals of the City of Bartlesville Affordable Housing Plan. These strategies, which focus upon the removal of regulatory barriers, are the most palatable at this time and are a good starting point in the City's efforts to further affordable housing in the community. As time goes on, the plan and the strategies can be expanded to include more aggressive options which can further affordable housing goals through the years.

One of the characteristics of a healthy community is to meet the basic needs for food, water, shelter, income, safety, and work for all residents. A truly sustainable city is one which can support the basic needs of all of its citizens, and a community in which a person can work but not afford to live is not a sustainable community. As such, the City recognizes its obligation to participate in strategies that promote affordable housing, but also recognizes that all within a community have an obligation as well. As such, the following strategies require participation by the City as well as the community at large in some manner or method.

As authorized by the City Council, the following strategies will be more fully explored and implemented by the appropriate ordinance, resolution, policy, or program. These strategies are the foundation of a housing program and reflect the advice received from Bartlesville Affordable Housing Task Force, the Metropolitan Area Planning Commission, the Bartlesville City Council, City of Bartlesville staff, and the citizens of Bartlesville who participated in the Plan development process. Prior to any ordinances, resolutions, policy changes or programs being considered for implementation by the City Council, the exact wording of such will be reviewed by the Affordable Housing Task Force, or a portion thereof who volunteer for said review process, and will be voted on by said group.

1. Fast Track Development Review

The City of Bartlesville has already implemented a fast track development review program which expedites staff approval for single-family residential building permits by the use of a "one-stop shop". This can be expanded to give priority fast track development review (within the limits permitted by the Oklahoma State Law) to include rezoning, planned unit development, and subdivision applications which are for affordable housing projects.

The city has also implemented a parallel review process which allows applicants to concurrently submit building plans for review while processing a request for a zoning change or subdivision plan. This is done with the understanding of the development community that should a rezoning or subdivision plan be denied, then a building permit could not be issued.

The fast track review process should also be expanded to include review of projects within the Downtown Redevelopment District by the Downtown Design Review Committee (DRC). It is the City's goal to encourage the infill development of quality single-family residential development within this District. One way to meet this goal is to provide contractors with plans that have been pre-approved by the DRC or to provide "permit ready" house plans. It is recommended that within this redevelopment district, the DRC consider pre-approved construction design plans for affordable housing projects which are architecturally consistent with the Downtown neighborhoods and meet the design guidelines for the Redevelopment District. These pre-approved model plans would help to speed up the development review process by allowing staff approval of the plans and issuance of a building permit. By eliminating the design review process for these pre-approved plans, the time required for issuance of a building permit for this project would be reduced from a maximum of two weeks to one day, and serves as an incentive for the construction of affordable housing units within the Downtown Redevelopment District.

2. Waiver of Development Fees

The City of Bartlesville will consider waiving some or all of the development and permit fees related to bona fide affordable housing projects, including new construction and renovation, such as:

- all building permit related fees, including electrical, mechanical, plumbing, concrete, driveway, right-of-way permits;
- sanitary sewer impact fee (\$2,000 per dwelling unit);
- storm drainage fee-in-lieu (10 cents for each square foot of impervious surface);
- park fee (\$500 per platted acre);
- sewer and water tap fees;
- subdivision inspection fees;
- right-of-way permit fees.

3. Infrastructure Support

One area where local governments are particularly well suited to help support affordable housing is in the provision of the infrastructure necessary for housing development. The City of Bartlesville will seek ways to support the construction of new affordable housing by participating with the developer in the provision of some or all of the publicly-owned and maintained infrastructure systems, to include water, sewer, storm drainage, and street improvements necessary to support the affordable housing development, both on- and off-site. Where feasible, the City should utilize in-house labor for the construction of these public infrastructure systems up to a maximum City contribution of \$500 per dwelling unit. Because Bartlesville participates in the Small Cities CDBG program, the City will also seek to utilize this grant program to provide such public infrastructure improvements.

