

CHAPTER 6:

Laclede County



ACKNOWLEDGMENTS

The project team would like to acknowledge the contributions of the residents and partner organizations of Laclede County, who gave their time, ideas, and expertise for the creation of this plan. It is only with their assistance and direction the plan gained the depth necessary to truly represent the spirit of the county and it is with their commitment that the plan will be implemented.

Our sincere thanks to everyone involved including the following individuals and groups of special credit.

Lebanon City Council

Lebanon Regional Economic Development, Inc. (REDI)

Laclede Electric Cooperative Corporation

Lebanon Mayor Josh Ray

Lebanon Former Mayor Lyle Anderson

Laclede County Presiding Commissioner Danny Rhoades

(Laclede Board Representative for LOCLG)

Lebanon Area Chamber of Commerce Director Darrell Pollock

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Lebanon City Councilman Chuck Jordan

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Laclede County Landlords Association

Lebanon Board of Realtors

Lebanon - REDI President/CEO Brian Thompson

CONSULTING TEAM



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A PROFILE OF LACLEDE COUNTY

Laclede County is the only county in the Lake of the Ozarks Council of Local Governments (COLG) service area that does not touch the Lake. This means that they do see some of the recreational benefits from the Lake, but have an economy that is much less dependent on Lake activity. As opposed to others in the COLG, Laclede's economy is driven more by a strong manufacturing base and proximity to Fort Leonard Wood. This economic base means that Laclede County's housing challenges are different from the Lake region and closer to those experienced by the communities in northern Miller and Morgan County. The following section provides an overview of the housing challenges and opportunities in Laclede County and the county's two largest population centers.

POPULATION CHARACTERISTICS

The population trends and projections provide clarity on current housing demand and future housing needs.

Historic Trends

- Over the past 30 years, Laclede County has experienced steady growth.
 - The 1990s and 2000s were especially strong years for growth, resulting in 1.4% annual growth.
 - The majority of the county's growth occurred in the cities, but the rural areas of the county also experienced growth.
 - › In most regions, rural growth usually occurs just outside city limit boundaries. This is somewhat true for Laclede, but the county has also seen scattered rural development well outside incorporated areas.
- Since 1980 Lebanon and Conway have experienced steady growth.
 - During the 2000s, Lebanon experienced strong in-migration (Figure 6.4). While the city's young population would have resulted in a small increase in population of less than 100 people through natural population change (births and deaths), the city actually grew by well over 2,000.

- The recession likely slowed the city's growth but not to the level that many manufacturing communities experienced during this period.
- While the census estimated that the county's population has stagnated since 2010, it would appear that Lebanon's is rebounding and experiencing some growth.
- Looking ahead, the county's economic prospects would indicate continued population growth.
 - During the 2000s the county experienced close to a 1% annual growth rate (AGR). If this level of growth is maintained the county will grow to over 41,000 by 2030.

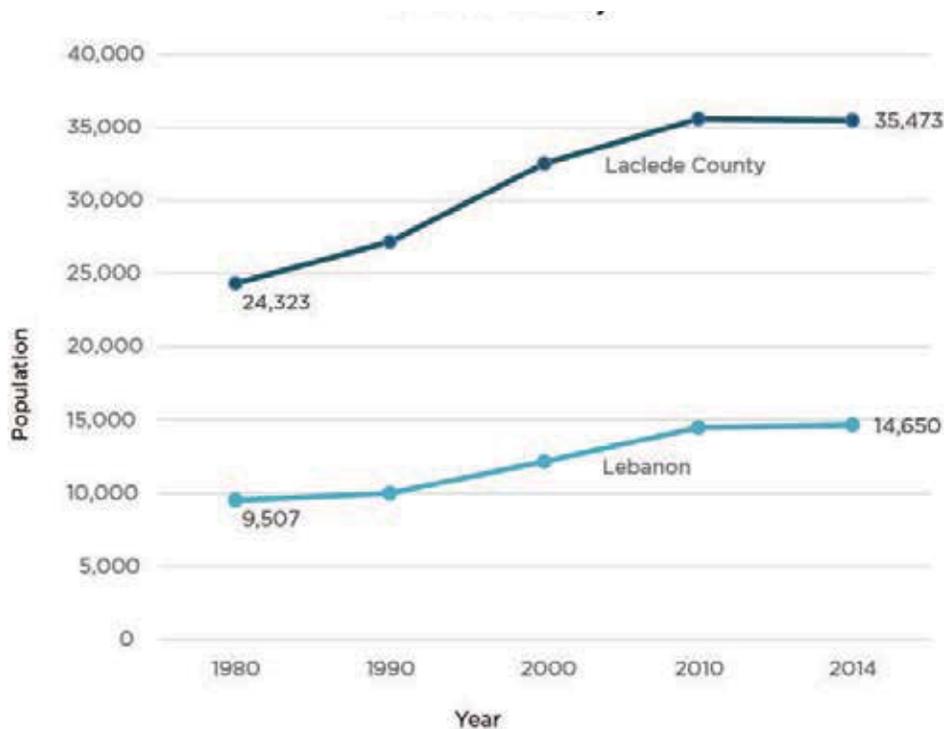


Figure 6.1: Laclede County Historic Population Change

FIGURE 6.2: Laclede County Regional Population Change

STUDY AREA:	2000	2010	2014	CHANGE 2010-2014	CHANGE 2000-2010	ANNUAL GROWTH RATE
LACLEDE COUNTY	32,513	35,571	35,544	-27	3,058	0.9%
Rural	19,217	19,871	19,477	-394	654	0.3%
Cities	13,296	15,700	16,067	367	2,404	1.7%

Source: U. S. Census Bureau

FIGURE 6.3: Historic Population Change

	1980	1990	2000	2010	2014	ANNUAL GROWTH RATE 2000-10	ANNUAL GROWTH RATE 1990-2010
LACLEDE COUNTY	24,323	27,158	32,513	35,571	35,473	0.90%	1.4%
BENNETT SPRINGS				130	156	-	-
CONWAY	601	629	743	788	1,139	0.59%	1.13%
EVERGREEN				28	32	-	-
LEBANON	9,507	9,983	12,155	14,474	14,650	1.76%	1.87%
PHILLIPSBURG	134	170	201	202	207	0.05%	0.87
STOUTLAND	286	207	177	192	185	0.82%	-

Source: U. S. Census Bureau; RDG Planning & Design

FIGURE 6.4: Predicted Versus Actual Population Change

	2000 POPULATION	2010 PREDICTED	2010 ACTUAL	PREDICTED VS. ACTUAL
LACLEDE COUNTY	32,513	33,357	35,571	2,214
CONWAY	743	755	788	+33
LEBANON	12,155	12,219	14,474	+2,255

Source: RDG Planning & Design

FIGURE 6.5: Population Projection, Laclede County

	2010	2015	2020	2025	2030
0% MIGRATION	35,571	36,003	35,923	35,815	35,597
1.0% ANNUAL GROWTH RATE	35,571	35,473	37,282	39,184	41,183
1.5% ANNUAL GROWTH RATE	35,571	35,473	38,214	41,168	44,349

Source: RDG Planning & Design

ECONOMIC CHARACTERISTICS

As noted above Laclede County's economy is different from other counties within the COLG. Laclede depends more on manufacturing jobs, employment at Fort Leonard Wood, and opportunities in the larger region, including Springfield. A county's job base plays an important role in the region's housing market, influencing the types and price points that the market will demand. A basic assessment of Laclede County's economic trends indicates:

- Approximately a quarter of all Laclede residents are employed in the manufacturing industry.
 - Most of these individuals are making less than \$20 an hour, with most earning between \$11 to \$15 an hour. At these lower rates, homeownership is often not an option. Household income to housing costs will be discussed further later in this chapter.
- The next largest industry is education and health care. Salaries for starting teachers are approximately \$32,000 a year, just above the average manufacturing job.
- The county's highest income households tend to live outside the two largest communities (Figure 6.7). This trend is very common, as often the new homes on the largest parcels of land tend to be located outside city

limits. For Laclede, these homes are located on the east side of Lebanon, where some of the newest housing is located (Map 6.1).

- The county's lower median income often leaves households earning just above the levels necessary to receive housing assistance and forcing them to either live in housing that is above affordable ranges, doubling up, or living in lower quality housing.
- Since 2005 Laclede County has lost approximately 1,300 jobs according to the U.S. Census Bureau.
 - Most of the county's job loss has occurred among those living and working in the city.
 - While the number of people living and working in the city has decreased significantly, a larger number of residents are both commuting in and out of the city than in 2005.
 - The recession likely played a role in the decreasing number of local jobs, but recent expansions and hiring data would indicate that this trend is beginning to reverse in 2016.
 - The trend change is creating additional housing demand to fill those jobs with local residents.
 - When employees can live and work in the same community they tend to have more disposable income, spending less on transportation costs.

