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**CITY OF PITTSBURG, KANSAS**  
**COMMISSION AGENDA**  
**Tuesday, September 27, 2022**  
**5:30 PM**

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**CALL TO ORDER BY THE MAYOR:**

- a. Flag Salute Led by the Mayor
- b. Public Input

**CONSENT AGENDA:**

- a. Approval of the September 13, 2022, City Commission Meeting minutes.
- b. Approval of the Appropriation Ordinance for the period ending September 27, 2022, subject to the release of HUD expenditures when funds are received. **ROLL CALL VOTE.**

**CONSIDER THE FOLLOWING:**

- a. FAMILIES AND CHILDREN TOGETHER, INC. REQUEST - Consider the recommendation of the Economic Development Advisory Committee (EDAC) to support Families and Children Together, Inc. in the construction of a new alcohol treatment center and crisis stabilization unit near 30th and Michigan, by allocating \$400,000 in non-repayable funds, to be used specifically for infrastructure improvements. **Approve or disapprove the recommendation.**
- b. HOMETOWN DEVELOPMENT GROUP / SEK INVESTMENTS, LLC - 1004 NORTH BROADWAY - Consider the recommendation of the Economic Development Advisory Committee (EDAC) to approve the request submitted by Hometown Development Group to update the documents associated with their 2018 loan from the City of Pittsburg to reflect that the ownership of the property located at 1004 North Broadway has been transferred from Hometown Development Group to SEK Investments, LLC. **Approve or disapprove the recommendation and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City.**
- c. RESOLUTION NO. 1254 - Consider approval of Resolution No. 1254, declaring the eligibility of the City of Pittsburg to submit an application to the Kansas Department of Wildlife, Parks and Tourism for use of the Land and Water Conservation Fund Program for the construction of a new miniature golf course at Four Oaks Golf Course and authorize the Mayor to sign the application along with form SF-424C. **Approve or disapprove Resolution No. 1254 and, if approved, authorize the Mayor to sign the Resolution and other necessary documents on behalf of the City.**

**CITY OF PITTSBURG, KANSAS**  
**COMMISSION AGENDA**  
**Tuesday, September 27, 2022**  
**5:30 PM**

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- d. RESOLUTION NO. 1255 - Consider approval of Resolution No. 1255, certifying legal authority to apply for the 2022 Kansas Moderate Income Housing Program from the Kansas Housing Resource Corporation and authorizing the Mayor to sign and submit such application. **Approve or disapprove Resolution No. 1255 and, if approved, authorize the Mayor to sign the Resolution and other necessary documents, once finalized, on behalf of the City.**
  
- e. PAYTON'S HAMLET, LLC - Consider staff recommendation to provide that the right to receive the Rural Housing Incentive District (RHID) reimbursement payments be assigned from Payton's Hamlet, LLC to Equity Bank as a condition of the loan from Equity Bank to Payton's Hamlet, LLC. **Approve or disapprove the recommendation.**

**NON-AGENDA REPORTS & REQUESTS:**

- a. BI-MONTHLY BUDGET REVIEW - Director of Finance Larissa Bowman will provide the August 31, 2022, bi-monthly budget review. **Receive for file.**

**ADJOURNMENT**

OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
September 13, 2022

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A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, September 13, 2022, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Cheryl Brooks presiding and the following members present: Stu Hite, Dawn McNay, Chuck Munsell and Ron Seglie.

Mayor Brooks led the flag salute.

INVOCATION – Father Jerome Spexarth, on behalf of Our Lady of Lourdes, provided an invocation.

PROCLAMATION – Mayor Brooks proclaimed September 17<sup>th</sup> through 23<sup>rd</sup>, 2022, as Constitution Week in Pittsburg.

APPROVAL OF MINUTES – On motion of Munsell, seconded by Seglie, the Governing Body approved the August 23, 2022, City Commission Meeting minutes as presented. Motion carried.

FINAL PAYMENT – NORTH WATER TOWER BLASTING AND PAINTING PROJECT – On motion of Munsell, seconded by Seglie, the Governing Body approved the issuance of final payment in the amount of \$303,000.00 to Utility Service Co. Inc., of Perry, Georgia, for the North Water Tower Blasting and Painting Project. Motion carried.

VOTING DELEGATES – LEAGUE OF KANSAS MUNICIPALITIES – On motion of Munsell, seconded by Seglie, the Governing Body appointed Cheryl Brooks, Stu Hite, Chuck Munsell, and Ron Seglie as voting delegates, and Daron Hall, Jay Byers and Tammy Nagel as alternate voting delegates to represent the City of Pittsburg at the League of Kansas Municipalities Annual Meeting scheduled for October 8<sup>th</sup> through 10<sup>th</sup>, 2022, in Overland Park, Kansas. Motion carried.

APPROPRIATION ORDINANCE – On motion of McNay, seconded by Hite, the Governing Body approved the Appropriation Ordinance for the period ending September 13, 2022, subject to the release of HUD expenditures when funds are received. Motion carried with Brooks abstaining due to a conflict.

PUBLIC HEARING - PROPOSED 2023 REVENUE NEUTRAL RATE – Following a Public Hearing, Munsell motioned, seconded by Brooks, to reduce the mill levy from 51.636 to 49.961, and to exceed the Revenue Neutral Rate (RNR) for the 2023 Budget. Following discussion, Commissioner Munsell stated an amended motion, seconded by Brooks, to approve exceeding the Revenue Neutral Rate (RNR) for the 2023 Budget and to adopt Resolution No. 1253 regarding the Governing Body's intent to levy a property tax exceeding the Revenue Neutral Rate, and authorized the Mayor to sign the Resolution on behalf of the City. Motion carried with the following roll call vote: Yea: Brooks, Hite, McNay, Munsell and Seglie.

OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
September 13, 2022

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PUBLIC HEARING - PROPOSED 2023 BUDGET – Following a Public Hearing, Munsell motioned, seconded by Brooks, to reduce the mill levy from 51.636 to 49.961. Motion failed with Hite, McNay and Seglie voting in opposition.

On motion of McNay, seconded by Seglie, the Governing Body approved the 2023 Budget as submitted and authorized the Mayor and City Commissioners to sign the State Budget Certificate Form on behalf of the City. Motion carried with Brooks and Munsell voting in opposition.

REGIONAL ECONOMY UPDATE - Dr. Michael Davidsson, Director of the Pittsburg State University Business and Economic Research Center, provided an update on the regional economy.

919 JDJME, LLC, PROJECT – On motion of Hite, seconded by McNay, the Governing Body approved the recommendation of the Economic Development Advisory Committee (EDAC) to support the 919 JDJME, LLC, project by allocating an amount equal to 10% of the total project value to renovate the dilapidated property located at 919 North Broadway, with the City's portion not to exceed \$35,000 in non-repayable funds, to be used specifically for infrastructure improvements. Motion carried.

RELEASE OF MORTGAGE AND WAIVER OF RIGHT OF REPURCHASE - P & L DEVELOPMENT - SILVERBACK HOUSING DEVELOPMENT – On motion of McNay, seconded by Seglie, the Governing Body approved a Release of Mortgage and Waiver of Right of Repurchase for P & L Development in relation to Lots Number 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 114, 115, 116, 117 and 118 in Silverback Landing, located in the Silverback housing development, and authorized the Mayor to sign the Release of Mortgage and Waiver of Right of Repurchase on behalf of the City. Motion carried.

AIRPORT AVGAS REFUELER PURCHASE – On motion of Munsell, seconded by Hite, the Governing Body approved staff request to waive the formal bid process and award the contract for the purchase of a 1,000 gallon Avgas refueler, for use at the Atkinson Municipal Airport, to Garsite Aviation Refueling Equipment, in the amount of \$137,500. Motion carried.

ALLTEL CORPORATION d/b/a VERIZON WIRELESS - MEMORANDUM OF THIRD AMENDMENT TO TOWER LEASE AGREEMENT AND THIRD AMENDMENT TO TOWER LEASE AGREEMENT – On motion of McNay, seconded by Seglie, the Governing Body approved staff recommendation to accept a Memorandum of Third Amendment to Tower Lease Agreement and a Third Amendment to Tower Lease Agreement between the City of Pittsburg and Alltel Corporation d/b/a Verizon Wireless to extend the lease agreement for the tower located at 101 North Locust for six years, with one additional extension term of four years, commencing on October 1, 2022, with an annual rental amount of \$40,829, and authorized the Mayor to sign the necessary documents on behalf of the City. Motion carried.

OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
September 13, 2022

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LAND WATER CONSERVATION FUND GRANT APPLICATION - PARKS AND RECREATION – On motion of Hite, seconded by Munsell, the Governing Body authorized staff to apply for a Land Water Conservation Fund Grant to support the construction of a new miniature golf course, club house/concession stand and additional parking at the Four Oaks Golf Course Complex, and authorized the Mayor to sign the necessary documents on behalf of the City. Motion carried.

NON-AGENDA REPORTS & REQUESTS –

KANSAS BOARD OF REGENTS APPOINTMENT – City Manager Daron Hall announced that Economic Development Director and Pittsburg Area Chamber of Commerce President Blake Benson has been appointed to the Kansas Board of Regents.

EXECUTIVE SESSION - On motion of Brooks, seconded by Munsell, the Governing Body, along with City Manager Daron Hall and City Attorney Henry Menghini, recessed into Executive Session for forty-five minutes to discuss personnel matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1), regarding public safety, with the meeting to resume in the City Commission Room in forty-five minutes. Motion carried with McNay and Hite voting in opposition.

The Governing Body recessed into Executive Session at 7:03 p.m.

The Governing Body reconvened into Regular Session at 7:48 p.m.

Mayor Brooks announced that no decisions were made and no votes were taken during the Executive Session.

ADJOURNMENT: On motion of Hite, seconded by Seglie, the Governing Body adjourned the meeting at 7:48 p.m. Motion carried.

