

## Chapter 4

# HOUSING

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## Quality Affordable Housing 4.1

Housing in McDonald County is more than merely shelter. Housing provides residents with home, property, security and much more. Quality affordable housing meets the basic living needs of residents. It must be safe, secure, decent and sanitary. To be “affordable”, it must also be within the financial reach of residents at various income levels, usually defined as costing no more than 30% of income for the occupants, be they tenants or owners. This cost burden is most detrimental for those in the lower income categories, but its negative effects are felt well into the middle-income range.

Housing in McDonald County has many features unique from the Fayetteville /Springdale / Rogers Metropolitan Statistical Area (MSA) of which it is a part. (Refer to Chapter 3: Demographics) Low average family incomes and a high rate of poverty requires the majority of housing be priced far below average for the area. Home ownership in McDonald County was 71.4% in the 2000 census and exceeded the national rate for home ownership of 66.2%.

The 2010 Census will show many changes that are taking place throughout the MSA including McDonald County. A rapid growth rate has stimulated construction and housing prices. Increased costs of labor and materials as well as a smaller supply of land available for building have resulted in higher costs of construction. Builders in NW Arkansas overbuilt expensive housing in the \$300,000 and up price range and did not build as many in the affordable range of under \$150,000. Middle class and lower income families and individuals are being priced out of communities. Families are taking on risky mortgages with home loan defaults reaching record numbers. People are moving farther away from their workplaces to find something which fit within their budgets. The result has been a slowdown in home sales, however, developers are now shifting their focus to more affordable housing.

It is difficult to build affordable housing on land which has skyrocketed in price. As a result, new construction spread into more rural areas and crossed the Arkansas/Missouri state line into McDonald County. Builders and landlords must make a profit or housing will not be built and maintained. Supply and demand will correct the deficiency in affordable housing but in doing so, may well continue the exodus of building from the major cities and into rural areas, contributing to urban sprawl.

McDonald County is very attractive as a location for affordable housing for those in the middle and low income brackets. The lower costs for land allow more square footage to be built for the money or a lower sales price than for comparable properties elsewhere. Increasing development will bring with it the need for infrastructure such as water, sewer, roads, schools, fire and police protection.

- **An important concern for the McDonald County Planning Commission will be to require developers to bear the costs for infrastructure improvements to their developments.**

Failure to do so will result in an increased tax burden on McDonald County residents who are not in a financial position to bear that burden and who may not benefit from the new services.

- **In order to keep housing affordable, expenses for infrastructure should be kept reasonable and developers' costs and fees should not exceed the actual cost of infrastructure for their developments.**

- **The McDonald County Planning Commission realizes that the very best way to increase the availability of affordable housing is to enhance the ability of residents to afford to pay more for housing. In order to accomplish that, educational and job opportunities need to be expanded.**

The above issues will be addressed in Chapter 9 of this plan, ECONOMIC DEVELOPMENT.

**Affordable housing defined in Missouri . For purposes of sections MoRS 215.261 to 215.263, the term "affordable housing" means all residential structures newly constructed or rehabilitated, which a person earning one hundred fifteen percent or less of the median income for the person's county, as determined by the United States Bureau of the Census, could afford if spending twenty-nine percent of that person's gross income annually on such housing.**

A special note of concern in 2007 involves the record number of home loan foreclosures at both the national level and within the state of Missouri. It is reasonable to assume that McDonald County is not exempt from this housing problem. Low interest rates in recent years enabled home buyers to qualify to purchase larger, more expensive housing than actually needed. In order to improve their standard of living and to gain a maximum investment return in a rising housing market, buyers increased their borrowing power by taking out substandard home loans. In the hot housing market, banks obliged borrowers by providing adjustable rate mortgages, interest only loans, principal only loans and no down payment loans while basing loan approval not on income verification but rather on easily manipulated credit scores.

As interest rates increased and substandard loans adjusted to higher rates, borrowers had difficulty renegotiating loans. Even those borrowers who did not face job losses, medical problems or other financial difficulties now faced housing expenses beyond their means. The slowing housing market made selling the home a long term proposition, leading the borrowers into foreclosure or bankruptcy. These foreclosures are expected to continue to increase for the foreseeable future.

## Housing Condition 4.2

The population of McDonald County increased by 28% during the preceding decade according to the 2000 census, while housing increased by only 22.5%. The greatest population increase was in the southwest corner of the county, primarily in the Noel area, with Hispanic population accounting for most of that increase. Household numbers in that area increased and put pressure on existing housing stock.

Thirty percent of the housing in McDonald County is now over fifty years old and another thirty percent is 30 or more years old. Many of these homes will be in need of maintenance and modernization in order to keep

YEAR STRUCTURE BUILT	number	percent
1999 to March 2000	272	2.9
1995 to 1998	1,031	11.1
1990 to 1994	789	8.5
1980 to 1989	1,480	15.9
1970 to 1979	1,928	20.8
1960 to 1969	946	10.2
1940 to 1959	1,494	16.1
1939 or earlier	1,347	14.5
2000 US Census data		



Maintenance and modernization of older, damaged mobile homes may not be practical. Failure to dispose of deserted mobile homes becomes a nuisance and an eyesore to neighborhoods. These homes are sometimes used for storage. They can be dismantled, a labor intensive project, in the same way that 'stick-built" homes are torn down when past their useful life.