FIGURE 6.6: Percentage of Labor by Industry Laclede County*

AGRICULTURE, FORESTRY, FISHING AND HUNTING, AND MINING	3.80%
CONSTRUCTION	5.00%
MANUFACTURING	25.90%
WHOLESALE TRADE	2.10%
RETAIL TRADE	13.70%
TRANSPORTATION AND WAREHOUSING, AND UTILITIES	4.20%
INFORMATION	1.30%
FINANCE AND INSURANCE, AND REAL ESTATE AND RENTAL AND LEASING	4.60%
PROFESSIONAL, SCIENTIFIC, AND MANAGEMENT, AND ADMINISTRATIVE AND WASTE MANAGEMENT SERVICES	5.50%
EDUCATIONAL SERVICES, AND HEALTHCARE AND SOCIAL ASSISTANCE	16.80%
ARTS, ENTERTAINMENT, AND RECREATION, AND ACCOMMODATION AND FOOD SERVICES	8.10%
OTHER SERVICES, EXCEPT PUBLIC ADMINISTRATION	4.90%
PUBLIC ADMINISTRATION	4.10%

Source: American Community Survey, 2014

*For comparison with other counties see Figure 2.6

FIGURE 6.7: Median Household Income

	2014 POPULATION	2014 ESTIMATED HOUSEHOLD INCOME	80% OF MEDIAN	50% OF MEDIAN
LACLEDE COUNTY	35,544	\$38,693	\$30,954	\$19,347
LEBANON	14,650	\$30,050	\$24,040	\$15,025
CONWAY	1,139	\$27,200	\$21,760	\$13,600

Source: U. S. Census Bureau



2005



2010



2014

Figure 6.8: Inflow/Outflow Job Counts (Source: U. S. Census Bureau)

HOUSING CHARACTERISTICS

A community's housing characteristics illustrate the issues and opportunities that exist in the market. The following few pages offer an overview of Laclede County's housing stock based on U. S. Census and Missouri State data. Not only does this information provide insight on housing issues and opportunities, but may also suggest policy directions.

Housing Age & Opportunity

- The recession and housing crisis did not spare Laclede County. The number of single family building permits was four times greater in 2005 than in 2015.
 - No multi-family has been constructed since 2010, suggesting that any new rental housing is coming from the conversion of traditional single-family homes to renter occupancy.
 - Over the last 10 years, the variety of housing types has been limited, leaving young households, empty-nesters, and those just entering the housing market with few options.
- The age of housing across the county reflects the population boom that occurred in the 1990s and 2000s. New construction during these decades has resulted in a median age that is just around 30 years old (Map 6.1), a fairly young housing stock compared to most non-suburban counties.
- It would appear that families are drawn to areas outside of Lebanon with slightly higher people per household (Map 6.2). This may reflect housing choice and opportunity, where newer and larger homes can accommodate families.
- The slightly older housing stock in Lebanon, especially in the northwest census tract, means smaller household sizes and a much lower owner-occupancy rate.
 - Rental housing accounts for half, or over half, off all housing within Lebanon's census tracks.
 - The low percentage of owner-occupancy and smaller household sizes in Lebanon all indicate that families are leaving the community to find housing in the county and broader region. For many, this may mean finding housing that is newer and larger; for others it may include more affordable mobile home housing in scattered lots around the county.

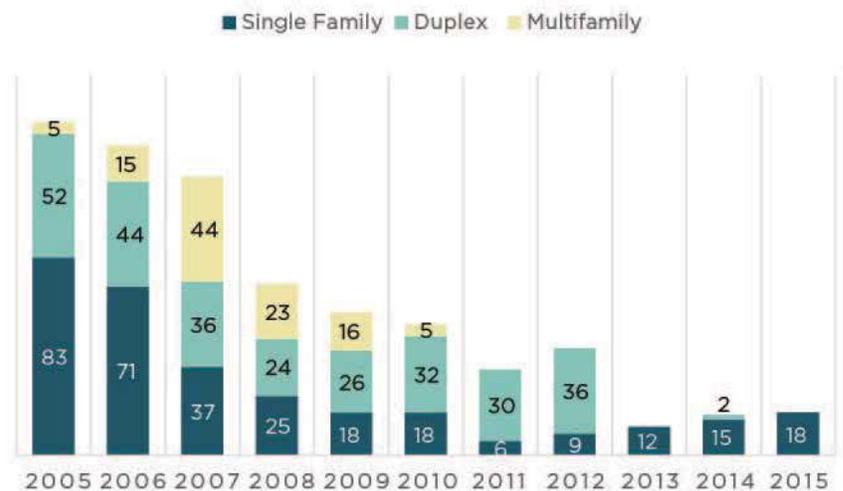
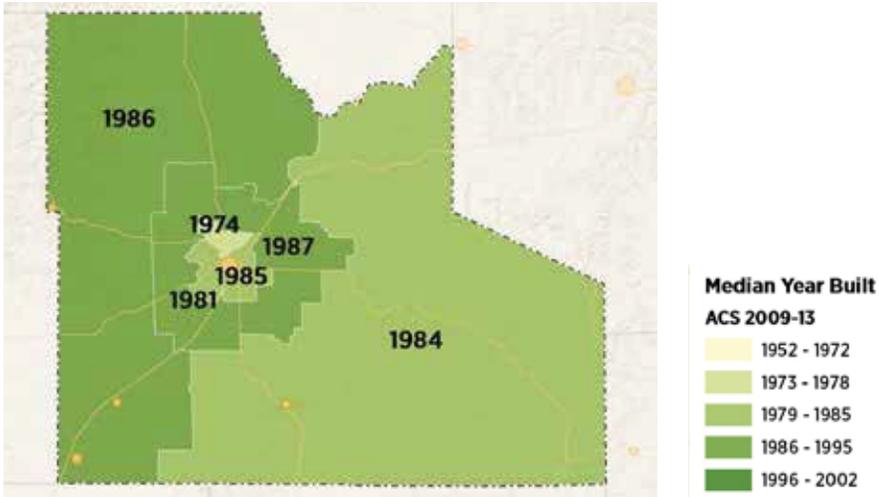
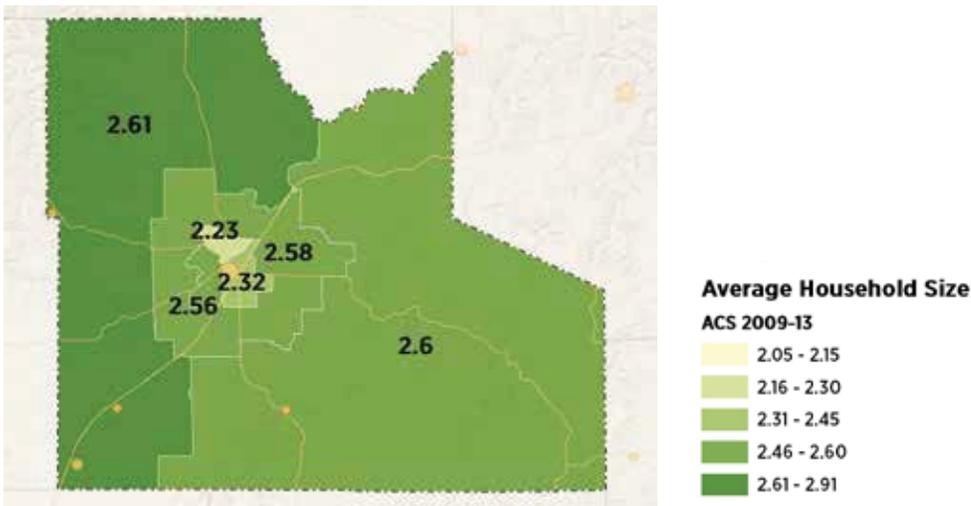


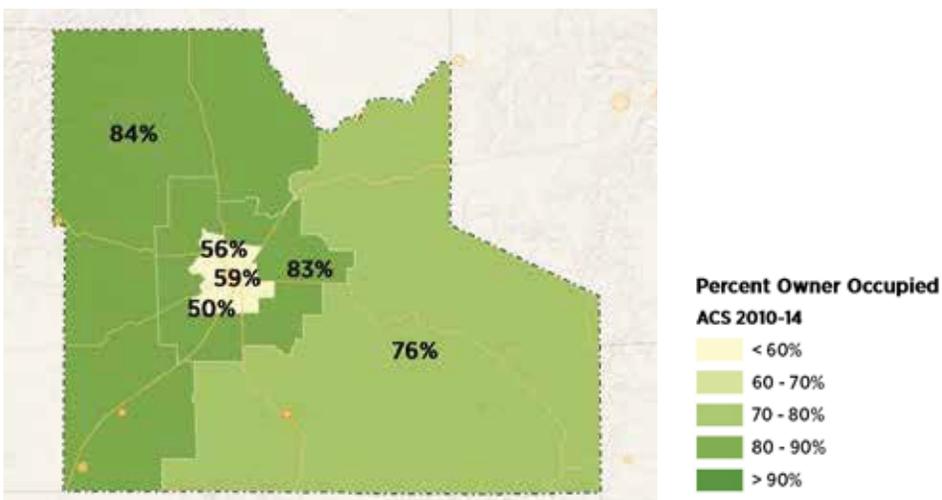
Figure 3.9: Laclede County Building Permits (Source: U. S. Census Bureau)



Map 6.1: Median Year Built by Census Tract



Map 6.2: Average Household Size by Census Tract



Map 6.3: Percent Owner Occupied by Census Tract

Laclede County has approximately 2,441 occupied mobile home units; 18% of all occupied housing units*