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Cheryl L. Brooks, Mayor

ATTEST:

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Tammy Nagel, City Clerk

VENDOR SET: 99 City of Pittsburg, KS  
BANK: \* ALL BANKS  
DATE RANGE: 9/07/2022 THRU 9/20/2022

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	9/09/2022			191996		
C-CHECK	VOID CHECK	V	9/09/2022			191997		
C-CHECK	VOID CHECK	V	9/16/2022			192068		
C-CHECK	VOID CHECK	V	9/16/2022			192069		
C-CHECK	VOID CHECK	V	9/16/2022			192101		
C-CHECK	VOID CHECK	V	9/16/2022			192102		
C-CHECK	VOID CHECK	V	9/16/2022			192103		
C-CHECK	VOID CHECK	V	9/16/2022			192104		

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	8 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: * TOTALS:	8	0.00	0.00	0.00
BANK: * TOTALS:	8	0.00	0.00	0.00



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0094	BMO HARRIS BANK	D	9/15/2022			000000		165.00
0224	KDOR	D	9/08/2022			000000		1,908.50
0321	KP&F	D	9/16/2022			000000		46,944.59
0728	ICMA	D	9/16/2022			000000		1,241.57
1050	KPERS	D	9/16/2022			000000		45,029.31
6415	GREAT WEST TANDEM KPERS 457	D	9/16/2022			000000		4,908.00
6952	ADP INC	D	9/16/2022			000000		10,288.55
7290	DELTA DENTAL OF KANSAS INC	D	9/09/2022			000000		991.00
7290	DELTA DENTAL OF KANSAS INC	D	9/16/2022			000000		5,420.87
8317	ADCOMP SYSTEMS INC	D	9/08/2022			000000		130.52
8526	HEALTH PLANS, INC	D	9/09/2022			000000		54,754.38
8526	HEALTH PLANS, INC	D	9/16/2022			000000		24,291.26
0748	CONRAD FIRE EQUIPMENT	E	9/12/2022			016496		1,196.72
6528	GALE GROUP/CENGAGE	E	9/12/2022			016497		86.38
6740	ED M FELD EQUIPMENT COMPANY, I	E	9/12/2022			016498		195.00
7392	ASSURECO RISK MANAGEMENT & REG	E	9/12/2022			016499		350.00
7567	MERIDIAN OIL & EQUIPMENT LLC	E	9/12/2022			016500		687.00
0044	CRESTWOOD COUNTRY CLUB	E	9/12/2022			016501		1,164.79
0046	ETTINGERS OFFICE SUPPLY	E	9/12/2022			016502		243.88
0055	JOHN'S SPORT CENTER, INC.	E	9/12/2022			016503		300.00
0087	FORMS ONE, LLC	E	9/12/2022			016504		256.00
0133	JIM RADELL CONSTRUCTION COMPAN	E	9/12/2022			016505		22,422.70

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0142	HECKERT CONSTRUCTION CO INC	E	9/12/2022			016506		20,319.43
0194	KANSAS STATE TREASURER	E	9/12/2022			016507		2,519.00
0276	JOE SMITH COMPANY, INC.	E	9/12/2022			016508		264.66
0317	KUNSHEK CHAT & COAL CO, INC.	E	9/12/2022			016509		2,317.91
0328	KANSAS ONE-CALL SYSTEM, INC	E	9/12/2022			016510		415.20
0438	PAUL KEYS	E	9/12/2022			016511		1,837.25
0866	AVFUEL CORPORATION	E	9/12/2022			016512		23,266.15
1792	B&L WATERWORKS SUPPLY, LLC	E	9/12/2022			016513		17,746.91
2137	VAN-WALL EQUIPMENT, INC	E	9/12/2022			016514		307.85
2767	BRENNTAG SOUTHWEST, INC	E	9/12/2022			016515		7,096.40
2921	DATAPROSE LLC	E	9/12/2022			016516		5,795.72
3668	MID AMERICA PROPERTIES OF PITT	E	9/12/2022			016517		600.00
4603	KANSAS GOLF AND TURF INC	E	9/12/2022			016518		19,999.00
4618	TRESA LYNNE MILLER	E	9/12/2022			016519		517.50
5049	CRH COFFEE INC	E	9/12/2022			016520		137.60
5482	JUSTIN HART	E	9/12/2022			016521		70.00
6175	HENRY C MENGHINI	E	9/12/2022			016522		410.90
6209	MYTOWN MEDIA	E	9/12/2022			016523		5,644.60
7038	SIGNET COFFEE ROASTERS	E	9/12/2022			016524		46.25
7127	UNIQUE MANAGEMENT SERVICES, IN	E	9/12/2022			016525		11.65
7239	JERRY MILLER	E	9/12/2022			016526		400.00
7240	JAY HATFIELD CERTIFIED USED CA	E	9/12/2022			016527		227.50

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7427	OLSSON INC	E	9/12/2022			016528		6,565.65
7629	EARLES ENGINEERING & INSPECTIO	E	9/12/2022			016529		60,283.00
7852	TRIA HEALTH, LLC	E	9/12/2022			016530		1,851.90
7906	ARNETT GLASS	E	9/12/2022			016531		610.00
7995	HERITAGE TRACTOR INC	E	9/12/2022			016532		361.90
8046	CONVERGEONE, INC.	E	9/12/2022			016533		450.00
8200	PLUNKETT'S PEST CONTROL INC	E	9/12/2022			016534		577.70
8206	LINDE INC	E	9/12/2022			016535		2,714.00
8246	BETHANY ANN BROOKS	E	9/12/2022			016536		924.51
8309	MISSISSIPPI LIME COMPANY	E	9/12/2022			016537		7,347.82
8325	FLEET FUELS LLC	E	9/12/2022			016538		690.00
8457	PENSKE COMMERCIAL VEHICLES US,	E	9/12/2022			016539		108.38
8645	WILBERT FUNERAL SERVICES, INC	E	9/12/2022			016540		23.07
6524	ELLIOTT EQUIPMENT COMPANY	E	9/19/2022			016541		3,341.65
8467	WASTE CORPORATION OF KANSAS, L	E	9/19/2022			016542		105.91
8528	SARANN AUTO LEASING, INC.	E	9/19/2022			016543		1,800.00
0046	ETTINGERS OFFICE SUPPLY	E	9/19/2022			016544		296.32
0055	JOHN'S SPORT CENTER, INC.	E	9/19/2022			016545		748.99
0101	BUG-A-WAY INC	E	9/19/2022			016546		220.00
0105	PITTSBURG AUTOMOTIVE	E	9/19/2022			016547		1,934.81
0203	GADES SALES CO INC	E	9/19/2022			016548		1,541.80
0276	JOE SMITH COMPANY, INC.	E	9/19/2022			016549		72.40

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0577	KANSAS GAS SERVICE	E	9/19/2022			016550		585.05
0583	DICKINSON INDUSTRIES INC	E	9/19/2022			016551		1,478.00
0627	BOETTCHER SUPPLY INC	E	9/19/2022			016552		100.19
0746	CDL ELECTRIC COMPANY INC	E	9/19/2022			016553		4,521.70
0753	COUNTY OF CRAWFORD	E	9/19/2022			016554		12,500.00
1075	COASTAL ENERGY CORP	E	9/19/2022			016555		1,619.80
1141	THE G W VAN KEPPEL COMPANY	E	9/19/2022			016556		10,386.62
1478	KANSASLAND TIRE #1828	E	9/19/2022			016557		1,550.40
1792	B&L WATERWORKS SUPPLY, LLC	E	9/19/2022			016558		1,107.18
2035	O'BRIEN ROCK CO., INC.	E	9/19/2022			016559		1,989.50
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	9/19/2022			016560		4,629.62
2707	THE LAWNSCAPE COMPANY, INC.	E	9/19/2022			016561		883.25
3868	MUNICIPAL EMERGENCY SERVICES I	E	9/19/2022			016562		224.98
4307	HENRY KRAFT, INC.	E	9/19/2022			016563		206.99
4390	SPRINGFIELD JANITOR SUPPLY, IN	E	9/19/2022			016564		158.17
4621	JCI INDUSTRIES INC	E	9/19/2022			016565		518.32
5931	VOGEL HEATING & COOLING INC	E	9/19/2022			016566		218.00
6772	INDUSTRIAL CRATING INC	E	9/19/2022			016567		2,000.00
6846	GREENWAY ELECTRIC, INC.	E	9/19/2022			016568		11,503.41
6851	SCHULTE SUPPLY INC	E	9/19/2022			016569		1,522.94
7100	FIRST UNITED METHODIST CHURCH	E	9/19/2022			016570		14,760.32
7427	OLSSON INC	E	9/19/2022			016571		900.00

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 9/07/2022 THRU 9/20/2022

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7839	VISION SERVICE PLAN INSURANCE	E	9/19/2022			016572		1,815.86
8080	SUNNYVALE INVESTMENT PROPERTIE	E	9/19/2022			016573		60.00
8130	CRAFCO INC	E	9/19/2022			016574		8,953.00
8246	BETHANY ANN BROOKS	E	9/19/2022			016575		923.02
8337	BLACKSTONE AUDIO, INC.	E	9/19/2022			016576		150.47
8457	PENSKE COMMERCIAL VEHICLES US,	E	9/19/2022			016577		3,623.65
8605	WOODRIVER ENERGY LLC	E	9/19/2022			016578		1,601.03
6088	1ST DUE EMERGENCY RESPONSE SOL	R	9/09/2022			191992		537.80
0516	AMERICAN CONCRETE CO INC	R	9/09/2022			191993		3,606.90
1	ANGELS AMONG US	R	9/09/2022			191994		250.00
0523	AT&T	R	9/09/2022			191995		10,284.30
0004	MATT BACON	R	9/09/2022			191998		150.00
8655	ABIGAL BEAMAN	R	9/09/2022			191999		105.00
8278	GERSON BOCANEGRA	R	9/09/2022			192000		25.00
8652	JAMIE L BURKE	R	9/09/2022			192001		61.00
1616	CITY OF PITTSBURG	R	9/09/2022			192002		100.00
6865	MICHAEL S COLE	R	9/09/2022			192003		105.00
8651	PAYTON COPHER	R	9/09/2022			192004		125.00
8576	FRANK R CORDER	R	9/09/2022			192005		50.00
4263	COX COMMUNICATIONS KANSAS LLC	R	9/09/2022			192006		694.09
4263	COX COMMUNICATIONS KANSAS LLC	R	9/09/2022			192007		379.29
4263	COX COMMUNICATIONS KANSAS LLC	R	9/09/2022			192008		96.07

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 9/07/2022 THRU 9/20/2022

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
4263	COX COMMUNICATIONS KANSAS LLC	R	9/09/2022			192009		29.38
7517	CRAW-KAN TELEPHONE COOPERATIVE	R	9/09/2022			192010		1,249.95
0375	WICHITA WATER CONDITIONING	R	9/09/2022			192011		26.50
8452	HECKMAN BRUENING AND KING, LLC	R	9/09/2022			192012		362.50
7116	EMC INSURANCE COMPANIES	R	9/09/2022			192013		500.00
6809	RICHARD GILMORE	R	9/09/2022			192014		17,171.90
1	HEATHERLY, RANDY	R	9/09/2022			192015		20.00
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	9/09/2022			192016		1,286.28
1	JOHNSON PROPERTIES, LLC	R	9/09/2022			192017		75,400.00
1545	JRB INDUSTRIES INC	R	9/09/2022			192018		5,500.00
2877	KDHE - BUREAU OF WATER	R	9/09/2022			192019		20.00
8599	ALLISON LATHIM	R	9/09/2022			192020		140.00
1	LEYVA-HERNANDEZ, MORGAN	R	9/09/2022			192021		76.00
7945	LUCKY-BUT LAWN CARE, LLC	R	9/09/2022			192022		70.75
5538	MISSOURI STATE HIGHWAY PATROL	R	9/09/2022			192023		3,900.00
8505	PITTSBURG PUBLISHING COMPANY,	R	9/09/2022			192024		1,779.20
1991	OFFICE OF STATE FIRE MARSHAL	R	9/09/2022			192025		60.00
7480	RODGER PETRAIT	R	9/09/2022			192026		150.00
1	PINEDA, SILVIA	R	9/09/2022			192027		748.44
5296	RFB CONSTRUCTION INC	R	9/09/2022			192028		4,418.09
1	SCHROPP, CRAIG	R	9/09/2022			192029		167.78
8375	TRASH HOG LLC	R	9/09/2022			192030		913.33