4. Sales Tax Rebates

This program will provide a partial or full rebate on City sales tax paid for construction materials purchased within the Bartlesville city limits that are used in the construction or rehabilitation of affordable housing units. To qualify for this rebate, the developer and/or builder will need to provide documentation on a monthly basis to the City of Bartlesville with detailed information as to the purchase and the approved sales tax rebate will be paid upon the sale of the unit to a qualified buyer. Staff estimates that a City sales tax rebate will save a developer and/or builder an average between \$650 to \$850 dollars per unit.

5. Subdivision Design

Local subdivision regulations represent a major tool by which local governments manage and shape the housing development process. These regulations establish infrastructure or site requirements to support new residential development, i.e., they establish specifications for streets, sidewalks, water and sewer, drainage, and curbs and gutters. Subdivision regulations are intended to ensure that proposed housing developments are cost-effective (i.e., reduce extensive long-term maintenance by the locality), meet health and safety requirements, are properly designed, and have a favorable impact on the community. The cost of these requirements represents a significant share of the cost of producing new housing. Such requirements can reasonably be considered “regulatory barriers” to affordable housing if the locally determined requirements are greater (and hence, more costly) than those necessary to achieve health and safety requirements in the community.

The most common development standards evaluated when determining if subdivision regulations are raising the cost of housing and limiting the supply of affordable housing in communities include lot size, lot width, front yard setback requirements, street pavement width, sidewalk requirements, curb and gutter drainage, and open space requirements.

The City of Bartlesville Subdivision Regulations were assessed as part of this planning process and found to be reasonable with regard to lot size and width. However, modifications or reductions to building setbacks, street pavement widths, sidewalks requirements, curb and gutter drainage systems, and open space requirements may be appropriate for bonafide affordable housing developments. City staff will make recommendations concerning such modifications as directed by the City Council.

6. Building Code and Design Review

With new technologies, designs, and material entering the construction industry every day, the need to stay abreast of the changes and options is more critical than ever. Using new materials and techniques designed for energy and construction efficiency can significantly lower the cost of housing construction, ultimately passing the savings on to home buyers and renters. Materials such as structural insulated panels are a prime example of the type of innovations being used to not only lower building costs, but also create energy efficient buildings.

In addition to new materials and manufacturing technologies, innovative design ideas for affordable units are being used in communities all over the country. The Great House Concept is one such design that offers a multi-family dwelling unit disguised as a traditional single-family home. This type of design offers a strategy to mix multi and single-family units, while maintaining neighborhood design compatibility.

In order to educate and update local builders, the City of Bartlesville should organize a panel of experts representing the building construction trades, architects, and others familiar with the housing construction industry to discuss, identify, and then promote the use of new technologies, synthetic and prefabricated materials, and other innovative construction materials that, while permitted by the building codes, will assist in lowering the cost of housing construction.

7. Tax Increment Financing Districts

Tax increment financing district (TIFs) can be created in neighborhoods designated as “conservation” or “blighted” areas. When a community creates a TIF district, the amount of tax revenue the area currently generates is set as a baseline, which will serve as the amount that the local governmental taxing bodies will receive from that area for the life of the TIF, typically 25 years. As vacant and dilapidated properties are developed, with TIF assistance, the value and tax revenue from those properties increases. The "increment" above the baseline is then captured and used solely for improvements and redevelopment activities in the TIF district.

The City of Bartlesville will consider the formation of a tax increment financing district (as permitted by the Oklahoma State Statutes) to help off-set the construction costs associated with the construction of an affordable housing subdivision or development.

8. Inclusionary Zoning

Inclusionary zoning is a regulatory policy that encourages or mandates the production of affordable housing units in tandem with the production of market rate units. This is often achieved via zoning ordinance. The ordinance will either require or incentivize a certain percentage of new housing units be affordable based on the local definition of “affordable housing.”