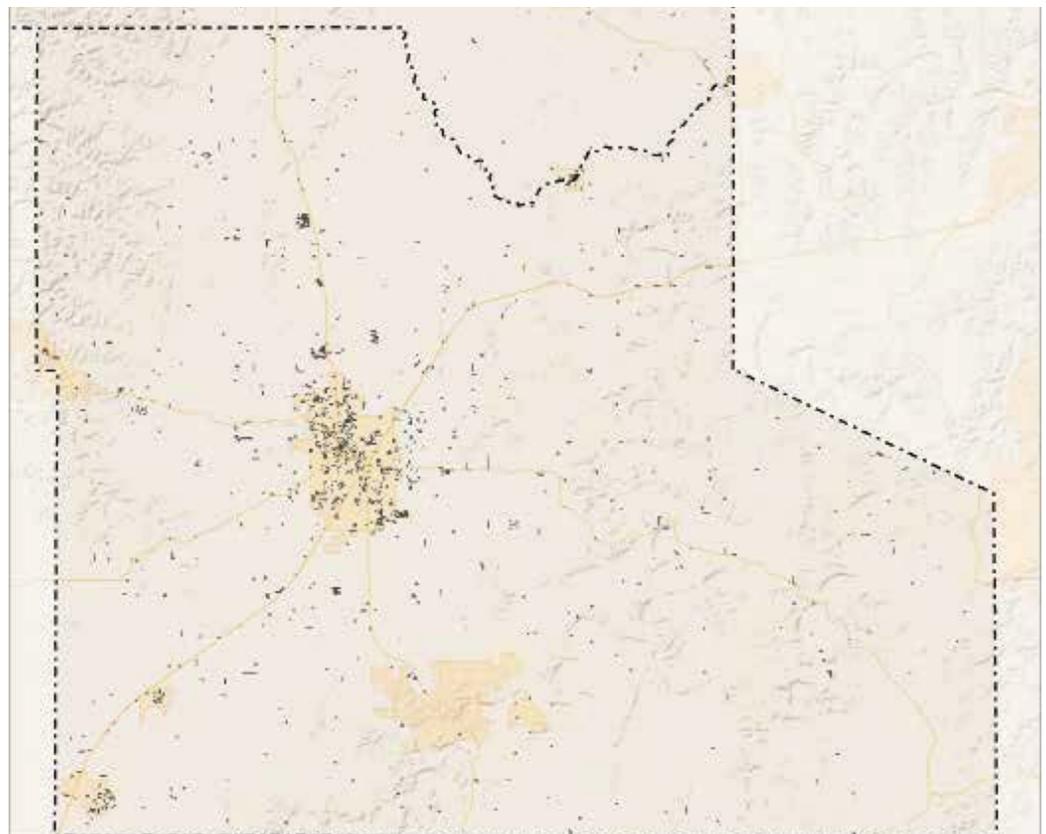
*Sources: American Community Survey, 2014

Laclede County has 2,250 vacant parcels and 7% have slopes greater than 20%

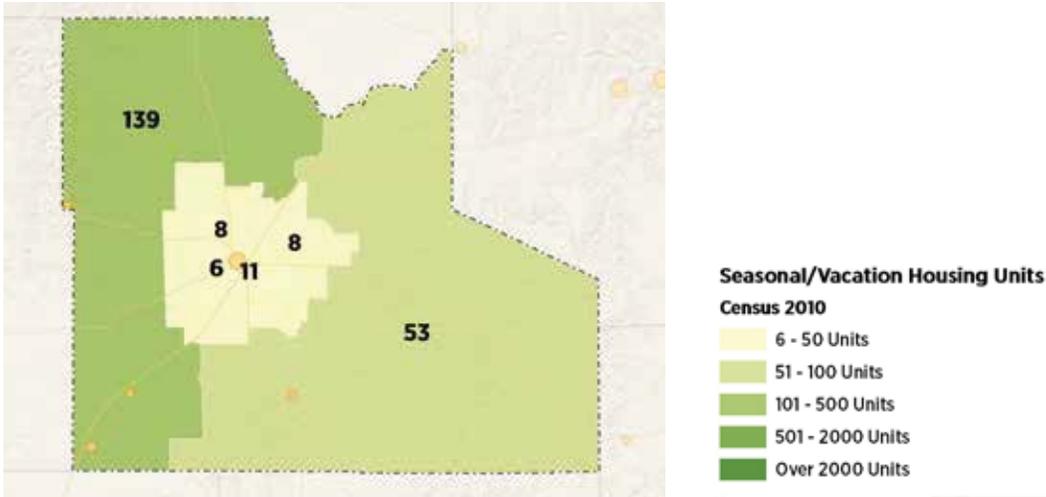
- Map 6.3 illustrates the number of vacant lots available around the county. The majority of the vacant lots are located in Lebanon or along the county's highway system.
 - The existing supply of lots have fewer site constraints than many of the lots across the COLG's service area. For Laclede, this means lower lot development costs and ultimately the ability to bring lower cost housing products to the market.

Housing Costs

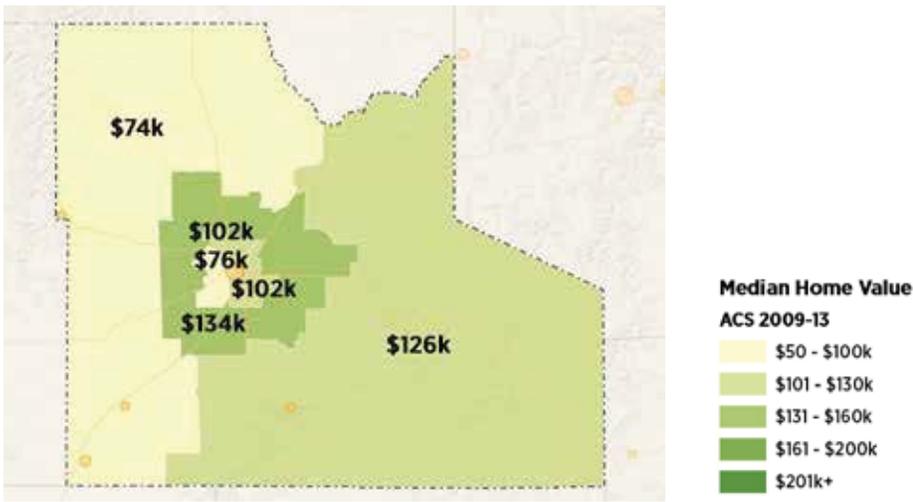
- Like others in the region, many residents depend on more affordable mobile homes for housing. While this is a viable option long-term, these units depreciate and make it hard for home-owners to build equity while diminishing their overall net worth.
- Home values within Laclede County are comparable to those areas away from the Lake in the LOREDC region. With a much smaller number of seasonally vacant housing units, Laclede's housing market is less driven by outside residents and Lake oriented forces.
- It is interesting to note that lowest home values (Map 6.6) are located in the same census tract as some of the newest housing (Map 6.1). This is somewhat unusual, but may indicate a heavier concentration of mobile housing in the northwest quadrant of the county.
- Rent levels across the county are fairly comparable and reflect income levels that can only bear so much within the market.



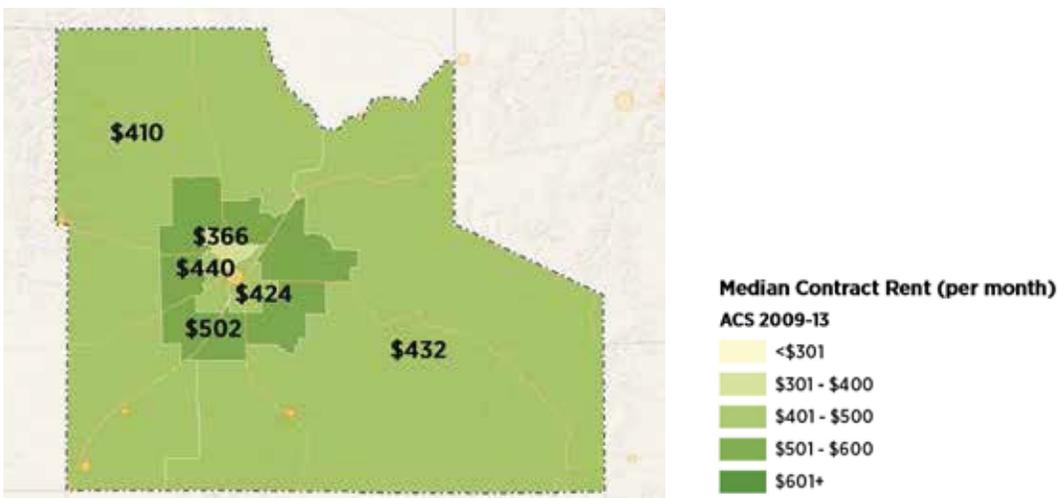
Map 6.4: Vacant Lots Camden County



Map 6.5: Seasonally Vacant Units by Census Tract



Map 6.6: Median Home Value by Census Tract



Map 6.7: Median Contract Rent by Census Tract

The definition of affordable housing is determined by a household's income. What is affordable to one income bracket is not necessarily affordable to another.