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 9/07/2022 THRU 9/20/2022

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6377	SOUTHEAST KANSAS RECYCLING CEN	R	9/09/2022			192031		30.00
6377	SOUTHEAST KANSAS RECYCLING CEN	R	9/09/2022			192032		140.00
8089	JORAN STOUT-MITCHELL	R	9/09/2022			192033		75.00
1	VECHORIK, KRAIG	R	9/09/2022			192034		40.00
8618	COREY REAGIN	R	9/09/2022			192035		300.00
1	WICHERT, JERRY	R	9/09/2022			192036		2,825.12
1	PETERSON, TY	R	9/15/2022			192037		60.00
6154	4 STATE MAINTENANCE SUPPLY INC	R	9/16/2022			192052		70.42
2876	CRAIG FARNSWORTH	R	9/16/2022			192053		286.50
1222	ALL SEASONS CARPET, LLC	R	9/16/2022			192054		2,410.07
0516	AMERICAN CONCRETE CO INC	R	9/16/2022			192055		5,580.40
8475	AMERICAN LAWN & LANDSCAPE, INC	R	9/16/2022			192056		120.00
8658	AMINO BROTHERS CO., INC	R	9/16/2022			192057		216,239.68
8655	ABIGAL BEAMAN	R	9/16/2022			192058		70.00
8278	GERSON BOCANEGRA	R	9/16/2022			192059		25.00
1	BOOK, BECKY	R	9/16/2022			192060		753.13
0145	BROADWAY LUMBER COMPANY, INC.	R	9/16/2022			192061		5.56
1	CHARITY KEE	R	9/16/2022			192062		20.00
5283	CLASS LTD	R	9/16/2022			192063		55.20
8217	COMPASS GROUP USA, INC.	R	9/16/2022			192064		164.40
5759	COMMUNITY HEALTH CENTER OF SEK	R	9/16/2022			192065		12,500.00
8651	PAYTON COPHER	R	9/16/2022			192066		195.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7657	COPY PRODUCTS, INC.	R	9/16/2022			192067		1,373.00
8576	FRANK R CORDER	R	9/16/2022			192070		75.00
1	CRAFTON, SARAH	R	9/16/2022			192071		20.00
1	DUNLOP, CHUCK	R	9/16/2022			192072		20.00
8617	DUSTROL, INC	R	9/16/2022			192073		12,032.52
1	EASTWOOD, RESA	R	9/16/2022			192074		20.00
1108	EVERGY KANSAS CENTRAL INC	R	9/16/2022			192075		939.79
7189	FISHER PATTERSON SAYLER & SMIT	R	9/16/2022			192076		1,971.26
8545	FORTLINE, INC	R	9/16/2022			192077		3,360.00
1	GAGE, KEITH	R	9/16/2022			192078		40.00
0339	GENERAL MACHINERY	R	9/16/2022			192079		0.95
1	HENRY, CHRISTY	R	9/16/2022			192080		40.00
4108	INLAND TRUCK PARTS CO	R	9/16/2022			192081		436.66
6119	LACAL EQUIPMENT INC	R	9/16/2022			192082		1,420.92
8599	ALLISON LATHIM	R	9/16/2022			192083		35.00
1	LEACH, DENA	R	9/16/2022			192084		20.00
7190	LEXISNEXIS RISK DATA MANAGEMEN	R	9/16/2022			192085		381.92
8421	LORI S. MESSER	R	9/16/2022			192086		450.00
1	MERIDA JEIFER JR	R	9/16/2022			192087		50.00
8507	PITTSBURG PUBLISHING COMPANY,	R	9/16/2022			192088		60.00
8646	AUTUMN BREANNE NELSON	R	9/16/2022			192089		175.00
7480	RODGER PETRAIT	R	9/16/2022			192090		150.00



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0175	REGISTER OF DEEDS	R	9/16/2022			192091		21.00
0175	REGISTER OF DEEDS	R	9/16/2022			192092		20.00
0188	SECRETARY OF STATE	R	9/16/2022			192093		899.25
7270	SECURITY 1ST TITLE, LLC	R	9/16/2022			192094		75.00
8089	JORAN STOUT-MITCHELL	R	9/16/2022			192095		25.00
8581	THE DUGOUT SPORT SHOP INC	R	9/16/2022			192096		737.98
6260	TRANE	R	9/16/2022			192097		816.00
2714	UTILITY SERVICE COMPANY INC	R	9/16/2022			192098		303,000.00
8657	VERIZON CONNECT FLEET USA LLC	R	9/16/2022			192099		185.70
5589	CELLCO PARTNERSHIP	R	9/16/2022			192100		13,909.72

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	91	715,286.72	0.02CR	715,286.70
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	12	196,073.55	0.00	196,073.55
EFT:	83	319,915.23	0.00	319,915.23
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: 80144 TOTALS:	186	1,231,275.50	0.02CR	1,231,275.48
BANK: 80144 TOTALS:	186	1,231,275.50	0.02CR	1,231,275.48
REPORT TOTALS:	186	1,231,275.50	0.02CR	1,231,275.48

Passed and approved this 27<sup>th</sup> day of September, 2022.

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Cheryl L. Brooks, Mayor

ATTEST:

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Tammy Nagel, City Clerk



## Memorandum

**TO:** Daron Hall, City Manager

**FROM:** Blake Benson, Economic Development Director

**DATE:** September 21, 2022

**SUBJECT:** September 27, 2022 Agenda Item  
Families and Children Together, Inc. request

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Families and Children Together, Inc., in partnership with Crawford County Mental Health Center, has proposed to construct a new alcohol treatment center and crisis stabilization unit near 30<sup>th</sup> & Michigan in Pittsburgh. This \$6.5 million project will expand services currently available to area residents, including:

- 24 residential beds and four social detox beds
- Expansion of crisis stabilization unit to six beds
- Expansion of substance abuse disorder services

Organizers estimate this project will have a significant positive impact on the community, including eased financial and call volume impact on local law enforcement, reduction in emergency room visits and the addition of recovering addicts to a labor market that's already stretched thin. The project is also expected to create eleven new FTE (full-time equivalent) positions and eight part-time positions.

Organizers report they have secured all but \$400,000 to fund the project and recently submitted a funding application for EDAC (Economic Development Advisory Committee) consideration. The EDAC felt the project was beneficial and recommended providing \$400,000 in non-repayable funds upon completion of the project to be used exclusively for infrastructure-related needs.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, September 27, 2022. Action being requested is the approval or denial of the EDAC recommendation.



APPLICATION FOR LOAN  
CITY OF PITTSBURG, KANSAS  
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND  
(SALES TAX)

I. GENERAL INFORMATION

- |    |   |  |
|----|---|--|
| 1. | Families and Children Together, Inc.<br>Name of Applicant Firm  | 9/7/22<br>Date of Request                        |
| 2. | 911 E Centennial, Pittsburg, KS 66762<br>Firm Address   | 620-231-5130<br>Firm Phone Number                |
| 3. | Names and addresses of all persons or corporation who would be obligated as either applicant or personal guarantors of loans:   |  |
|    | Families and Children Together, Inc.<br>Name  | 911 E Centennial, Pittsburg, KS 66762<br>Address |
|    | _____<br>Name   | _____<br>Address                                 |
| 4. | Names and addresses of the principal officers and directors of the applicant:   |  |
|    | Michael Ehling, Executive Administrator<br>Name   | 911 E Centennial, Pittsburg, KS 66762<br>Address |
|    | Ron Marrone, President<br>Name  | 911 E Centennial, Pittsburg, KS 66762<br>Address |
|    | _____<br>Name   | _____<br>Address                                 |
|    | _____<br>Name   | _____<br>Address                                 |
| 5. | Nature of applicant's business: Philanthropic support to Crawford County Mental Health Center to fulfill the mission of serving the mental health needs of our community without regard for ability to pay and according to a sliding fee scale |  |
| 6. | The products to be assembled or manufactured or service to be rendered:<br>28-Bed Residential Addiction Treatment Center with a 6-Bed Crisis Stabilization Unit<br>(34 Total Bed Facility)  |  |
| 7. | Mark Werner<br>Applicant's Attorney   | 620-206-4082<br>Phone Number                     |
| 8. | _____<br>Applicant's Financial Advisor  | _____<br>Phone Number                            |

9. Diehl, Banwart, Bolton 620-231-3050  
Applicant's Accountant Phone Number
10. Estimated amount of loan: \$ \_\_\_\_\_
11. Number of years to retire loan: \_\_\_\_\_
12. List previous loans and credit references:  
Requesting grant funds of \$400,000  
 \_\_\_\_\_  
 \_\_\_\_\_

## II. USE OF LOAN PROCEEDS

1. Amount requested for purchase of land: \$ \_\_\_\_\_
2. Amount requested for land improvements (bldgs): \$ \_\_\_\_\_
3. Amount requested for machinery and equipment: \$ \_\_\_\_\_
4. Capitalized debt service: \$ \_\_\_\_\_
5. Loan closing costs: \$ \_\_\_\_\_
6. Working capital: \$ \_\_\_\_\_
7. Other (specify) \$ gap funding for construction
- TOTAL REQUEST: \$ 400,000

## III. LOAN PROPOSAL

1. Will the loan refinance an existing project? no
2. Will the loan proceeds be used to expand or replace an existing facility? no
3. Is the applicant presently located in the City of Pittsburg? yes
4. What type and size of building will be constructed? 25,000 square feet  
34-total bed facility with 28 beds for residential addiction treatment and 6 beds for crisis stabilization
5. Name and address of contractor and/or architect:  
Brennfoerder Architectural Services, LLC 517 S Quarter Lane, Joplin, MO 64801  
Crossland Construction Company, 833 S East Ave, Columbus, KS 66725  
 \_\_\_\_\_  
 \_\_\_\_\_
6. What type of equipment will be financed? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. If the applicant will be in direct competition with local firms,

(a) Name of firms: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(b) Describe nature of the competition: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### IV. LOAN ANALYSIS

1. Has a financial advisor submitted an analysis indicating the need for the loan, the advisability of the loan or benefit to the applicant of the loan?

\_\_\_\_\_  
(If yes, attach a copy to this application.)

2. Has additional financing, whether internally generated or through other loans, been arranged? (If yes, explain on an attached sheet)

Yes \_\_\_\_\_

3. Has the applicant investigated conventional financing?

\_\_\_\_\_  
\_\_\_\_\_

#### V. PROPOSED LOCATION

1. Location of the proposed facility: 3101 N Michigan, Pittsburg, KS 66762

2. If the facility is a proposed expansion or replacement of another plant, state size and location of current operations:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. What percentage of the facility will be occupied by the applicant? 100

4. Is the prospective location properly zoned? Yes

5. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

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6. If unusual demands for water or sewer services or police or fire protection will be made, specify the demands:

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## **VI. OWNERSHIP AND MANAGEMENT**

1. Describe the organizational structure of applicant (proprietorship, partnership, subsidiary, corporation, etc.):

Non-profit 501c3

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Note relationship to a parent company: 

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2. What portion of the project is being financed from other company funds (in addition to this loan)?

