



## HOUSING

### INTRODUCTION

Housing is an important resource for the City, and a detailed examination of this resource for the Comprehensive Plan is necessary for the following reasons:

- To ensure sufficient land is designated for residential development that, potentially, can accommodate forecasted population increases
- To create home ownership opportunities that costs no more than 30% of gross household income.

Housing planning includes review of all new developments, and preserving and enhancing the community's established residential neighborhoods. Preservation means ongoing maintenance and rehabilitation programs, removal of hazardous structures, and enforcement of city building regulations.

The City also wants to create a variety of housing choices particularly for the elderly, handicapped, and low-moderate income families. The City should anticipate and accommodate continual growth with a variety of new housing development opportunities. Natural resources such as wetlands, flood plains, and other environmentally sensitive areas also need to be considered in any housing redevelopment or development.



The older core neighborhoods are central to Valparaiso's small town character. Infill developments, which drastically alter the physical character or adversely affect the livability of these

---

neighborhoods should be discouraged. These neighborhoods consist of a diverse housing stock, both in size and affordability, which should be preserved through strong public policy. New residential subdivisions should encourage similar socio-economic diversity through provision of housing options for all incomes, ages and family types. Furthermore, new subdivisions should be integrated and compatible with the fabric of abutting neighborhoods.

## **GOALS**

**1) Maintain and encourage diversity in housing stock in existing neighborhoods as well as new residential growth areas.**

**Policies:** (a) Encourage developers to provide for different housing unit types within a residential development. Encourage proposals that will maintain the supply of moderately priced housing, both rental and owner occupied.

(b) Create incentives that maintain diverse housing opportunities within residential developments.

**2) Ensure that infill and new residential developments respect the historic context and as-built environment of older core neighborhoods.**

**Policies:** (a) Ensure that infill residential development is compatible with the existing neighborhood character through Historic Preservation Commission and other local zoning regulations.

(b) Provide incentives for preserving and maintaining the older, typical housing stock.

**3) Maintain and enhance property values and positive perceptions of housing in Valparaiso.**

**Policies:** (a) Support local realty firms, the Chamber of Commerce, neighborhood associations and others in marketing Valparaiso housing and neighborhoods to promote awareness of their desirability as places to live.

(b) Encourage both new housing construction and the conversion of underutilized non-residential buildings in order to increase housing variety and to enhance the property tax base.

(c) Encourage collaboration among neighborhood stakeholders (e.g., property owners, residents, businesses and institutions) and City staff to improve housing conditions that are negatively impacting surrounding property values, and neighborhood character.

(d) Support individual owners and neighborhood-based organizations engaged in efforts aimed at improving Valparaiso's housing stock, and neighborhoods.

---

#### 4) **Ensure availability of affordable housing in Valparaiso.**

- Policies:** (a) Package and promote the availability of assistance programs that provide resources for home acquisition and repair.
- (b) Support organizations pursuing affordable housing initiatives such as Habitat For Humanity, Project Neighbors, Christmas in April, Porter County Housing Coalition, and the Community Development Corporation.

### **HOUSING INVENTORY**

When considered collectively, the City's housing units form several neighborhoods, each with its own distinctive character and potential for satisfying selected types of housing needs. As a rule older units generally tend to prevail in areas that are more dense than newer areas which accommodate larger suburban models.

Fortunately most of the City's dwelling units are well maintained, a condition that can be attributed to a high percentage of owner-occupied units and a strong sense of community pride. Home ownership increased in Valparaiso in the 1980s, but decreased to 55% in the 1990s. This is due to the increased need for rental units, a decrease in higher-paying manufacturing jobs, and an increase in service-related jobs.



Although housing is well maintained in Valparaiso, housing quality does vary from neighborhood to neighborhood with some older sections of the City in need of maintenance. The City does provide no-interest rehab loans to those landlords renting to modest income families.

The age of housing in 2000 broke down into 33% 40 years or older, 34% 20 years or older, and 33% less than 20 years old. These are slight increases from the 1990 census data.