- The definition of affordable housing is different for every household and determined by that household's income. For most Laclede residents, owner-occupied housing remains at approximately 30% of the household's income.
 - Owner-occupied housing for residents of Lebanon tends to be slightly more costly. This is likely more the result of lower incomes (\$8,000 less than the county overall) than of higher home values (\$4,000 less than the county).
 - However, overall housing burden seems to be less than the county (Figure 6.10), paying more than 30% for owner cost. This may indicate a higher number of older households (Map 6.2) who make less money, but own their homes, or at least owe much less on homes that have appreciated since purchase.
 - Rental housing in the county as a whole, and Lebanon, is comparable and driven by the fact that Lebanon supplies the overwhelming majority of the county's rental housing stock.
 - Residents in rental housing appear to experience greater housing cost burdens than those in owner occupancy. This is a reflection of the county's lower income levels and lack of rental housing construction over the past 10 years.

Households spending more than 30% of their income on housing are considered to be housing burdened or in living that is not affordable.

For owner-occupied households, this traditionally correlates to home values that are 2.5 times a household's income. Households spending more than 3.0 times their income would be considered to be housing burdened.

FIGURE 6.10: Estimated Housing Costs and Incomes (Cities)

	MEDIAN HOUSEHOLD INCOME	MEDIAN CONTRACT RENT	% PAYING MORE THAN 30% IN GROSS RENT	MEDIAN HOME VALUE	% PAYING MORE THAN 30% FOR OWNER COSTS	VALUE TO INCOME RATIO
LACLEDE COUNTY	\$38,693	\$422	51.1%	\$99,900	33.4%	2.58
LEBANON	\$30,050	\$428	49.5%	\$95,200	20.4%	3.17
CONWAY	\$27,200	\$388	65.3%	\$65,500	22.4%	2.41

Source: U. S. Census Bureau

COMMUNITY PROFILE

The following section is a broad overview of housing in Lebanon and Conway, the county’s largest communities. This includes projections for housing demand and the mix of housing that is needed to support the city’s future population.

LEBANON

The largest city in LaCledde County, Lebanon is the center of commerce, jobs, and housing. Major industry, education, and access to Interstate 40 make the city strategically positioned for continued growth. This economic base creates demand for workforce housing that supports existing employees and any expansion of the job market.

Primary Themes for Lebanon

- During the last decade, the city experienced an annual growth rate close to 1.76%. The city’s young population would indicate that natural growth would occur as a result of more births than deaths. Ahead of the recession, birth rates were trending higher and thus predicted populations may be even higher than illustrated in Figure 6.11.
- Annual growth rates close to 2% are often difficult for communities to maintain and build activity since the 2010 census would indicate that the city’s population growth slowed dramatically as compared to the previous 20 years.
 - Figure 6.12, illustrating building permit activity, would support a census population estimate that is well below 0.2% annually.
 - In the last two years, the city’s economy appears to be gaining momentum and interest in building new homes has increased.
 - Based on improved economic outlook, a population projection that is closer to 1% annually is used to established a housing demand model for the city.

FIGURE 6.11: Population Projection, Lebanon

	2010	2015	2020	2025	2030
NATURAL	14,474	14,577	14,696	14,785	14,853
0.2% ANNUAL GROWTH	14,474	14,650	14,797	14,946	15,096
0.5% ANNUAL GROWTH	14,474	14,650	15,020	15,399	15,788
1.0% ANNUAL GROWTH	14,474	14,650	15,397	16,183	17,008

Source: RDG Planning & Design, 2016

Figure 6.11 shows different projected population scenarios for Lebanon. This includes natural population change. This scenario is based on birth and death rates and the city’s 2010 population make up. Cities with older populations will experience more deaths than births resulting in a natural population decline. Conversely, young populations will result in more births than deaths and a naturally increasing population.

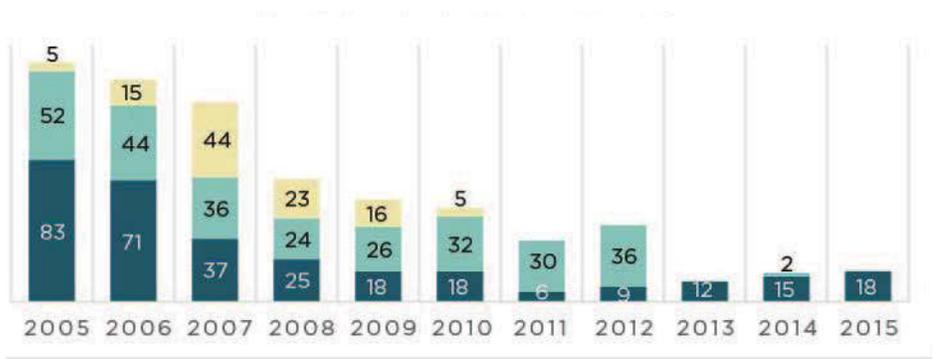


Figure 6.12: Lebanon Building Permit Activity

Housing Demand Analysis

The Housing Demand Analysis builds on the population projections, housing trends, and community conversations to forecast the demand for additional housing. The model is built on the following assumptions:

- Household population at the end of the period does not include residents living in group care facilities, dormitories, and other institutional quarters. For this analysis it is assumed that this population will remain stable through the planning period.
- Average people per household is expected to remain constant over the next decade. Some growth may occur as millennials move into their childbearing years but this forecast focuses on the demand created by this cohort leaving their parents homes and the housing needs they will have.
- Unit demand at the end of the period is calculated by dividing household population by the number of people per household. This equals the number of occupied housing units.
- A manageable housing vacancy provides housing choice for new residents moving to a community. Lebanon’s rate is unusually high. This may reflect lingering effects of the recession or a number of dilapidated vacant homes. This model removes those units and seeks to reduce the vacancy rate to 5.7%, a rate that reflects rates shared by property owners.
- Unit needs at the end of each period are based on the actual household demand plus the number of projected vacant units.
- Replacement need is the number of housing units demolished or converted to other uses. Homes in poor condition or obsolete should gradually be replaced in a city’s housing supply. The number of units lost annually is based on both the quantity and quality of a community’s housing stock.
- Cumulative need shows the number of total units needed between the base year of 2015 and the year indicated at the end of the period.

- For Lebanon a 1% annual growth rate will result in a 2025 population of just over 16,000.
- Recent building activity is not adequate to support this level of growth and will need to increase to rates similar to those before the recession.
 - Projecting housing demand depends on several factors beyond only the city’s projected population. Additional considerations include:
 - › The number of residents living in households, as opposed to group quarters such as dorms or skilled nursing units.
 - › The average household size. The smaller a community’s households, the greater number of housing units will be needed to support the overall population.
 - › The number of vacant units. Some vacancy is healthy for any community. In Lebanon’s case, the census estimates a vacancy rate of nearly 11%, fairly high for a community with little seasonal vacancy. Much of the city’s vacant units are categorized as “other vacant,” meaning these units are not seasonal, not for rent or sale. Feedback from stakeholders in the community indicates that the housing market is fairly tight, supported by the low construction activity. Therefore, it is assumed that many of the units that are considered vacant are not habitable or are in very poor condition. If these units are removed from the estimate, the city has a nominal vacancy rate closer to 6%, a rate closer to that described by many stakeholders.
 - › Every year some units do leave the market for various reasons. This may include demolition or conversion to other uses. For Lebanon, replacement need is projected to be approximately four units annually. This may be higher if the community feels there is a need to aggressively remove deteriorated housing.
 - All of these factors generate a demand for an additional 713 units by 2025, or approximately 71 units annually.
 - › This is a fairly conservative estimate and pent-up demand may create an even higher need for housing, especially for renter units and other non-traditional townhome and senior oriented housing.

FIGURE 6.13: Housing Demand Model, Lebanon

	2015	2020	2025	TOTAL
POPULATION AT END OF PERIOD	14,650	15,397	16,183	
HOUSEHOLD POPULATION AT END OF PERIOD	14,313	15,043	15,811	
AVERAGE PEOPLE PER HOUSEHOLD	2.36	2.36	2.36	
HOUSEHOLD DEMAND AT END OF PERIOD	6,065	6,374	6,699	
PROJECTED VACANCY RATE	5.70%	5.70%	5.70%	
UNIT NEEDS AT END OF PERIOD	6,431	6,760	7,104	
REPLACEMENT NEED		19	21	40
CUMULATIVE NEED DURING PERIOD		347	366	713
AVERAGE ANNUAL CONSTRUCTION		69	73	71

- The city's current income make-up offers some guidance on the type of housing and price points needed in the community.
 - Figure 6.14 builds a development program around existing income levels, price points affordable to those incomes, and the assumption that future construction will need to address the lack of rental housing construction that has occurred over the past 10 years.
 - Over the next 10 years, approximately 193 units will need to be generated that are valued below \$130,000. This price point is at the bottom limit of what the private market can produce without assistance. Therefore the majority of housing produced at these price points will require assistance that may occur in a number of different ways. These approaches are discussed further in Chapter 7.
 - › Much of the demand for housing priced below \$100,000 will need to come for the city's existing housing stock. The construction of move-up housing and new multi-family housing is the best way to ensure this stock of housing becomes available for new owner occupancy.
 - In addition to more affordable owner-occupied options, new rental housing priced below \$450 a month will be needed. These units cannot be produced by the private market and will require assistance.