\$ 6,015,920 (93%)

Please explain Secured funding from grants, government, fundraising, and reserves  
designated for capital improvement (see attached)

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3. Describe all threatened or outstanding litigation

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4. Attach proforma statements for the first three (3) years of operation after issuance of the loan, including revenue projections, operating expense projections and a debt amortization schedule.

## **VII. MEASURE OF ECONOMIC GROWTH AND BENEFIT**

1. What dollar amount of sales is contemplated? Current Annual Revenues \$1,979,907 (dept)
2. What percentage of sales will be sold locally? (does not include expanded services for  
additional ATC beds or Crisis Unit)



3. What is the estimated amount of merchandise and services purchased locally, per year?

\$542,650 (dept) annual expenditures without salary or benefits

4. How many people will the project employ:

Type: Professional 15

Technical 16

Clerical 2

General Labor

5. Number of current full-time employees at applicant's present location:

70 (14 dept)

6. What is ratio of loan fund dollars to jobs created?

**VIII. In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:**

1. Copies of applicant's financial statements for the past three years certified as correct by the owner or an authorized officer.
2. Applicant's most recent annual or quarterly financial report.
3. Interim financial statements, to date, for the current fiscal year.
4. Financial statements, current to date, for each personal guarantor, on forms, certified by a Certified Public Accountant or the guarantor.
5. Copies of both federal and state income tax returns filed by applicant and each personal guarantor during the past three years.
6. In certain cases, due to the size of the loan, audited financials may be required.
7. Completed business plan with three year financial projections.
8. Loan (if approved) must be personally guaranteed.

**IX. Applicant should be aware that additional financial data shall be required if requested by the City Manager, City Attorney or any other persons authorized by the City of Pittsburg, Kansas, including the Economic Development Revolving Loan Fund (Sales Tax) Committee (EDAC).**

**X. Attached hereto is a copy of the Collateral Requirements for the Economic Development Revolving Loan Fund (Sales Tax) for informational purposes. HOWEVER, APPLICANT ACKNOWLEDGES AND AGREES THAT SAID REQUIREMENTS AS WELL AS THIS APPLICATION ARE A SET OF GUIDELINES AND ANY OF THE PROVISIONS STATED THEREIN MAY BE WAIVED OR ADDED TO AT THE DISCRETION OF THE PITTSBURG CITY COMMISSION.**

- XI. EACH APPLICANT ALSO EXPRESSLY AGREES AND UNDERSTANDS THAT THE CITY'S MONETARY PLEDGE OF MONIES FROM THE FUND AND COMMITMENTS MADE IN ANY AGREEMENT SHALL BE CONTINGENT UPON THE CITY CONTINUING TO COLLECT THE ONE-HALF CENT CITY RETAILERS' SALES TAX; AND APPLICANT ACKNOWLEDGES THAT SAID SALES TAX MAY BE DISCONTINUED AS PROVIDED BY THE PROVISIONS OF K.S.A. 12-187 et. seq. AND AMENDMENTS THERETO, AT ANY TIME.

Michael Erley  
Signature

8/31/22  
Date

Executive Administrator  
Title

**COLLATERAL REQUIREMENTS – CITY OF PITTSBURG, KANSAS  
ECONOMIC DEVELOPMENT REVOLVING FUND  
(SALES TAX)**

The following documents will be required:

1. A fully completed and signed application, with documents required therein attached.
2. A fully completed and signed financial statement by each personal guarantor.
3. The federal income tax returns of each personal guarantor for the last three (3) years, whether calendar or fiscal years.
4. Documents confirming compliance with the Kansas Bulk Transfer Act, if the Act is applicable.
5. A personal guaranty agreement to be signed by each personal guarantor and spouse.
6. Key persons term life insurance on the principal personal guarantor.
7. If the applicant is a corporation, a resolution of the Board of Directors authorizing the appropriate offices of the Corporation to sign the various loan documents on behalf of the Corporation.
8. Loan Agreement and Security Agreement, with Use of Loan Proceeds form attached.
9. Promissory Notes and Mortgage.
10. UCC financial statements for filing with the Secretary of State and the Crawford County Register of Deeds.
11. Other relevant financial information or loan security documents requested by the City Manager, the City Attorney or any authorized representative of the City of Pittsburg, Kansas.

## Capital Goal: ATC & CSU Construction

Total Capital Goal -- \$6,550,000

- Committed
- Land – Secured
- Families and Children Together, Inc. \$3,500,000
- Crawford County Commissioners \$1,000,000
- KS Dept of Aging & Disability \$1,000,000
- Sunderland Foundation \$300,000
- XXX Foundation \$100,000
- XXX Family Foundation \$100,000
- Private Donations \$55,000
- Pritchett Foundation \$50,000
- Skubitz Foundation \$45,000

**TO BE RASIED**

**\$400,000**

**Funded**

**94%**

**Goal**



## Memorandum

**TO:** Daron Hall, City Manager

**FROM:** Blake Benson, Economic Development Director

**DATE:** September 20, 2022

**SUBJECT:** September 27, 2022 Agenda Item  
Hometown Development Group/SEK Investments, LLC request

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On November 13, 2018, the Pittsburgh City Commission approved a \$126,230 loan to Hometown Development Group. This supported a renovation project at 1004 North Broadway that would become the new location for Arnett Glass. As is consistent with past projects, the City secured a second position on the property behind GN Bank, and later Labette Bank, which also provided financing for the project.

Hometown Development Group, owned by Bart Arnett, Nate Stahl and Norman Miller, is now selling the 1004 North Broadway property to SEK Investments, LLC, which is owned by solely by Bart Arnett. SEK Investments, LLC, will assume responsibility for the existing City loan and has requested to have the City's loan paperwork updated to reflect this ownership change. SEK Investments, LLC, has also voiced its intent to repay the remaining balance on the City loan early, minus an amount that is eligible to be forgiven if certain employment thresholds are achieved by November 2023. Labette Bank will continue as the holder of the first mortgage.

The Economic Development Advisory Committee (EDAC) considered this request on September 19, 2022, and recommended approval of the request.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, September 27, 2022. Action being requested is the approval or denial of the EDAC recommendation and, if approved, authorize the Mayor to sign the appropriate documents.

## INTEROFFICE MEMORANDUM

To: Daron Hall, City Manager

From: Toby Book, Director of Parks and Recreation

CC: Tammy Nagel, City Clerk

Date: September 21, 2022

Subject: September 27, 2022 City Commission Meeting Agenda Item

Resolution No. 1254

Assuring Resolution for the Miniature Golf Course Project

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City staff, along with members of Imagine Pittsburg 2030, have been working on the design and build of a new Miniature Golf Course at Four Oaks. The Kansas Department of Wildlife, Parks and Tourism administers the Land and Water Conservation Fund which allows us to apply for 50/50 match funding for this project.

The grant application process requires a Resolution from the City certifying that we will continually provide for the operation and maintenance of the project. City staff is requesting the adoption of Resolution 1254, which will accompany our application to the Kansas Department of Wildlife and Parks for the Land and Water Conservation Fund.

In this regard would you please place an item on the September 27, 2022 City Commission Agenda. Staff is requesting adoption of Resolution No. 1254 and if approved have the Mayor sign supporting documents.

If you have any questions, please do not hesitate to contact me.

## **RESOLUTION NO. 1254**

**A RESOLUTION DECLARING THE ELIGIBILITY OF THE CITY OF PITTSBURG TO SUBMIT AN APPLICATION TO THE KANSAS DEPARTMENT OF WILDLIFE, PARKS AND TOURISM FOR USE OF THE LAND AND WATER CONSERVATION FUND PROGRAM FOR THE CONSTRUCTION OF A NEW MINIATURE GOLF COURSE AT FOUR OAKS GOLF COURSE AND AUTHORIZE THE MAYOR TO SIGN THIS APPLICATION ALONG WITH SF-424C.**

**Whereas**, the City of Pittsburg, Kansas, has the legal authority to apply for, receive, and administer federal, state, and other monies through Home Rule Power under the Constitution of the State of Kansas and authorized by K.S.A. 12-1662, regarding the expenditure of federal aid to public agencies; and

**Whereas**, the City of Pittsburg, Kansas, desires to submit an application to the Kansas Department of Wildlife, Parks and Tourism for Land and Water Conservation Fund set forth by Public Law 100-203; and

**Whereas**, the City of Pittsburg, Kansas, is working with citizens from the Imagine Pittsburg 2030 committee to secure local funding; and

**Whereas**, Federal monies are available under a Land and Water Conservation Fund program, administered by the State of Kansas, Department of Wildlife, Parks and Tourism for the purpose of creating outdoor recreational opportunities; and

**Whereas**, the City of Pittsburg, Kansas assures the Kansas Department of Wildlife, Parks and Tourism compliance with SF-424C for construction projects; and

**Whereas**, after appropriate public input and due consideration, the Governing Body of the City of Pittsburg, Kansas has recommended that an application be submitted to the State of Kansas for a Miniature Golf Course.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:**

**SECTION 1.** That the City of Pittsburg, Kansas, does hereby authorize the Mayor to submit an application to the Kansas Department of Wildlife, Parks and Tourism for Land and Water Conservation Fund program funds set forth by Public Law 100-203 on behalf of the citizens of the City of Pittsburg, Kansas.

**SECTION 2.** That the City of Pittsburg, Kansas, hereby assures the Kansas Department of Wildlife, Parks and Tourism that sufficient funding for a Miniature Golf Course projects is available, as the Land and Water Conservation Fund is a reimbursement program.

**SECTION 3.** That the City of Pittsburg, Kansas, hereby assures the Kansas Department of Wildlife, Parks and Tourism that sufficient funding for the operation and maintenance of the Miniature Golf Course projects will be available for the life of the project.

**SECTION 4.** That the City of Pittsburg, Kansas, hereby assures the Kansas Department of Wildlife, Parks and Tourism that the City of Pittsburg, Kansas will comply with SF-424C for construction projects.

**SECTION 5.** That the Mayor of the City of Pittsburg, Kansas, is authorized to sign the application to the Kansas Department of Wildlife, Parks and Tourism for the Land and Water Conservation Fund program funds set forth on behalf of the citizens of the City of Pittsburg, Kansas. The Mayor is also authorized to submit additional information as may be required and act as the official representative of the City of Pittsburg in this and subsequent related activities.

**ADOPTED AND PASSED** by the Governing Body of the City of Pittsburg, Kansas, this 27<sup>th</sup> Day of September, 2022.