According to the 2000 Census, Valparaiso had 11,600 living units, a 25% increase over the 1990 total. The increase in total housing units was due to some infill but mostly to annexation and development of greenfield sites.

### **TYPES OF HOUSING**

Valparaiso's housing stock is 53% single family, and 47% multi-family. A review of building permits through the 1990s shows an average of 100 new single family homes annually. That average is dropping as the 21<sup>st</sup> century begins. However, the average cost of a new single family home has not dropped. It was \$122,000 in 1990, and \$137,500 by 2000. The average cost of a new multi-family unit stayed about \$50,000 through the 1990s. During that decade the City permitted

---

870 new single family homes, and 1,269 new multi-family units. The city did not add any additional mobile homes in the 1990s.

## **COST OF HOUSING**

The average cost of all homes, new or existing, was \$71,700 in 1990, and \$121,000 in 2000. During that time the median household income rose \$14,200. Rents also increased during that decade. The average rent in 1990 was \$358 and had reached \$625 by 2000. The current rent average, \$625, requires that a household has an annual income of \$25,000 or makes at least \$12/hour. During that same time family incomes have risen 45% and per capita income by 50%.

The increase in rents has resulted in 28% of renters paying more than 35% of their household income for rent. The national standard for percentage of income for housing is 30%. Vacancies also rose from 3% to 6%.

Since 1987 the City has been involved in annexing residential land so the city can grow. The existing residential land in the city is fully developed. The continual annexations have also kept land prices competitive. However, the tax difference between being right outside the city limits or inside the city limits has had a negative affect on the housing markets in our community as people trade more house for less taxes. The trend of building right outside the city has negative impact on the cost of city services, which are paid by city residents but used by many others. There is a need to study this issue and create a more equable plan.

In order to implement the affordable housing goal, the city and nonprofit housing entities have used tax credits, grants, and the graciousness of local residents and businesses who donate time, materials and funds for many housing projects.

## **RENTAL REHABILITATION PROGRAM**

The City received 3 grants during 1988-1990 from the U.S. Department of Housing and Urban Development (HUD) total \$356,900. This amount has been borrowed and repaid many times and has resulted in over \$2 million dollars invested in rehabbing rental units in the city. The program now covers the entire city and can be used for owner-occupied as well as rental units as long as the units remain affordable. Affordable is defined as a mortgage or rent that does not exceed 30% of household income, or the owner or renter having 80% or less of median household income.

## **HOUSING NEEDS**

A need for more housing has definitely been identified as the number of households rose over 20% from 1990-2000. The need for affordable housing was identified in a 2001 Community Survey completed by Valparaiso University. The survey results indicated that 40% agree that the need exists, with women affirming the need, and the higher income levels disaffirming the need. Asked about the availability of affordable housing, over 55% said the situation in Valparaiso is fair or poor. The need is also evident in the low vacancy rates, and the growing influx of people from the expanding Chicago Metropolitan area.

---

The type of housing needs is based on composition of population, income, and the cost of construction as well as the size of the family unit. An assessment of those needs should be conducted as soon as possible.

## **OPTIONS TO MEETING HOUSING NEEDS**

The City has a history of studying housing needs and creating new partners to meet those needs. In the 1990s, after the Chamber of Commerce determined affordable housing as a major community issue, the Greater Valparaiso Community Development Corporation (CDC) was formed as a non-profit organization. Its goal is to create affordable housing that does not exceed 30% of household income. The CDC has been the recipient of state grants that have offset the price of new homes in two subdivisions. Plans are being created for a third.

In addition to the CDC, other nonprofits have been formed such as Housing Opportunities, Project Neighbors, Christmas In April, and Habitat For Humanity, that also undertake annual housing projects – both rehabbing existing and building new. The two greatest challenges with these groups has been a lack of neighborhood understanding of new projects, and the lack of qualified homeowners who do not carry too much debt and therefore can qualify for a mortgage. There are several financing programs that banks can access, and there is a growing awareness of the need for public education on how to afford to move from renting to owning. Housing Opportunities has sessions during the year for people interested in saving for a home. Banks and financial institutions also offer educational programs.