FIGURE 6.14: Housing Development Program, Lebanon

	2015-2020	2020-2025	TOTAL
TOTAL NEED	347	366	713
TOTAL OWNER OCCUPIED	174	183	356
AFFORDABLE LOW: \$60-99,999	54	57	112
AFFORDABLE MODERATE: \$100-129,999	39	42	81
MODERATE MARKET: 130-199,999	37	39	76
HIGH MARKET: OVER \$200,000	42	45	87
TOTAL RENTER OCCUPIED	174	183	356
LOW: LESS THAN 449	62	65	127
AFFORDABLE: 450-699	55	58	112
MARKET: OVER \$700	57	60	117

Housing Development Program

Building on the Housing Demand Model, the Development Program forecasts production targets for owner and renter occupied units based on the following assumption:

- Owner-occupied units will be distributed roughly in proportion to the income distribution of households for whom owner-occupancy is an appropriate strategy.
- Most low-income residents will be accommodated in rental units.



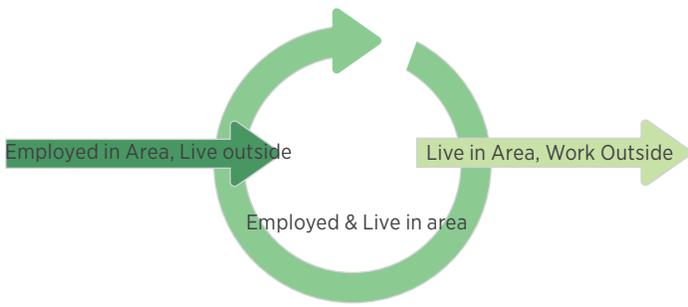
Theoretically, a household budget must be divided among basic housing costs, other essential needs, and costs to maintain a home. Households spending a large share of income on basic housing have less money to spend on other essentials and fewer resources to maintain their homes. Figure 3.13 evaluates the availability of affordable housing and compares the quantity of housing that is affordable to each income group. A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage.

- The demand for workforce housing is further illustrated in Figure 6.15 which compares the number of housing units available to different households based on the household's income. This analysis indicates:
 - The city has a large stock of housing priced below \$100,000 and rents below \$800. However, in the lowest incomes category, the market would appear to be very tight (-5 units), leaving them with few options but to pay a larger portion of their income toward housing.
 - A shortage of housing priced above \$200,000 leaves many higher income households competing with lower income households for the same housing units.
 - › Real estate agents indicated a demand for quality housing priced between \$100,000 and \$150,000. A shortage does appear to exist in this market and is also likely increased by the demand created by higher income households.
 - Lebanon has very few higher cost rental units, leaving few options for higher income households. While these income ranges often demand owner-occupancy, it is not uncommon for those households to look to rent when they first arrive in a community.
- Following the recession, the census estimates that there are 1,200 fewer jobs in Lebanon than there were in 2004 (Figure 6.16).
 - Although the number of people working in Lebanon has decreased, the number working outside the city has increased some since 2004.
 - › The increased number of residents working outside the city reflects demand from large job centers like the Fort and Springfield.
 - The city's employment base has remained fairly constant at approximately 5,142. However, the number of people finding work in the city declined, while the number working outside the city increased.

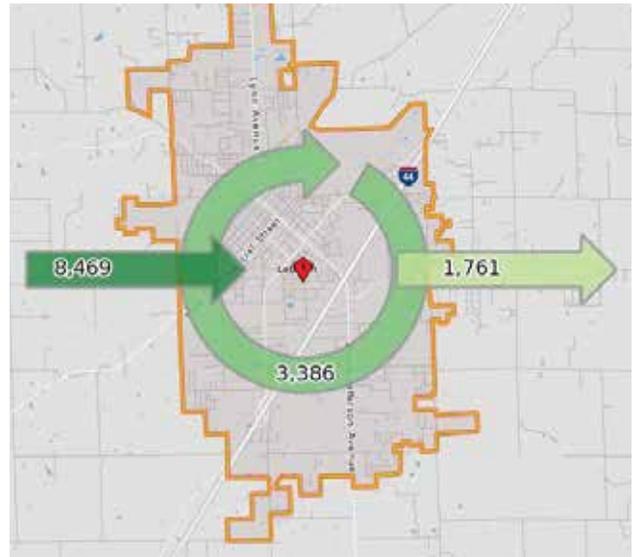
FIGURE 6.15: Affordability Analysis, Lebanon

INCOME RANGE	# HOUSEHOLDS IN EACH RANGE	AFFORDABLE RANGE FOR OWNER UNITS	# OF OWNER UNITS	AFFORDABLE RANGE FOR RENTER UNITS	# OF RENTER UNITS	TOTAL AFFORDABLE UNITS	SURPLUS/ SHORTAGE OF UNITS
\$0-24,999	1,819	\$0-49,999	601	\$0-399	1,213	1,814	-5
\$25,000-49,999	2,202	\$50,000-99,999	1,137	\$400-799	1,442	2,579	377
\$50,000-74,999	898	\$100,000-149,999	712	\$800-1,249	69	781	-117
\$75-99,999	193	\$150,000-199,999	338	\$1,250-1,499	0	338	145
\$100-149,999	695	\$200-\$299,999	228	\$1,500-1,999	13	241	-454
\$150,000+	200	\$300,000+	211	\$2,000+	43	254	54

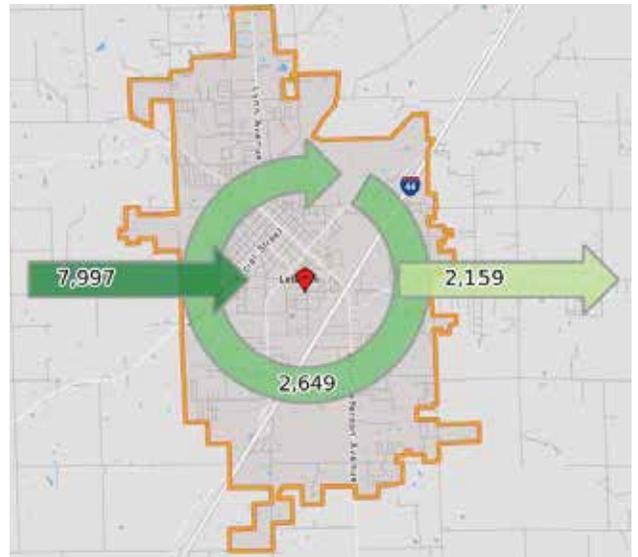
Source: RDG Planning & Design



2005



2010



2014

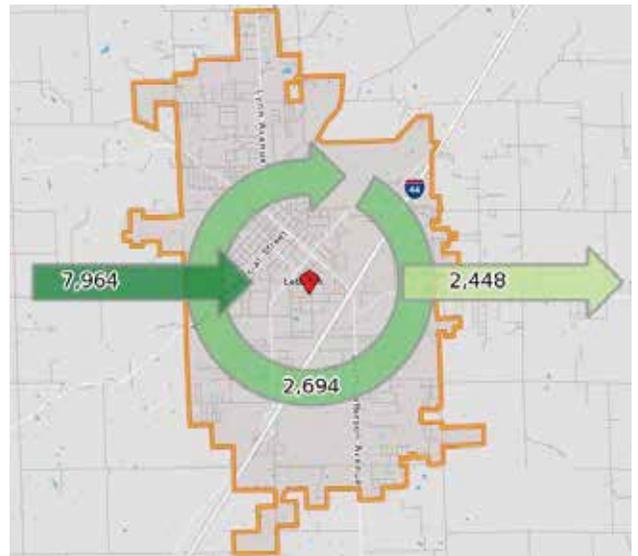


Figure 6.16: Inflow/Outflow Job Counts - Lebanon
(Source: U. S. Census Bureau)



CONWAY

Over the past 50 years Conway has been a stable rural community in Laclede County. The community has a strong sense of pride and has attracted residential growth based on its proximity to jobs in both Lebanon and Springfield.

Primary Themes for Conway

- Between 1980 and 2010, the city experienced a steady growth of nearly 1% annually.
 - The 2014 population estimate indicates significant growth in the city at a rate closer to 10% annually. While the city has likely experienced some building activity, the city would not support this population increase.
 - › Upon closer examination of the Census Bureau's estimate it appears that the margin of error for the 2014 estimate is +/- 334. Therefore, on the low end, the city's population may be in the range of 804. This population estimate would still indicate growth and a rate of growth that is closer to that experienced during the previous three decades.
- Figure 6.17 illustrates different projection scenarios for Conway.
 - If the 2014 estimate of 1,139 is used, assumed to be correct, and this rate of growth would continue over the next fifteen years, the city's 2030 population would grow to over 4,500.
 - A second scenario applies the historic pattern of 1% annual growth to the base population of 1,139, generating a 2030 population of just over 1,300.
 - A third scenario assumes that the city's actual 2015 population is close to 800 and applies historic patterns to generate a population of just over 930 by 2030.
- The city's young population supports continued growth but more likely at a moderate rate. For the purposes of this study it is assumed that the city's actual 2015 population is close to 800 and will grow to over 900 by 2030.