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**MAYOR – Cheryl Brooks**

**ATTEST:**

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**CITY CLERK – Tammy Nagel**



**To:** Daron Hall, City Manager

**From:** Jay Byers, Deputy City Manager

**Date:** September 22, 2022

**Subject:** Moderate Income Housing Application Resolution

With the closure of our most recent moderate income housing project, the city is again eligible for a moderate income housing (MIH) grant from the Kansas Housing Resources Corporation (KHRC). KHRC requires that the governing body of the applicant must pass a resolution authorizing the Mayor to sign the application.

The application deadline is 9/30/22, and the project information is currently being collected. Once the application is finalized, the Mayor will be asked to sign it before sending to KHRC.

Please place the attached resolution on the City Commission consider agenda for September 27, 2022.

Jay Byers  
Deputy City Manager

## City of Pittsburg, Kansas

### RESOLUTION NO. 1255

#### **RESOLUTION CERTIFYING LEGAL AUTHORITY TO APPLY FOR THE 2022 KANSAS MODERATE INCOME HOUSING PROGRAM FROM THE KANSAS HOUSING RESOURCE CORPORATION AND AUTHORIZING THE MAYOR TO SIGN AND SUBMIT SUCH APPLICATION**

---

**WHEREAS**, The City of Pittsburg, Kansas, is a legal governmental entity as provided by the laws of the STATE OF KANSAS, and

**WHEREAS**, access to safe, affordable housing for low- and moderate-income households is limited in Pittsburg, Kansas, and

**WHEREAS**, the City of Pittsburg, Kansas, intends to submit an application for assistance from the 2022 KANSAS MODERATE INCOME HOUSING PROGRAM.

**WHEREAS**, the City of Pittsburg, Kansas updated its Housing Needs Assessment in 2022 which indicates the continued need for owner and renter occupied housing;

**WHEREAS**, the City of Pittsburg, Kansas has received multiple requests to submit a Moderate Income Housing application in partnership with the City of Pittsburg, Kansas;

THE APPLICANT hereby certifies that the City of Pittsburg, Kansas, is a legal governmental entity under the status of the laws of the STATE OF KANSAS and thereby has the authority to apply for assistance from the 2022 KANSAS MODERATE INCOME HOUSING PROGRAM, and

THE APPLICANT hereby authorizes the MAYOR of Pittsburg, Kansas, to act as the applicant's official representative in signing and submitting an application for assistance to the 2022 KANSAS MODERATE INCOME HOUSING PROGRAM, and

**ADOPTED BY THE GOVERNING BODY AND APPROVED BY THE MAYOR**, this 27<sup>th</sup>  
day of September 2022.

City of Pittsburg, KS

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Mayor

ATTEST:

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City Clerk

**A HOUSING NEEDS ASSESSMENT  
UPDATE OF:  
PITTSBURG,  
KANSAS**

# **A HOUSING NEEDS ASSESSMENT UPDATE OF: PITTSBURG, KANSAS**

**Report Date: April 12, 2022**

**Prepared For:**  
**Quentin Holmes**  
**Director of Community Development and Housing**  
**City of Pittsburg, Kansas**  
**603 N. Pine**  
**PO Box 688**  
**Pittsburg, KS 66762**

**Prepared by:**  
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April 12, 2022

Quentin Holmes  
Director of Community Development and Housing  
City of Pittsburg, Kansas  
603 N. Pine  
PO Box 688  
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Re: Housing Needs Assessment Update  
Pittsburg, Kansas

Dear Quentin Holmes:

Pursuant to your request, Novogradac Consulting LLP has performed a housing needs assessment update for the Pittsburg, Kansas area.

The purpose of this engagement is to conduct and provide a comprehensive housing market study and needs analysis for Pittsburg, Kansas. The report will be utilized for planning purposes with respect to the City's ongoing housing and redevelopment strategy, and to provide specific updates considering the original 2014 recommendations Novogradac Consulting LLP laid out for the City of Pittsburg. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report includes the following based upon our conversations with the client and the indicated scope in the engagement.

- Overview of Current Economic and Demographic Characteristics (Summary)
- Interviews with Current Developers and Active Market Participants
- Discussions of Changes to Housing Supply since the 2014 Study
- Detailed Analysis of Strategies that have been implemented since the 2014 Study, and an Analysis of Associated Outcomes
- Analysis of 2014 Recommendations: where do they stand today, are they still appropriate?
- Are there any additional recommendations or strategies we would recommend based on today's market?

The City of Pittsburg is the client in this engagement. As our client, City of Pittsburg owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac Consulting LLP

A handwritten signature in blue ink that reads "R. B. Denton".

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# **I. EXECUTIVE SUMMARY AND CONCLUSIONS**

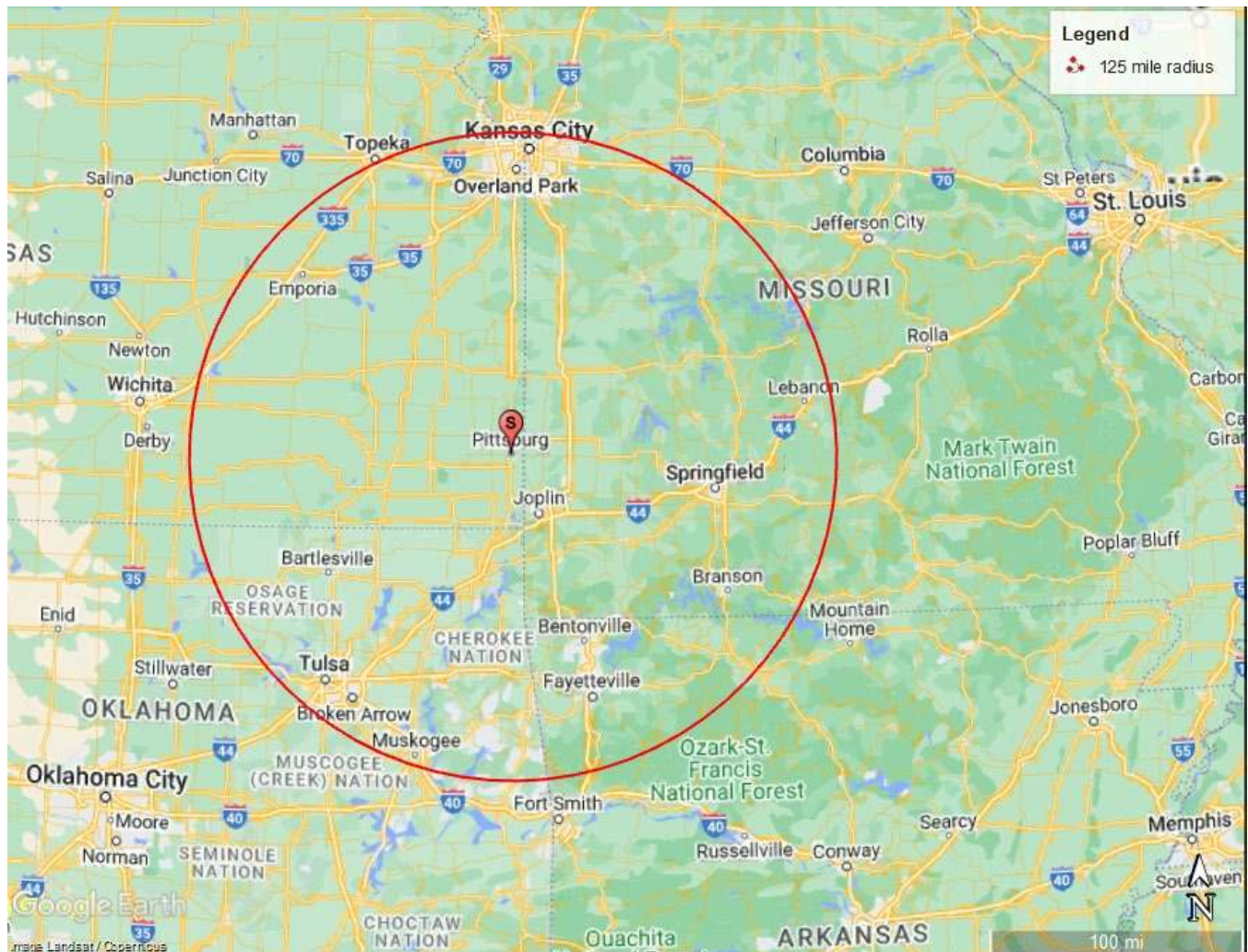
## EXECUTIVE SUMMARY

### MARKET AREA

The City of Pittsburg is located in southeast Kansas within 125 miles of several major metropolitan areas including Kansas City, Kansas; Tulsa, Oklahoma; and Springfield, MO.

The Primary Market Area (PMA) for this report is defined as the City of Pittsburg. The Secondary Market Area (SMA) is defined as the Pittsburg, Kansas Micropolitan Statistical Area, which consists of Crawford County. The following maps illustrate the location of Pittsburg within the region, the PMA, and the SMA.

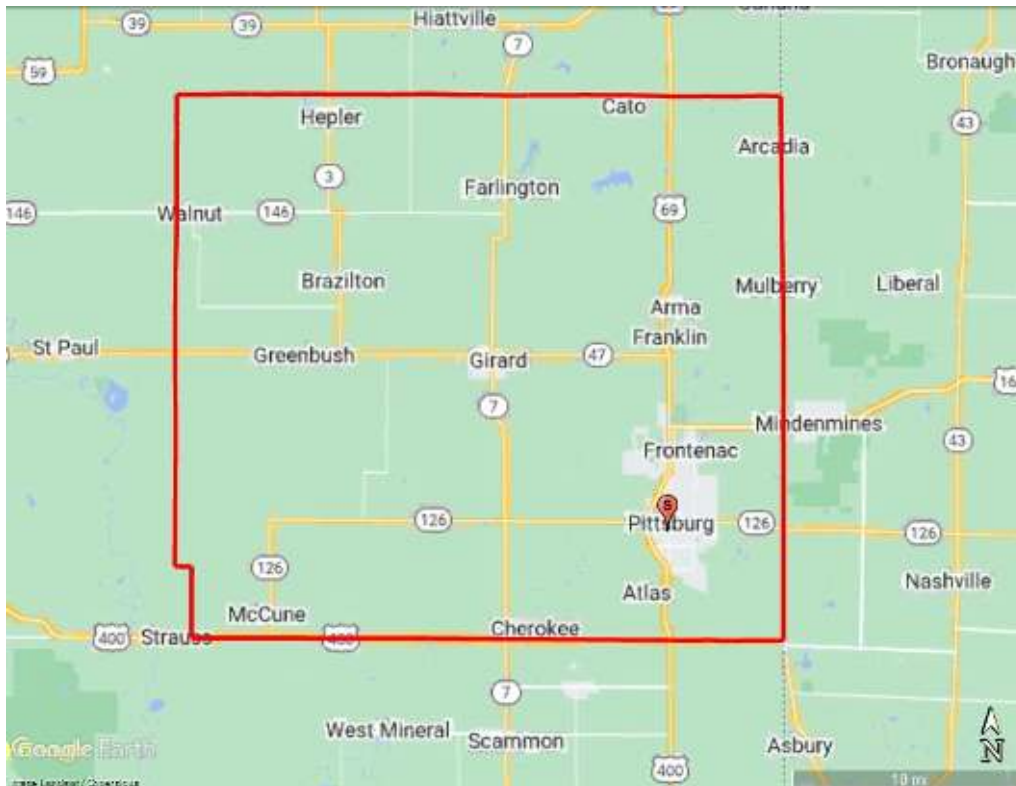
### Regional Map



### PMA Map



### SMA Map



## ECONOMIC TRENDS

Employment in Pittsburg, Kansas is concentrated in the healthcare/social assistance, educational services, and manufacturing industries, which collectively comprise 47.6 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, total employment in manufacturing in the city increased from 2010 to 2021, a trend that is contrary to national trends, and suggests that manufacturing locally is more resilient than the national average. Further, the city also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods.