New mobile homes usually require financing and are more typically placed on property owned by the purchaser. Mobile homes frequently serve as a "starter home" until a new "stick-built" home can be afforded, with the mobile homes to be resold or rented later to recoup their investment. As much as 70% of new mobile homes sold in McDonald County are packaged financially with a land purchase and are placed on permanent foundations, becoming classified as "real property". Most of these financial packages include between two and five acres of land. Prices for mobile homes have increased at a rapid pace since Hurricane Katrina, primarily due to the rise in cost of building materials, and these mobile homes are no longer as "affordable" as in the past. (Information source: Valley View Mobile Homes)

There are several mobile home parks in McDonald County where owners of mobile homes can rent space. Other parks contain mobile home rentals. These parks provide a useful and necessary service for the housing needs of the county.

- **Regulations for mobile home parks need to be considered to assure the health and safety of residents and the protection of the environment.**
- **Unnecessary regulations which increase the cost of building and operating mobile home parks should be avoided to keep such housing affordable.**

## Subdivisions 4.4

As population of McDonald County increases, the need for housing will result in the subdividing of land and the establishment of new housing subdivisions. Unregulated, McDonald County has seen some outstanding subdivisions, affordable developments and some very poor projects.

A critical need exists for county wide standard regulations for the development of subdivisions in order to protect the citizens of McDonald County. Such regulations do not restrict the right of property owners to divide or sell their properties, rather it would establish the minimum standards which must be met in the process of subdividing their property. It would also require potential developers to meet the minimum standards for subdivisions as laid out by the County.

Subdivision ordinances should be based on the police power of County government, i.e. the County Commission, the right of political entities to regulate in order to promote for the health, safety and general welfare of the community. **Three general goals exist in the establishment of subdivision regulations:**

- ◆ **Preventing premature, partial subdivisions which are poorly linked to the broader community.**
- ◆ **Preventing poor quality, substandard subdivisions with inadequate public facilities and infrastructure.**

- ◆ **Reducing financial uncertainty and risk to the investor, buyer and the community.**

Missouri Revised Statute 64.825 allows McDonald County to establish Subdivision Regulations. The McDonald County Planning Commission is in the process of preparing such regulations for the review and consideration of the County Commissioners.

**64.825. The county planning commission may also prepare, with the approval of the county commission, as parts of the official master plan or otherwise, sets of regulations governing subdivisions of land in unincorporated areas, and amend or change same from time to time as herein provided, which regulations may provide for the proper location and width of streets, building lines, open spaces, safety, recreation, and for the avoidance of congestion of population, including minimum width and area of lots. Such regulations may also include the extent to which and the manner in which streets shall be graded and improved, and the extent to which water, sewer and other utility services shall be provided, to protect public health and general welfare. Such regulations may provide that in lieu of the immediate completion or installation of the work, the county planning commission may accept bond for the county commission in the amount and with surety bond, cash bond, cash deposit with the county treasurer, letter of credit, or certificate of deposit and conditions satisfactory to the county commission, providing for and securing to the county commission the actual construction of the improvements and utilities within a period specified by the county planning commission, and the county commission shall have power to enforce the bond, surety bond, cash bond, cash deposit with the county treasurer, letter of credit, or certificate of deposit by all proper remedies. The subdivision regulations shall be adopted, changed or amended, certified and filed as provided in section 64.815. The subdivision regulations shall be adopted, changed or amended only after a public hearing has been held thereon, public notice of which shall be given in the manner as provided for the hearing in section 64.815.**

These subdivision regulations will help to protect the rural nature of McDonald County and encourage the orderly and beneficial development of all parts of the County while minimizing the conflicts among the uses of land and buildings. They will provide a guide to public policy and action in facilitating adequate provision for transportation, water, sewage, schools, parks, recreation, playgrounds, and other public requirements and help ensure the efficient provision of public facilities. The subdivision regulations will establish reasonable standards of design and procedures for subdivisions and resubdivisions; provide for the orderly layout and use of land and also insure proper legal descriptions and monumenting of subdivided land. These subdivision regulations will also provide complete information as to what is required of developers before a plat is submitted to the Planning Commission and the steps that must be followed in order for the final plat to be approved.

Subdivision Regulations for McDonald County should match development to the availability and capacity of public facilities and services. The regulations should aim to prevent the pollution of air, streams and ponds; to assure the adequacy of drainage facilities; to safeguard the water table; to encourage the wise use and management of natural resources throughout McDonald County in order to preserve the integrity, stability, and beauty of the community and the value of the land. **A primary goal should be to preserve the natural beauty and**

**topography of the McDonald County and to insure appropriate development with regard to these natural features.**

- **The McDonald County Planning Commission is currently preparing county wide Subdivision Regulations as a separate document from the Comprehensive Plan.**

## Low Income Housing 4.5

Subsidized housing, homeless housing, transient, emergency, and special needs housing are all part of the affordability issue, and in some instances, a major part. There is a need for quality housing support, (financial and social) for those who cannot provide for themselves, and for those transitioning from one economic class to another; such as the elderly, disabled, single parent households, minorities, people on fixed incomes, families in shelters, etc. There is a need for quality affordable housing in McDonald County for lower income families earning 30% - 80% of the median income, (the “working poor” and disabled).