FIGURE 6.17: Population Projection, Conway

	2010	2015	2020	2025	2030
NATURAL	788	796	805	815	824
9.0% ANNUAL GROWTH	788	1,139	1,805	2,862	4,536
1.0% ANNUAL GROWTH	788	1,139	1,197	1,258	1,322
1.0% ANNUAL GROWTH	788	804	845	888	933

Source: RDG Planning & Design, 2016

- This level of growth will require at least five additional housing units each year for a 10-year demand of just over 50 units.
- Similar to Lebanon, Conway's vacancy rate includes a large margin of error and most of that error occurred in homes that were not for rent or for sale. Again it is assumed that most of these units are not habitable and should not be counted as viable housing units. Therefore, it is estimated that the city's vacancy rate is closer to 9.6%.
 - Some vacancies are necessary to create a healthy variety of housing options. Too few vacancies can drive up housing costs and result in poor quality housing not being improved. On the other hand, vacancy rates over 6% can stifle the construction market and limit appreciation in home values.
 - › Over the next 10 years Conway's vacancy rate should slowly decline through the improvement of existing housing units and the removal of deteriorated structures.
- Building permit activity for Conway was not available, but a visit to the city indicates that most new housing has been in the form of single-family residential. The city does have some traditional multi-family structures, but most of these units appear to have been constructed well before 2005.
- Future housing development should include a mix of housing styles, especially townhome or duplex projects that may be appealing to seniors. A small senior oriented housing project in a community the size of Conway results in their existing homes being sold. These homes are often in price ranges and styles that are appealing to young families.

FIGURE 6.18: Housing Demand Model, Conway

	2015	2020	2025	TOTAL
POPULATION AT END OF PERIOD	804	845	888	
HOUSEHOLD POPULATION AT END OF PERIOD	804	845	888	
AVERAGE PEOPLE PER HOUSEHOLD	2.60	2.60	2.60	
HOUSEHOLD DEMAND AT END OF PERIOD	309	325	342	
PROJECTED VACANCY RATE	9.60%	7.85%	6.10%	
UNIT NEEDS AT END OF PERIOD	342	353	364	
REPLACEMENT NEED		15	15	30
CUMULATIVE NEED DURING PERIOD		26	26	52
AVERAGE ANNUAL CONSTRUCTION		5	5	5



- Figure 6.19 would indicate that the greatest demand for housing in Conway exists among households making over \$50,000.
- Although there appears to be a surplus of housing for households earning less than \$50,000, it is not uncommon for these households to struggle to find quality housing. In a tight housing market with little variety and few options, the lowest income brackets are often pushed to the lowest quality housing or housing that creates a financial burden.
- Well positioned within the county and along Interstate 40, the city should continue to be an attractive community for affordable housing and small town atmosphere.
 - Conway has seen a small increase in the number of jobs; however, most of these jobs are filled by individuals living outside the city.
 - Most Conway residents are employed outside of the city and this is a reflection of the city's easy access to job centers.
 - Over the coming years the city should offer more diverse housing options to attract workers to the city who are currently commuting from the surrounding area.

FIGURE 6.19: Affordability Analysis, Conway

INCOME RANGE	# HOUSEHOLDS IN EACH RANGE	AFFORDABLE RANGE FOR OWNER UNITS	# OF OWNER UNITS	AFFORDABLE RANGE FOR RENTER UNITS	# OF RENTER UNITS	TOTAL AFFORDABLE UNITS	SURPLUS/ SHORTAGE OF UNITS
\$0-24,999	118	\$0-49,999	72	\$0-399	77	149	31
\$25,000-49,999	106	\$50,000-99,999	100	\$400-799	40	140	34
\$50,000-74,999	55	\$100,000-149,999	22	\$800-1,249	0	22	-33
\$75-99,999	20	\$150,000-199,999	10	\$1,250-1,499	0	10	-10
\$100-149,999	30	\$200-\$299,999	9	\$1,500-1,999	0	9	-21
\$150,000+	3	\$300,000+	2	\$2,000+	0	2	-1

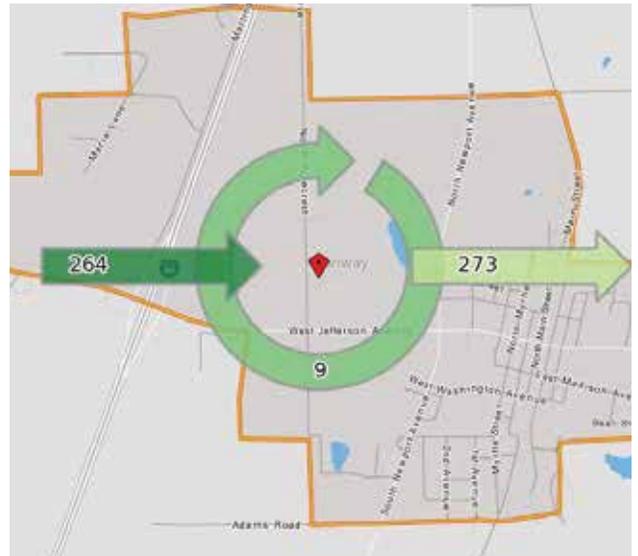
Source: RDG Planning & Design



2005



2010



2014

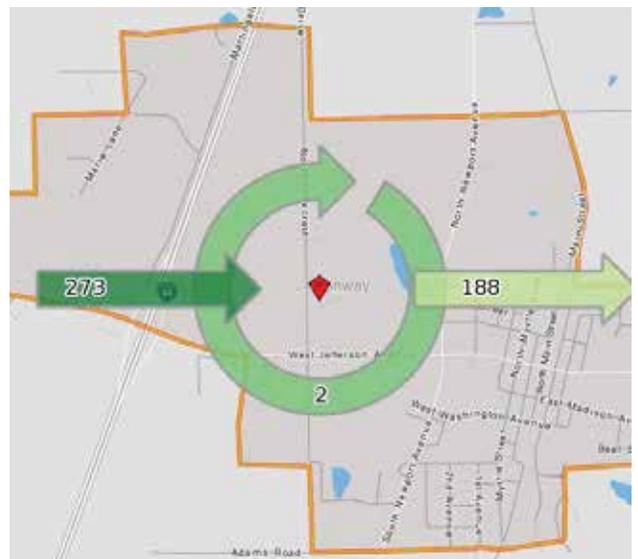


Figure 6.20: Inflow/Outflow Job Counts - Conway (Source: U. S. Census Bureau)

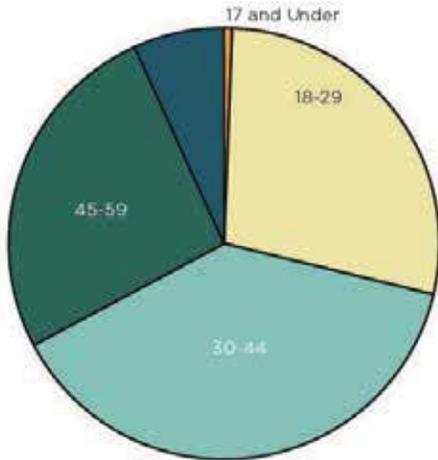


Figure 6.21: Age of Respondents

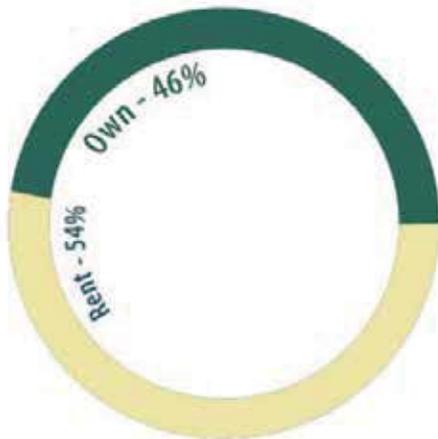


Figure 6.22: Tenure of Respondents

COUNTY TRENDS

The story of a county or region's housing is more than just data and statistics, but is also told through the stakeholders and residents that live in the county. To fully tell the story of Laclede's housing market, conversations and interviews were conducted with stakeholders, in addition to a general housing market survey that gauged individual perceptions of the housing market. The following section provides an overview of residents' and stakeholders' personal experiences and perceptions of the market.

SURVEY

Two surveys were conducted as part of this study. One was directed to those counties within the Lake of the Ozarks Regional Economic Development Council (LOREDC) area and a second to Laclede and Lebanon. A summary of the LOREDC regional survey can be found in Chapter 2. The following is a summary of the survey that was available to those living and working in Laclede County.

Demographics of Respondents

- Of the 181 respondents who started the survey, more than 170 completed at least two questions and more than 160 completed the majority of questions.
- A large percentage of respondents were young and residing in rental units, a pattern not often seen in these types of surveys.
 - Over 28% of respondents were between the ages of 18-29, an age range that is often entering the market for the first time, traditionally as renters.
 - Over 50% of respondents rent their current home, an unusually high response rate. Only 9% of respondents to the LOREDC housing study were renting. However, a much larger percentage of Lebanon residents rent their housing, as compared to other communities in the COLG's region.
- The largest percentage of respondents earn between \$25,000 and \$50,000, income that can support rental housing priced between \$400 and \$800 a month.
- Twenty-seven percent of respondents indicated household incomes below \$25,000. Often these income groups are the hardest to capture and likely indicated a strong awareness of housing issues and need within the county.