When compared to the 2014 report, three of the top five major employers (Pittsburg State University, Ascension Via Christi Hospital, and Pittsburg USD 250) currently employ more persons than were employed in 2014. The remaining two major employers appear to be new to the local market. Crossland Construction is headquartered in Columbus, Kansas, approximately 25 miles south of Pittsburg, and Sugar Creek Packing Company has one facility in Frontenac, which is located just north of Pittsburg. We were unable to identify offices for either company in Pittsburg, which suggests the above list may represent employers in the region rather than specific to Pittsburg. It is worth noting that according to a local news story from July 2021, Sugar Creek Packing Company is proposing to purchase 35 acres in Pittsburg to build homes to attract prospective employees. More specifically, according to Derek Boesken, Sugar Creek Packing Company Plant Manager, “some of the surrounding areas we struggle to bring in some high-level talent from outside of the area, and offering them either a temporary play to stay while they kind of get their feet on the ground, get grounded in the community or to stay permanently.” No additional details were available. Further, from 2010 and 2021, the industries which expanded most substantially during this period include retail trade, admin/support/waste management services, and healthcare/social assistance. Additionally, total employment in manufacturing increased during this period locally, a trend that is notable given contractions nationwide. Conversely, the construction, public administration, agriculture/forestry/fishing/hunting, real estate/rental/leasing, and management of companies/enterprises sectors experienced the least growth and in fact contracted.

In 2020, total employment in the Pittsburg, Kansas Micropolitan Statistical Area (SMA) contracted by 1.3 percent due to the COVID-19 pandemic; the nationwide contraction was significantly greater in magnitude at 6.2 percent. From January 2021 to January 2022, total employment in the SMA increased by 0.7 percent, less than the 4.9 percent growth reported nationally, but relevant nevertheless as total employment in the SMA is currently only slightly lower than the pre COVID-19 peak whereas total employment nationally continues to lag well behind the pre COVID-19 peak. In 2020 the unemployment rate in SMA increased by 1.7 percentage points to 5.5 percent, well below the national average of 8.1 percent. In 2021 the local unemployment rate fell by 1.9 percentage points to an average of 3.6 percent, still well below the national average of 5.4 percent. According to the most recent statistics, the unemployment rate in the SMA is at a 20-year low at 2.8 percent, still well below the national unemployment rate of 4.4 percent. Overall, the local economy appears to have fared well in recent years in light of the COVID-19 pandemic with a less substantial contraction in total employment and a less substantial increase in unemployment.

## DEMOGRAPHIC TRENDS

Unless otherwise noted, the demographic data presented herein is based on ESRI Demographics 2021, the most current demographic data available from ESRI.

The City of Pittsburg is an area with a relatively stable population and total number of households. Both the population and the number of total households in the city are projected to decrease slightly through 2026. It is however worth noting that ESRI’s 2021 population number is slightly below the 2020 Census population estimate of 20,646 persons. ESRI’s 2021 population numbers were released prior to the release of the 2020 Census numbers. Further, the Pittsburg Micropolitan Area Economic Report and Data reflect a two percent



increase in the population increase from 2020 to 2021. A stable or declining population is relatively common among more rural areas of the country, particularly as nationwide population growth slows.

The city has a significantly lower median household income and more total households, senior households, renter households, and senior renter households with incomes below \$50,000 than the surrounding MSA and nation, and these gaps are projected to increase through 2026. While there are many potential explanations for the lower incomes in the city, based on our research we believe four are most prevalent. First, the city has a large number of college students many of whom have low to no income while they are in school. Second, jobs in smaller cities and rural areas typically offer lower wages than larger more urban areas due to the relatively affordable cost of living. Third, the city has a large renter household population, again due in part to the university, and renter households typically have lower incomes than owner households. And, finally, the housing supply in the city is older and historically households in search of quality housing have had to search beyond the city limits. While the majority of households in Pittsburg do not have housing problems, those that do are more likely to be renters than owners, are most likely to be cost/rent burdened than have one of the other four housing related problems, and are more likely to be lower income. While one contributing factor is the large number of college student households, 32 percent of householders ages 25 to 44 and 36 percent of householders ages 45 to 64 have incomes of \$25,000 or below. In other words, approximately one third of working age householders have incomes below \$25,000, and at least some of these households are likely to have housing related problems including being cost/rent burdened. Thus, housing affordability issues do not appear to be limited to college students.

On average, the current demographic trends (based on 2021 ESRI Demographics) are relatively comparable to those reported in 2014, with a few notable exceptions. First, in the 2014 report the city and the county were areas of slow population and household growth and those trends were projected to continue through 2018. According to current ESRI Demographics, the total population and the total number of households in both areas are projected to decrease slightly through 2026. Second, the median household income in Pittsburg in the 2014 report based on 2013 ESRI Demographics was \$33,096. The 2021 median household income based on the same data source is \$36,840. Accounting for inflation, the 2014 median household income in 2022 dollars would be equivalent to \$40,681, which is higher than the current median household income.

## INTERVIEWS

The results of the interviews suggest that Pittsburg, like most cities, offers both strengths and weaknesses as it relates to the potential for future growth, as summarized below. It is worth noting that these are strengths and weaknesses as identified by stakeholders, not Novogradac Consulting LLP.

### Strengths

- WiFi infrastructure
- New excellent quality housing supply in the pipeline
- Older housing supply that could be relatively easily and affordably renovated to create quality, lower priced homes for low to moderate income households.
- Interest among developers for additional future projects
- Recently announced addition of a new major employer in fall 2022

### Weaknesses

- Select public schools are below average in terms of performance
- Property taxes are reportedly higher relative to surrounding areas
- Resistance to change among certain subgroups of the local population
- Historically ineffective code enforcement
- Historical lack of quality housing supply for moderate to upper income households
- Lack of quality short-term rental housing

- Lack of quality rental housing
- Some development regulatory barriers remain such as select requirements to obtain certificates of occupancy that are seasonally appropriate, but which are applied year-round and can delay development

## HOUSING SUPPLY

A large number of newly constructed homes have been added to the local housing supply since the 2014 report. More specifically, approximately 5.3 percent of the housing supply as of the 2020 estimates, was built since 2010; this is higher than the 0.2 percent of the housing supply constructed since 2010 reported in the 2014 Census estimates. The rental vacancy rate (7.6 percent) is higher than the homeowner vacancy rate (3.2 percent). Further, the current rental vacancy rate has decreased since the 2014 estimate, while the homeowner vacancy rate has remained relatively stable. While the majority, approximately 82.8 percent, of occupied homes as of the 2020 ACS estimates, are valued at less than \$200,000, including 57.1 percent valued at less than \$100,000, local interviews suggest that these homes are generally in average condition or worse. In terms of changes, the only category that has changed since 2014 is homes valued between \$200,000 and \$299,999, where the number of homes in this category has increased since 2014. Additionally, the median home value of \$86,800 in 2020 has not changed since the 2014 data. The majority of the rental housing supply in Pittsburg as of the 2020 data rent for \$500 to \$999 per month. There are currently 54 recently constructed and 246 for sale units in the pipeline and 105 recently completed rental units and an additional 79 rental units in the pipeline. According to the 2020 5-Year ACS estimates, there are currently 9,203 housing units in Pittsburg. Thus, the new supply equates to an increase of 5.2 percent in the housing supply. According to the 2021 4<sup>th</sup> Quarter Pittsburg Micropolitan Area Economic Report, “a total of 446 homes were sold in the City of Pittsburg during the first 10 months of 2021, according to the Kansas Association of Realtors (up 3.5 percent from the first 10 months of 2020) for an average price of \$134,184 (up 30.4 percent) and a median price of \$111,000 (up 27.6 percent).”

## BARRIERS/CHALLENGES TO HOUSING

The 2014 report identified several barriers/challenges to the housing market in Pittsburg, including:

- Financial obstacles including land costs and infrastructure costs for developers.
- Lack of readily available land for development.
- Lack of affordable rental homes for low-income families due to student rental market.
- Credit worthiness of potential buyers for homeownership (or renters).
- Individual housing cost burdens such as paying over 30.0 percent of monthly income for rent/mortgage payment and utilities.
- Limited supply of moderate-income homes in the area; long waiting times for new construction homes.
- Need for more accountability in providing and maintaining safe, clean rental living conditions by property owners.
- No existing or proposed master development plan for the city, and a lack of master-planned communities.
- Low sense of neighborhood pride and community.

While the report notes that there is no single factor that can prevent or reduce barriers, any initiative taken to promote the preservation of the existing housing stock in addition to promoting new construction should be taken.

Our updated research indicates that while some of the above issues have been addressed, they continue to be challenges. More specifically, while there have been additions to the housing supply since the last report and more additions are in the pipeline, demand is still high for quality housing as well as affordable housing and much of the older housing supply continues to be in need of upgrades.

Further, there are new challenges/barriers that must also be addressed.

- Price Increases - supply chain issues and labor market disruptions resulted in an increase in construction costs and delays in additions to supply, which has led to housing price increases.
- Demand Increases - changing labor market dynamics allowed more people who otherwise would be geographically limited in their housing search to be more flexible. Additionally, the recent announcement of a new major employer in the FedEx distribution center and the anticipated incomes associated with those planned added jobs, is expected to further increase demand both for quality rental and affordable moderate income owner housing opportunities.
- Information Barriers – there is reportedly a lack of understanding about how subdivisions work among the local population, a trend attributed to the lack of new subdivisions in recent decades. This barrier will continue to be best addressed by real estate agents, but could also be through city promotional marketing materials.
- Development Design – following the tornados in Joplin, Missouri, more buyers are reportedly in search of homes with basements or storm shelters; this is currently not a standard option offered in the subdivisions under construction and may end up as a supply gap if not addressed.
- Development Regulations/Zoning Ordinance – the development requirements could be further streamlined to ensure a faster construction timeline and certificate of occupancy issuance to better align with year-round subdivision development. Further, the current zoning code could be updated to allow for more flexibility in new development.
- Appraisal/Loans – low home values for the older housing supply and a limited supply of new homes, made it difficult for buyers to obtain financing for the homes in the development pipeline as the comparables used in the appraisals were significantly older and inferior in terms of age/condition. This barrier is however expected to be eliminated on its own over time as more of the newly constructed homes close.