Inclusionary zoning is often used to create and maintain mixed-income neighborhoods within a community by requiring that affordable units be constructed alongside market rate units. Furthermore, many inclusionary zoning programs require that external features of affordable units be comparable with those of market rate units so that affordable units are indistinguishable from the rest of the development. The idea is to build affordable communities that have the tax base and social services necessary to sustain a neighborhood while minimizing the negative stigma often associated with affordable housing.

Most mandatory inclusionary zoning ordinances offer the developer the opportunity to pay a fee into a designated fund in lieu of constructing the required percentage of affordable units. Mandatory inclusionary zoning programs that offer various types of regulatory lenience are protected against legal attacks claiming a taking. Voluntary inclusionary ordinances encourage

the production of affordable units by offering incentives such as density bonuses and fee waivers.

The City of Bartlesville should consider the adoption of a voluntary inclusionary zoning ordinance to promote the development of affordable housing as follows: Developers of new residential subdivisions with 15 units or more that provide at least 15% of the units in a development as affordable housing units would receive a 20% density bonus to their development.

9. Housing Replacement Ordinance

Housing replacement ordinances are established to prevent the demolition or conversion of a affordable residential units into nonresidential uses or residential uses that are not considered affordable. This is a common requirement when utilizing any federal or state funding in a housing program. This type of ordinance preserves the residential character of neighborhoods where commercial, governmental, or industrial expansion may be occurring. Furthermore, it helps to mitigate the impact on tenants displaced or threatened with displacement by rising property values in gentrifying neighborhoods.

The City of Bartlesville should consider creating a Housing Replacement ordinance which requires a developer who converts or demos an affordable residential unit to replace the affordable unit within city limits or pay a fee in lieu of replacement. Any such ordinance should be structured to provide for a base measurement to ensure that there is no net loss of affordable housing within the community overall.

10. Affordable Housing Trust Fund

Housing trust funds are funds created by legislation or ordinance to provide sources of revenue specifically for the support of affordable housing. Housing Trust Funds commit public sources of income that are ongoing and do not depend on private donations. Most housing trust funds receive income from property taxes and impact fees.

Affordable housing trust funds offer financial support to the development, maintenance, managements and purchase of affordable housing. The specific scope of a housing trust fund is limited only by its enabling legislation and the number of staff dedicated to its management.

The City of Bartlesville should move towards establishing an affordable housing trust fund that raises funds for the development of affordable housing by an additional property tax or real estate transfer tax, through the use of tax increment financing, through the receipt of federal and state grant funds, and/or through the collection of in-lieu of fees generated through an inclusionary zoning ordinance. As this fund may involve multiple funding sources, including grants, the city will be obligated to provide staff support for the management of this fund.

11. Community Land Trust

Community land trusts (CLTs) are private, non-profit corporations that create and maintain affordable housing for community members. Through a variety of public and private funding, CLTs purchase land in a specific geographic area of a community and operate by separating the ownership of land and the ownership of the improvements (houses, apartments, etc). The land is always owned by the CLT. The Trust gives long-term leases to individuals, developers, and local governments to develop affordable housing. The improvements to the land may be owned by individuals, but the land itself is always owned by the CLT and leased to the individual or entity.

The separation of ownership allows a CLT to require that the prices of individual homes or apartments remain affordable even through resale. If a family decides to move out of a house they own in a CLT, they may sell the house only to a person within a specific income range (usually low to moderate) and it must be at an affordable price. CLTs are an extremely popular way of creating home-ownership opportunities while still controlling the land to maintain the affordability of the area. CLTs often purchase a certain number of houses for rehabilitation as well. Again, the land and the house are separated in the sale of a heritable lease, and the profit taken by a seller at the time of sale is limited in order to maintain the affordability of the housing unit.

The City of Bartlesville should encourage, educate, and support the development of a Community Land Trust in targeted neighborhoods. Consideration should be given to donating City-owned lots that have been made vacant, due to the demolition of housing units, to a community land trust.