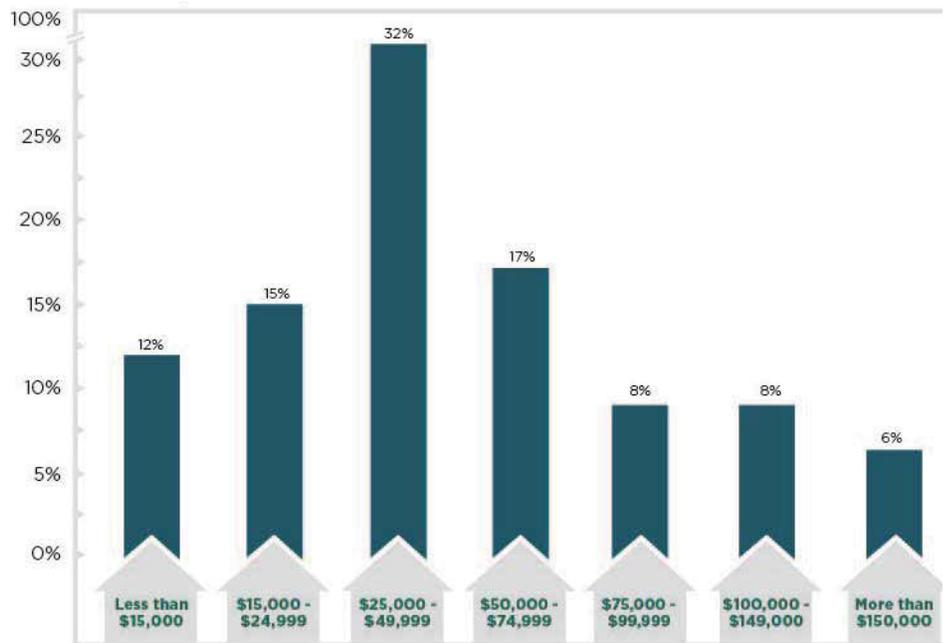
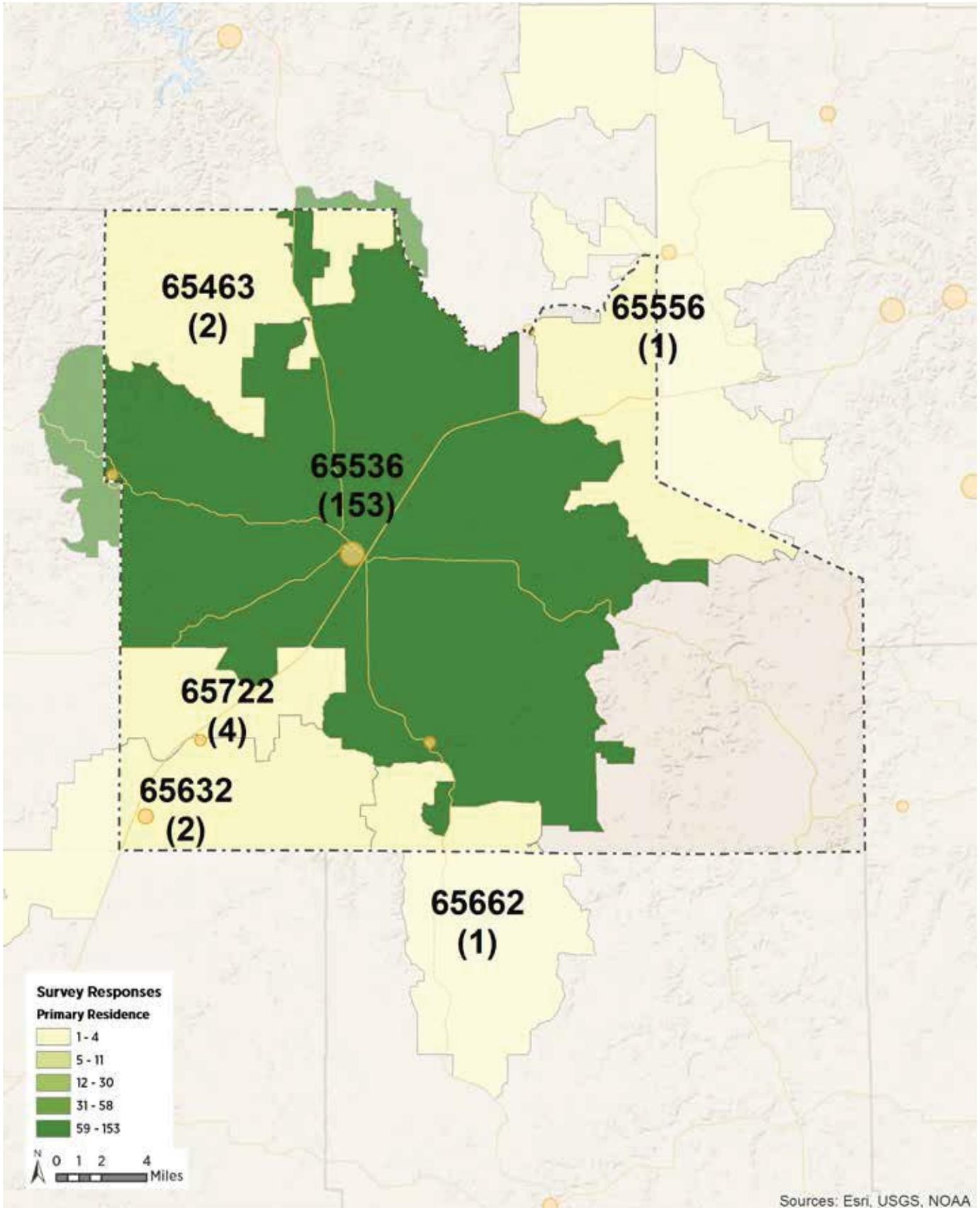


Figure 6.23: Estimated Annual Household Income of Respondents



Map 6.8: Responses by Zip Code

Perspectives on Housing

- Over 50% of respondents felt that the housing needs of families with children and multi-generational families were not being met.
- Most felt that young couples without children and empty-nesters were able to find housing in the current market.
- More than 40% of respondents felt that most seniors were looking for apartments that provided some additional services, such as one meal a day or housekeeping.
 - Less than 10% felt that seniors were interested in independent living apartments.
- The demand for greater housing variety was supported by respondents' perceptions that a number of different housing styles would be successful in the current market (Figure 6.25).
 - This variety included apartments (62%), townhomes (71%), and independent senior living (82%).
- Over 75% of respondents supported greater property maintenance enforcement and nearly 80% supported the use of public funds to remove dilapidated housing.
- The final question in the survey was open-ended, allowing respondents to share any final thoughts on the housing market. The majority of remarks focused on two themes:
 1. The need for greater property maintenance enforcement.
 2. The need for more affordable housing, especially rental housing that can accommodate larger families.