## CURRENT STATUS OF 2014 RECOMMENDATIONS

The 2014 report provided 10 recommendations to help the City overcome challenges and take advantage of opportunities in the Pittsburg housing market. The recommendations are summarized below followed by a summary of progress made to date and a conclusion as to their ongoing applicability.

### **Recommendation #1: Create additional moderate to higher income housing near Pittsburg State University and the medical center**

#### Progress to Date:

- The city completed two Moderate Income Housing projects.
  - First, to create six rental units in downtown in Leland Lofts.
  - Second, to relocate water and sewer and provide homebuyer assistance of the development of 10 single-family homes at an average cost of \$166,750.
- The city established a Rural Housing Incentive District (RHID) to capture 100 percent of the incremental increase in real property taxes (less the mills taken out for the school district) and reimburse those funds to the developer over a 15-year period, rather than the traditional approach to

new development where the city would split the cost of infrastructure with developers. Both of the new subdivisions, Creekside East and Silverback Landing, are benefitting from this program, and both target middle-income, defined as households with incomes between 80 and 140 percent of the AMI, and higher income households.

- Creekside East is a proposed three phase 100-unit subdivision with homes starting in the \$230,000 to \$250,000 range, but due to cost increases are expected to increase to \$240,000 to \$270,000 in the near future; to date four homes have been delivered.
- Silverback Landing is a proposed 140-unit subdivision with homes in the \$230,000 to \$250,000 range; to date six homes have been delivered. Silverback Landing is located within one mile of both the hospital and Pittsburg State University.

#### Conclusion:

The city should continue to pursue this recommendation focusing on the full range of targeted housing including moderate income, middle income, and higher income housing options, the latter two of which will be addressed by the pipeline supply.

### **Recommendation #2: Enhance housing and amenities in the Downtown Area.**

#### Progress to Date:

- The city completed one Moderate Income Housing project in the downtown area, Leland Lofts. The project is a rental development with six units and was reportedly successful.
- Block 22 is an innovative mixed-use, living-learning, entrepreneurial community in Downtown Pittsburg that opened in 2019. The property consists of four historical buildings and was developed through a partnership between Pittsburg State University, the City of Pittsburg, and the Vecino Group. The development consists of student housing for Pittsburg State University students, co-working and business incubation spaces inside The Foundry, and multiple dining options. The project offers 97 one-bedroom apartments and two, two-bedroom suites. The units are fully furnished with TVs, a full-sized bed, a full kitchen including a dishwasher and garbage disposal, and washer/dryer. The prices range from \$600 to \$675 and the rent includes all utilities and high-speed internet. There is also a \$50 per month discount for income-eligible students. The Foundry @ Block 22 is more than 16,000 square feet of space that includes a maker/hacker space, business incubator, co-working space, conference rooms, and a large meeting space used by Pittsburg State University and community groups. The Foundry's co-working space is home to several small businesses and Root Coffeehouse & Creperie. In the fall of 2018, Block22 was selected as one of the top university-led projects in the nation by the University Economic Development Association. The addition of quality, newly constructed rental housing for students could cause pressure on landlords of existing poor to fair condition rental housing that historically targeted students to upgrade the older housing supply or lower rents in order to remain competitive. These pressures and potential knock on effects will increase as the amount of new, quality rental supply increases.

#### Conclusion:

The city should continue to pursue this recommendation with a particular focus on renovating and upgrading the upper stories of commercial buildings into housing units.

### **Recommendation #3: Preserve Pittsburg's existing single-family housing stock.**

#### Progress to Date:

The Pittsburg Land Bank was created in 2015 and has reportedly been the primary vehicle through which the city has pursued this recommendation. The Pittsburg Land Bank focuses on the conversion of vacant, abandoned, tax-delinquent, or otherwise underused properties into productive uses. Every transfer of property from the Pittsburg Land Bank is accompanied by a development agreement, outlining the final use of the



property, as well as accompanying timelines. The purchase price for Land Bank properties is set at 75 percent of the appraisal price, which is based on the Crawford County Appraiser's Office. To date, the Land Bank has sold 39 properties.

Conclusion:

The city should continue to pursue this recommendation.

**Recommendation #4: Expand the supply of moderate-income housing.**

Progress to Date:

The city completed two Moderate Income Housing projects.

- First, to create six rental units in downtown in Leland Lofts.
- Second, to relocate water and sewer and provide homebuyer assistance of the development of 10 single-family homes at an average cost of \$166,750.

Conclusion:

The city should continue to pursue this recommendation with a focus on homes that will be affordable to moderate income households, defined as households with incomes of 80 percent of the AMI or below. This includes millennials many of whom have student loan debt which can make qualifying for a mortgage more difficult. This also includes the development of additional affordable rental and workforce housing as renter households are currently disproportionately likely to be cost burdened relative to their owner counterparts.

**Recommendation #5: Create a land bank run by a city-related entity.**

Progress to Date:

The Pittsburg Land Bank was created in 2015 and has reportedly been the primary vehicle through which the city has pursued this recommendation. The Pittsburg Land Bank focuses on the conversion of vacant, abandoned, tax-delinquent, or otherwise underused properties into productive uses. Every transfer of property from the Pittsburg Land Bank is accompanied by a development agreement, outlining the final use of the property, as well as accompanying timelines. The purchase price for Land Bank properties is set at 75 percent of the appraisal price, which is based on the Crawford County Appraiser's Office. To date, the Land Bank has sold 39 properties.

Conclusion:

The city should continue to utilize the Land Bank to acquire and redevelop dilapidated and vacant parcels into affordable housing or public amenities such as green space or service providers. The city should also consider zoning changes and/or variances, where appropriate and feasible, to permit development on all land acquired to ensure its conversion to a productive use.

**Recommendation #6: Implement stricter property maintenance codes.**

Progress to Date:

Progress on this recommendation is difficult to measure. Local interviews indicated that the code enforcement department experienced heavy turnover in recent years and there are hopes that the new team will be more successful with enforcement.

Conclusion:

The city should continue to pursue this recommendation.

**Recommendation #7: Establish neighborhood associations and planned subdivisions.**Progress to Date:

Both of the two larger new subdivisions, Creekside East and Silverback Landing, are benefiting from the RHID program. Given their size, we assume that these subdivisions will have neighborhood associations upon completion.

Conclusion:

The city should continue to pursue this recommendation with an education component.

**Recommendation #8: Expand housing for seniors with emphasis on affordable housing options.**Progress to Date:

Villas at Creekside, a gated active-adult living community, is currently under construction. The development will be gated and consist of 29 buildings as well as a bocce ball court, dog park, pickle ball court, and outdoor walking areas, as well as a community building. The units are high-end one-story villas with quartz countertops, covered patios, and oversized attached garages. According to the developer, there is land (70 to 100 acres) for up to five phases, but future phases and plans will be dependent on the acceptance and performance of the first phase. Phase I will offer 58 total units including two-bedroom/two-bathroom units for \$1,850 per month and three-bedroom/two-bathroom units for \$2,100 per month and tenants will be responsible for all utilities.

Conclusion:

The city should continue to pursue this recommendation, particularly for moderate to low-income seniors who may be interested in downsizing but for which there is a limited amount of quality, targeted rental supply for this demographic group. By pursuing this recommendation, the city also has the potential to release some of the older, more affordable housing supply for younger moderate-income households.

**Recommendation #9: Educate low to moderate income households on how they can purchase homes and encourage the use of first-time homebuyer incentive programs.**Progress to Date:

Progress on this recommendation is difficult to measure. Local interviews indicated that low to moderate income households continue to have difficulties accessing homeownership, but this appears to be due primarily to rising home prices.

Conclusion:

The city should continue to pursue this recommendation.

**Recommendation #10: Build short-term housing for young professionals, consultants, and families near major employment centers (e.g. PSU, Mt. Carmel) to provide temporary lodging for moderate to higher income households.**Progress to Date:

McGowan Built is currently working on the acquisition/rehabilitation of a 20-unit market rate development that upon completion will offer one and two-bedroom units. Given that the units will be recently renovated, we expect the units to be in good to excellent condition upon completion. While this project will add to the quality market rate rental supply, given the sizes, they will not be appropriate for families. Further, it was not known if the development will offer short-term leases. As such, while this development will certainly improve the overall market rate rental supply, it may not meet the demand for short-term rental housing and it will not offer quality larger rental units for families.

Conclusion:

The city should continue to pursue this recommendation as research suggests this is one of the primary ongoing housing gaps in the city.

## NEW RECOMMENDATIONS & FUNDING OPPORTUNITIES

### New Recommendation #1: Establish Community Development Corporation

Analysis:

Community Development Corporations (CDCs) are nonprofit, community development oriented organizations focused on revitalizing areas in which they are located. CDCs can provide a wide variety of services to a community including buying, renovating, or building for sale or rental properties, economic development projects, social services, community organizing and cleanup projects, community development projects, and neighborhood promotion, among others. While the local government and Chamber of Commerce have a strong economic development team, community organizing, neighborhood development, and affordable housing development are areas in which a CDC could fill a void in the community.

Strategy:

- Support the formation and promote the funding of a CDC in Pittsburg to focus on the redevelopment of the downtown and immediately surrounding areas.

Funding/Incentives:

- Provide funding through the CDBG program or other state/local grants.

### New Recommendation #2: Increase opportunities for development to meet housing needs

Analysis:

According to local interviews, while there continues to be some developable land in Pittsburg for larger master planned developments, the opportunities are becoming more limited as large portions of land have been purchased and are being developed to meet aforementioned housing needs. As a result, in order to meet additional housing needs that are currently not going to be met with supply in the pipeline, the city needs to identify additional development opportunities either in terms of additional land or modified uses of existing sites. One strategy that has been employed throughout the country has been zoning reform, as traditional zoning codes have been found to impede development particularly in the adaptive reuse of existing uses. According to an article by Ganon Evans published in 2022 by the Kansas Policy Institute titled *Zoning Reform, Not Subsidizes, Reduces Housing Costs*, noted that “long-term reductions in the cost of housing come from removing barriers that inflate the cost of housing. This is namely zoning laws. Building height caps, lot sizes, and rules about what buildings can be built in certain areas all affect the cost to developers. Specifically, zoning artificially increases the costs of housing by limiting the supply of housing.”

Strategy:

- Expand city boundaries by annexing surrounding areas of unincorporated Crawford County
- Modernize the zoning code to allow for more density and flexibility in terms of development proposed within its existing boundaries, which could in turn allow for a more purposeful use of existing land within the city limits to meet housing needs. This could include the elimination of traditional zoning to focus more on overall compatibility rather than use or modifications to the zoning code to add for example the addition of a density bonus for developments meeting city identified housing needs, among other options. The elimination or modification of traditional zoning has occurred throughout the country in both large metropolitan areas such as Minneapolis, Minnesota which eliminated single-

family zoning and Houston, Texas that does not have a formal zoning code, as well as smaller markets such as Benton County, Arkansas.

#### Funding/Incentives:

- None.