Recently, the issue of affordable housing resulted in the creation of a countywide coalition of agencies and organizations in Porter County responsible for finding housing for people. This coalition was responsible for packaging the financing to purchase 8 independent living units for special needs families, and encouraged a housing survey completed in spring 2001 by VU students, and is working on homeless shelter issues.

The coalition is trying to package the funding for a countywide housing needs assessment.

The coalition is also working towards an agency networking system so that housing and other information can be shared on a timely basis, and so that those in needs can find help in one location with one agency.

---

## **FACTORS INFLUENCING FUTURE HOUSING NEEDS**

### **AGE**

In outlining housing needs for the future of our community, there are several factors to consider. The population is aging, and people will need smaller homes and assisted living options. There will be a need for low and no-maintenance homes, and the development of small communities within a subdivision.

### **SPECIAL NEEDS**

Housing Opportunities and others are addressing the needs of the handicapped population with specially built or rehabbed rental units. The City has many group homes in that allow people with special needs to live with others and enjoy the safety and benefits of our residential neighborhoods.

### **STUDENTS**

Valparaiso University provides some dorms for its students, but many chose to live near or off campus, and rent many of the affordable units in some of the older neighborhoods. This has helped to keep the vacancy rate for rentals in our community relatively low, but can make it difficult for families to find affordable rental units. In the Hilltop neighborhood, however, the mix of families and students has benefited the area with the development of a day care center and medical center. Plans are in place for a new medical center, and for ongoing cooperation between the university staff and students, and the families in the Hilltop area. Recently both groups worked on designing and constructing a playground park in the neighborhood.

### **TAXES**

The difference in taxes paid in the city and outside the city has resulted in many new housing units just outside city limits. Although the city requires annexation for city water and sanitary sewer services, the city has extended its infrastructure and waived annexation to a later date. This allows housing units to be built and taxed lower than housing units in the city and thus affects the housing market. The homeowners just outside the city limits enjoy the benefits of the city and its quality of life, but do not pay for the costs. Since there is little land left in the city to develop, the growth of the city will continue to depend on annexations.

### **REGULATORY CONSTRAINTS**

The cost of development has increased 15-20% over the last two decades due to new regulations on the national, state and local levels. More development costs are now required before construction begins as state and local entities require pre-engineering and environmental assessments and permitting. There is more emphasis on preserving open space and natural areas that require additional engineering and permitting processes to be completed before construction.

---

## IMPLICATIONS

The aging population will require smaller, more efficient and easy-to-maintain housing, and public transportation.

The continued growth of service sector jobs replacing manufacturing jobs indicate a need for additional rental units.

The soaring increase in the cost of new housing indicates a gap in creating opportunity for housing within the 30% of gross household income.

Single family ownership has increased slightly, while family incomes increased 45%.

The decrease in the average size of family will impact the kind and size of new construction.



## ACTION PLAN

1. The City should study the option of a “set-aside” ordinance that can trade density for additional affordable housing.
2. The Porter County Housing Coalition should continue to develop plans for a variety of housing projects for several income levels. They should also promote a housing needs assessment for the county.
3. The CDC and other nonprofits should continue to develop housing projects, especially for first-time buyers.
4. Private/public partnerships should continue to design financial packages for those residents wanting to purchase a home, particularly first-time buyers.
5. The City should continue to plan for new residential growth according to the Chapter 9, Growth Management Plan.
6. The 1991 Porter County Historical Survey should be studied for possible Residential Historic Districts for nomination to the National Register of Historic Places.
7. The City should have the necessary staffing to enforce building codes and zoning ordinances.

---

8. Programs such as Christmas in April that help owners maintain older homes should be encouraged and expanded as the population of the City grows.

**CROSS REFERENCES**

<b>Zoning Ordinance</b>	
Article VIII	Planned Unit Development
Articles XIV-XVIII	Residential Zonings
Article XXVII	Subdivision Regulations
Article XXX	Neighborhood Conservation Overlay
Article XXXI	Tree Landscaping Ordinance
Article XXXV	Site Review Ordinance