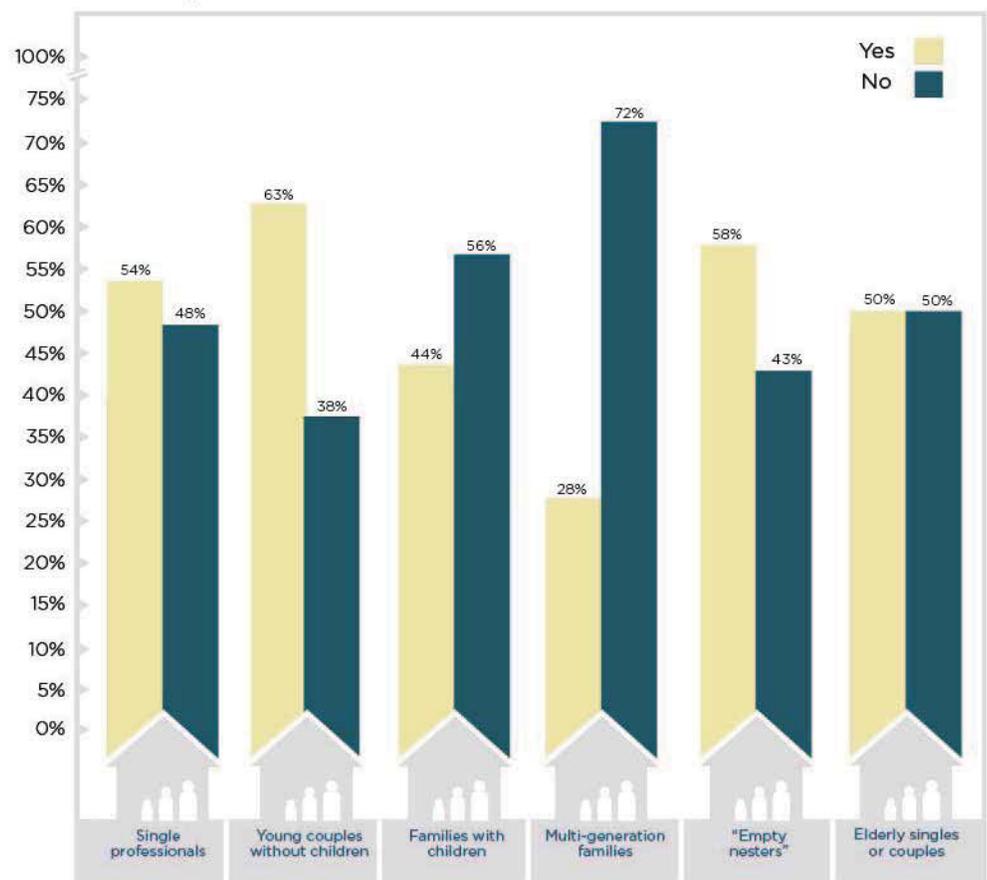


Figure 6.24: Adequacy of Current Housing Supply to Meet Demand

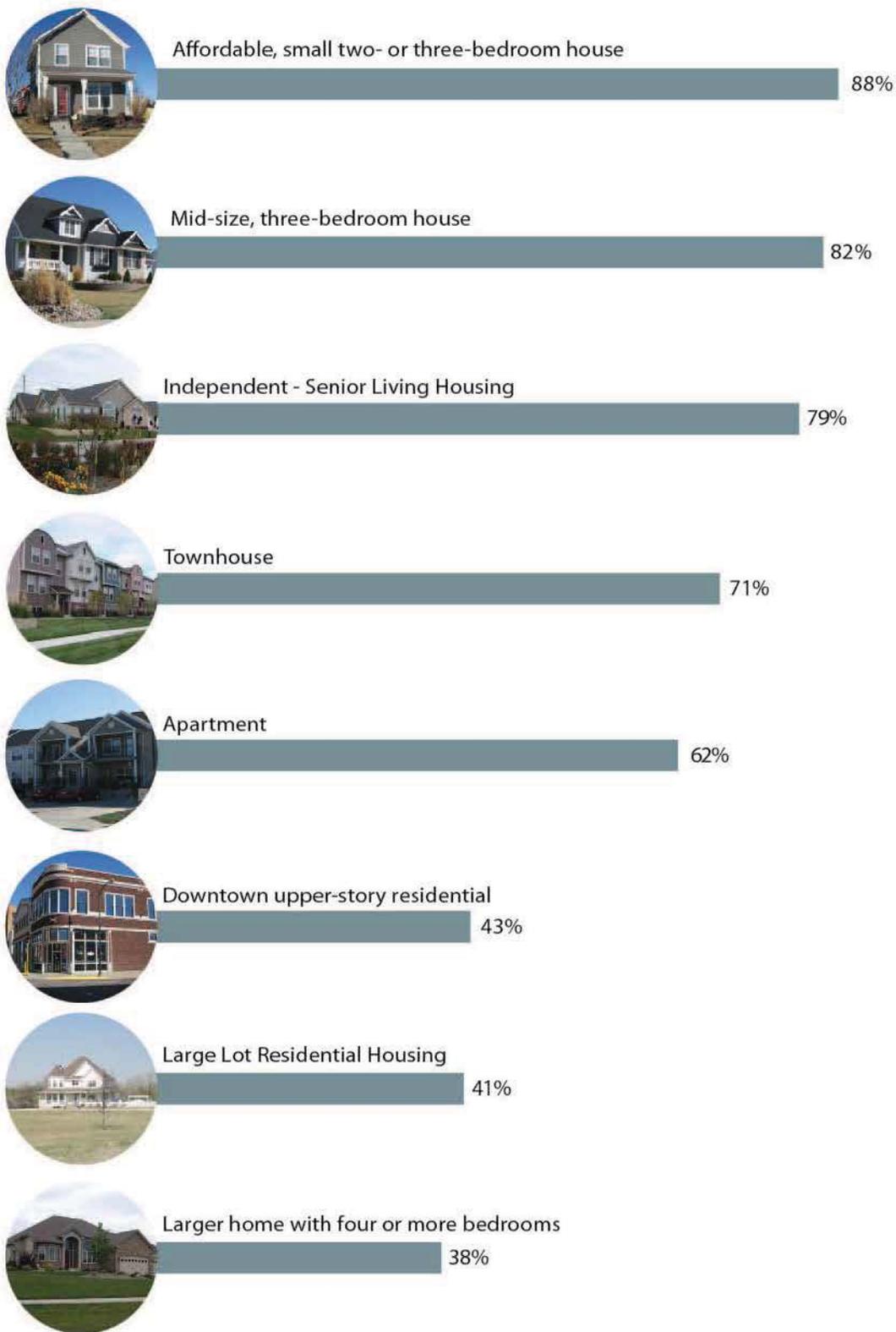


Figure 6.25: Housing Products Respondents Felt Would be Successful



STAKEHOLDER GROUPS

To complete the story of Laclede's housing market, a series of stakeholder groups was held over a single day. These groups were defined by discipline and included local experts from financial institutions, builders and developers, real estate agents, business representatives and major employers, public sector and social service providers, and landlords. The following summarizes the broad themes of these meetings.

ECONOMIC BASE AND INCOMES

The County has a number of long standing manufacturing businesses that support much of the workforce. Most of these jobs are hourly positions earning between \$11 and \$15 an hour. At these rates, households are dependent on rental housing. For those that can meet lending requirements and save for the downpayment, they are purchasing some of the city's oldest housing. These homes are affordable, but often come with higher maintenance and utility costs that can strain already small household budgets. Construction of new owner-occupied housing for this market will be challenging and will likely need to focus on new market rate and low-income housing tax credit rental housing.

WORKFORCE HOUSING NEEDS

The demand for workforce housing crosses all income levels, but is most acute in the county's lowest paying jobs. Construction costs, while very reasonable when compared to other regions of the country and even Missouri, often can not bring housing products to the market for the county's lowest paid workers. At the same time this workforce competes for the same housing with the regions professionals, including teachers and nurses. Housing for this market, that makes above income requirements for assistance, is scarce and needed to keep young talented residents in the community.

NEIGHBORHOOD STABILIZATION

Over the past several years the city has made efforts to remove dilapidated structures and stabilize housing. These efforts will need to continue and based on community input, should be expanded. Many participants in the planning process, both in small groups and via the survey, noted the need for greater code enforcement. These efforts reflect both a need to make sure all residents are living in safe housing, but also to protect property values. Property maintenance creates greater investment security, and therefore, attracts additional investment in neighborhoods. The city's oldest neighborhoods provide a source of existing affordable housing with existing infrastructure already in place, making preservation of this housing very important.

DEMAND FOR NEW HOUSING

New housing and a greater variety of housing will be needed in the coming years to support new growth. Over the last several years, construction rates have been very low. Improvements in the economy should support new growth along with the need to address pent-up demand created by an inability of existing residents to purchase "move-up" housing. Participants also noted the need for greater housing variety, that included lower maintenance units and market rate retiree or senior housing.

LACLEDE COUNTY OPPORTUNITIES & CHALLENGES

As a major employment and commercial center in the region, Laclede County is well positioned to capture future growth. Lebanon is the center of much of the region's manufacturing jobs along with the benefits of Fort Leonard Woods' jobs. However, Lebanon was not immune to the effects of the recession and saw a drop in jobs, and therefore, a slowing of the housing market. Over the past year to 18 months, this trend is noticeably reversed creating housing stresses, but also opportunities for new investment. As community and county leaders look for ways to continue to expand the local economy, housing will play a crucial role.

CHALLENGES

The demographic analysis, conversations with residents, and survey results identify some recurring challenges that the county faces.

- **Low Wages.** While the region has a large number of jobs and open positions, many of those jobs are lower paying. This creates two important challenges. One, the type of housing these jobs support often does not support the profit margins that attract new development to a community. Second, recruitment to fill those positions can be difficult. While housing is very affordable compared to many other markets, households living on the edge of poverty can often not afford to relocate and cover the costs of establishing a household in a new community.
- **Market Economics.** In some of the city's older neighborhoods and in some of the smaller communities lower home values make it difficult to construct or rehabilitate housing. Profit margins may be so small or non-existent that investors move on to more profitable markets.
- **Market Rate Rental Housing.** Over the past several years, a number of new multi-family projects have been constructed, but most of these have been funded through low income housing tax credits. This leaves few options for those making just above the income limits. For these households, the only housing option is often small older single family homes. While these homes provide a good source of rental housing, they remove traditionally owner-occupied units from the market and leave households with few housing options.

OPPORTUNITIES

The city and county's challenges can seem daunting but the region also has some outstanding opportunities.

- **Location.** Access to the Interstate corridor, Lake of the Ozarks, and Fort Leonard Wood position Lebanon and Laclede County to capture future growth. In the coming years, the county and city will need to establish partnerships to capitalize on these opportunities and to expand the number of both well paying jobs and quality homes.
- **Community Support.** Over the last several months, the city has made a concerted effort to encourage development and remove barriers. Based on survey responses, it would appear that the city would also have the support necessary to expand nuisance abatement and code enforcement.
- **Affordable Building Rates.** Generally the cost of housing construction in Lebanon is fairly affordable. The ability to bring single family housing to the market priced below \$180,000 is impossible in many markets, but appears feasible in Laclede County. This is an advantage to meeting the region's workforce housing demand. However, this ability cannot always overcome lower incomes. Households making less than \$45,000 a year will continue to find it very difficult to qualify for traditional lending, save for a downpayment or have the savings to address maintenance issues.