- **Encourage affordable housing such as multi-family residential units, senior housing, assisted living facilities, and manufactured/mobile home parks.**

McDonald County has three public low-income housing authorities with a total of 248 low rent units: 100 in Noel, 48 in Southwest City, 30 in Pineville, 24 in Lanagan, and 46 in Anderson. Of these units, 92 are designated as family units and the remainder as elderly/disabled units.

The ALP (Anderson-Lanagan-Pineville) Housing Authority has a community room at the Anderson Facility where they host a monthly dinner for residents as well as other activities. At the Noel Housing Authority (NHA), the community building houses the Area Agency on Aging's McDonald County Senior Center and has daily meals and programs offered on site. Meals are prepared at this site for the Meals-on-Wheels homebound delivery program county-wide. Meals prepared in Noel are also served at the SouthWest City Senior Center.

Additionally, NHA has a literacy center on site, comprising the Noel branch of the McDonald County Library, a GED and ESL classroom, a ten station public access computer lab, all in the community building at 624 Johnson Drive. Adjacent at 626 Johnson Drive, NHA has partnered with Crowder College Evenstart and Economic Security-SW MO area, to offer childcare for adult students enrolled in GED or ESL and a full Head Start program for preschoolers.

Noel Housing Authority has facilitated moving more than 20 families from rental status to homeownership. The agency has rehabilitated for sale or rental to qualified families, four scattered site properties in the community. This was done as part of an effort for neighborhood improvement, as well as to increase the scarce supply of safe, sanitary and affordable homes in this community.

In order to live in these housing authority units, the applicants must not only meet low income qualifications, but also must have proof of citizenship and have no criminal record for the previous five years. The properties are safe and well maintained as well as affordable. Those who fail to meet the qualifications of the housing authorities must seek affordable housing elsewhere, and will find rentals available, but often less well maintained or supervised.

In addition to the HUD programs listed above, USDA Rural Development offers many programs to low income rural residents. Most of these programs are available directly to the individual. Examples of this assistance include:

- **Home Repair Loan and Grant Program (Section 504)** For very low income families who own homes in need of repair, the Home Repair Loan and Grant Program offers loans and grants for renovations. The Home Repair Program also provides funds to make a home accessible to someone with disabilities.
- **Direct Loan Program (Section 502)** Under the Direct Loan program, individuals or families receive direct financial assistance directly from the Housing and Community Facilities Programs in the form of a home loan at an affordable interest rate.
- **Loan Guarantee Program (Section 502)** Under the Guaranteed Loan program, the Housing and Community Facilities Programs guarantees loans made by private sector lenders.
- **Mutual Self-Help Housing Program (Section 523)** The Mutual Self-Help Housing Program makes homes affordable by enabling future homeowners to work on homes themselves. With this investment in the home, or "sweat equity", each homeowner pays less for his or her home. Each qualified applicant is required to complete 65% of the work to build his or her own home.

Information on these and other UDSA Rural Development programs is available online at [http://www.rurdev.usda.gov/rhs/sfh/indiv\\_sfh.htm#Direct%20Loan%20Program%20\(Section](http://www.rurdev.usda.gov/rhs/sfh/indiv_sfh.htm#Direct%20Loan%20Program%20(Section) or at the UDSA office in Neosho which serves Newton, McDonald and Barry Counties.

- **Informing low income McDonald County citizens of the assistance available would help improve housing options for those in need.**

## Special Needs and Emergency Housing 4.6

Homeless, transient, emergency, and special needs housing must be planned for. There is no official emergency shelter available in McDonald County and people in need of such service are referred to Crosslines or to LaFayette House in Neosho. Family Services provides referrals to the Housing Authorities and help meet basic needs of low income citizens.

People are considered homeless when they do not have a place to reside which provides the basic necessities of water, utilities and sanitation. Such homeless people in McDonald County are typically out of sight of the public. They may be living in such places as sheds, derelict vehicles or abandoned mobile homes. The extent of this problem is unknown. Family Services reports that such homelessness is not frequently encountered, but had been more of a problem in the past. Current problems tend to be transportation and drug related rather than homelessness.

The Anderson Guest House was destroyed in a tragic fire in 2006, resulting in the loss of lives. That facility was the only independent living facility for disabled people in McDonald County. The county is fortunate to have an excellent nursing home and rehab center in Anderson that more than adequately meets the need of citizens of McDonald County. To assist low income citizens in McDonald County with disabilities to live independently, the USDA programs listed above provide a Home Repair Program with funds to make a home accessible to those with disabilities.