#### **New Funding Mechanism: Opportunity Zones**

##### Analysis:

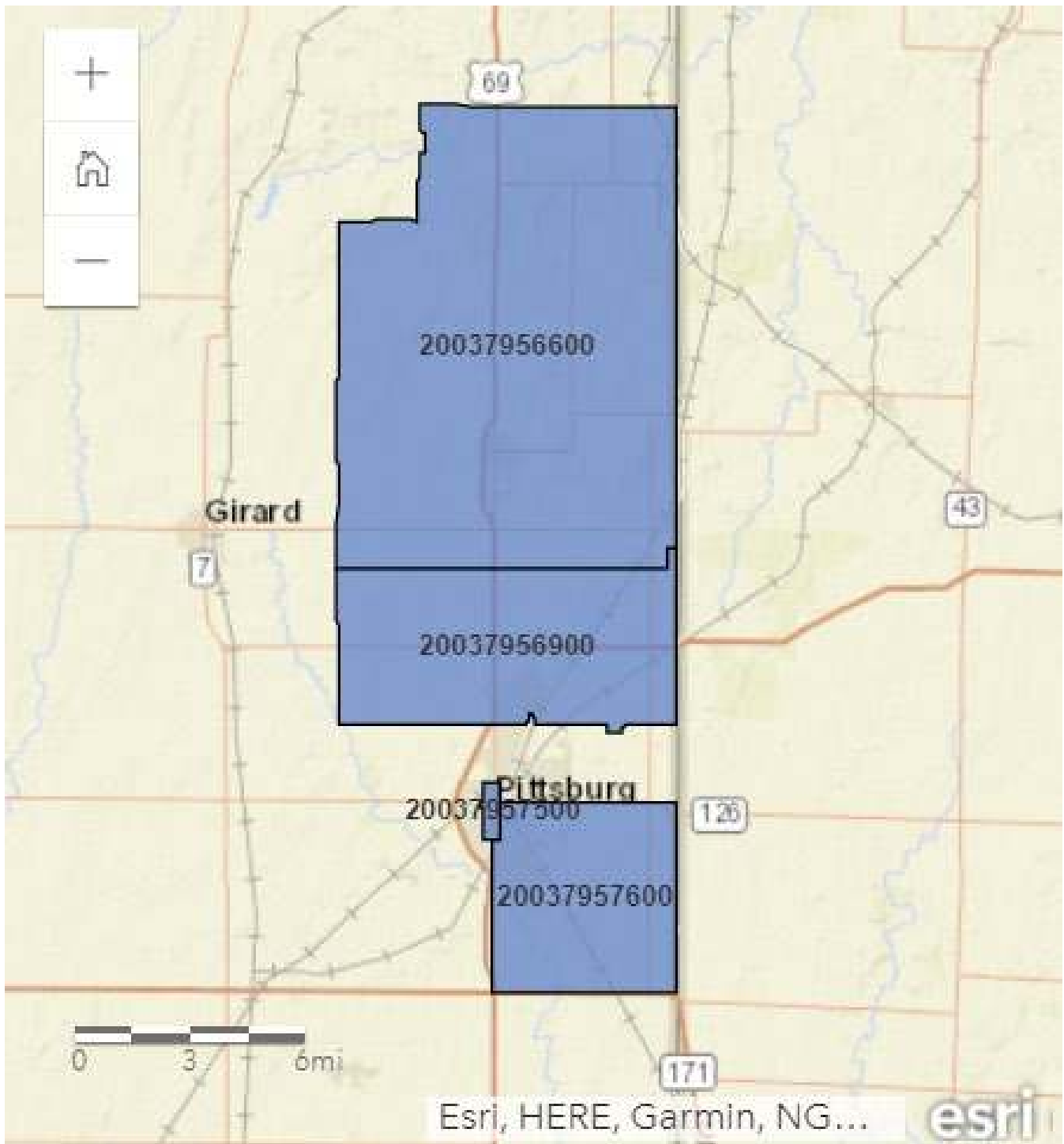
H.R. 1, signed into law on December 22, 2017, created a new tool for community development, designed to provide tax incentives to help unlock investor capital by offering preferential tax treatment for capital gains invested in low-income communities with the goal of encouraging long-term investment in low-income communities designed to promote economic growth. The same definition of a “low-income community” that is used by the new markets tax credit (NMTC) is the basis for defining an opportunity zone. The law generally allows for 25 percent of a state’s low-income community population census tracts to be designated as qualified opportunity zones. Governors are responsible for identifying the areas in their states to be designated as opportunity zones.

According to the Kansas Department of Commerce: “The following incentives are offered to investors for putting their capital to work in these qualified opportunity zones.

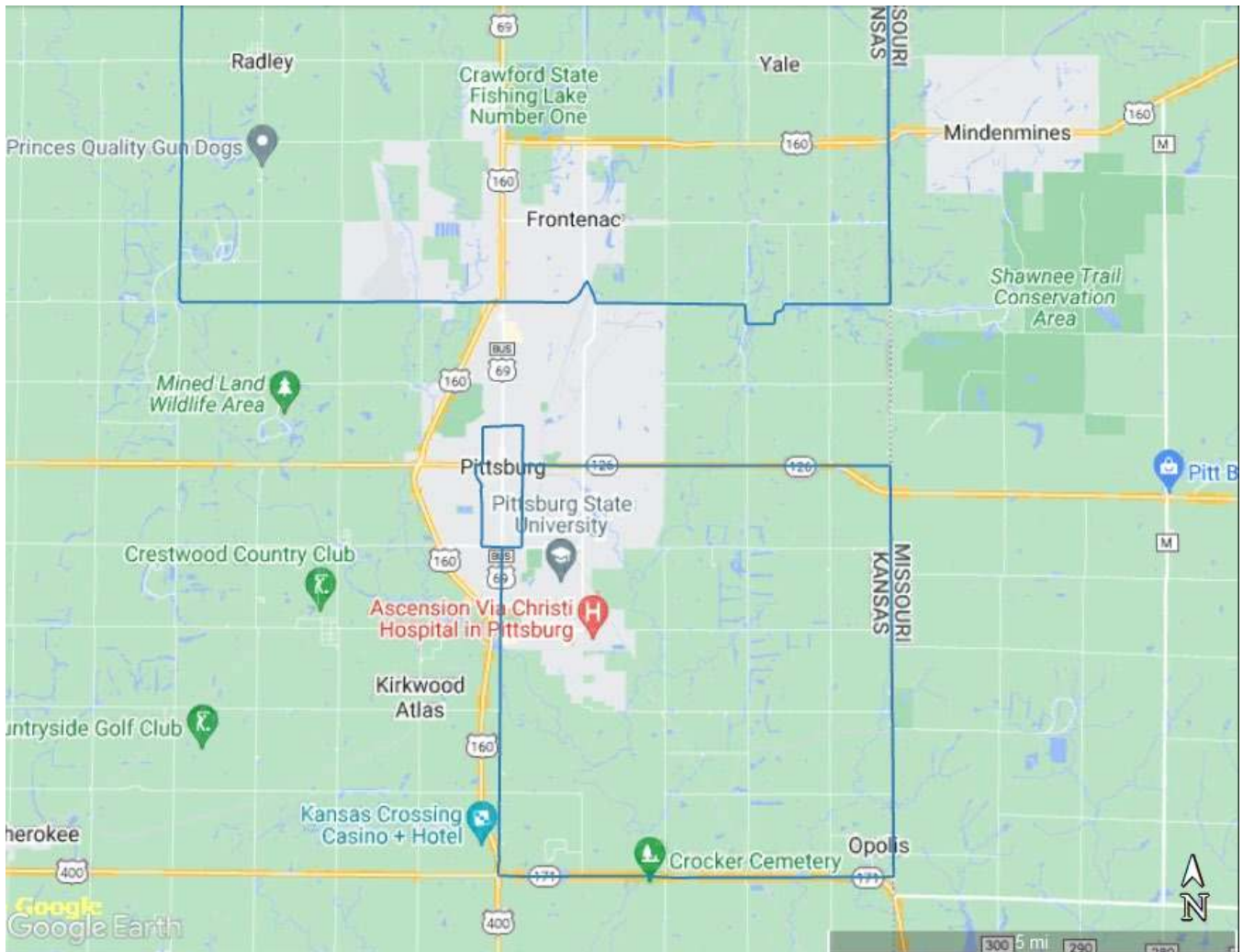
- Temporary capital gain tax deferral
  - The period of capital gain tax deferral ends on 12/31/26 or an earlier sale
- A step-up in basis
  - Investment held for five years – basis increased by 10% of deferred gain (90% taxed)
  - Investment held for seven years – basis increased by another 5% of deferred gain (85% taxed)
- Forgiveness of additional gains
  - Investment held for 10 years – basis equal to fair market value; forgiveness of gains on appreciation of investment of sale or exchange of Opportunity Fund investment. This exclusion applies only to gains accrued after an investment in an Opportunity Fund.”

Further, “these investments provide support to projects focused on a wide array of issues including, downtown revitalization, housing improvements and expansion of industrial parks and innovation districts.”

Kansas identified 74 census tracts including 70 low-income tracts and four non-low-income contiguous tracts that were “ripe for investment and ready for development” to serve as Kansas’ Opportunity Zones; this includes four census tracts in Crawford County, three of which are fully or partially in the City of Pittsburg as identified in the map on the following page.



The above map illustrated the opportunity zone census tracts in Crawford County. The map on the following page illustrates the boundaries of those tracts within Pittsburg; areas inside the blue boundaries are the opportunity zone areas.



To date we are not aware of any Opportunity Zone projects in either of the Pittsburg, Kansas opportunity zones. There are however OZ projects in Kansas and we are aware of several communities that are actively promoting their opportunity zones and/or potential projects such as El Dorado, Lawrence, Wichita, and Manhattan.

## **II. ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS**



## OVERVIEW OF CURRENT ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

### ECONOMIC TRENDS

The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major current employers, and unemployment trends in Pittsburg, Kansas (city), Pittsburg, Kansas Micropolitan Statistical Area (SMA), which consists of Crawford County, Kansas, relative to national trends.

#### Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA and the nation.

**2021 EMPLOYMENT BY INDUSTRY**

Industry	Pittsburg, KS		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	1,838	18.2%	23,217,292	14.8%
Educational Services	1,724	17.1%	14,629,096	9.3%
Manufacturing	1,243	12.3%	15,526,471	9.9%
Retail Trade	1,140	11.3%	16,864,485	10.7%
Accommodation/Food Services	817	8.1%	9,207,610	5.9%
Admin/Support/Waste Mgmt Svcs	463	4.6%	5,887,329	3.7%
Transportation/Warehousing	447	4.4%	8,044,029	5.1%
Other Services	431	4.3%	7,014,785	4.5%
Construction	372	3.7%	11,127,591	7.1%
Prof/Scientific/Tech Services	338	3.3%	13,005,287	8.3%
Public Administration	280	2.8%	8,215,705	5.2%
Finance/Insurance	277	2.7%	8,123,688	5.2%
Wholesale Trade	237	2.3%	3,934,179	2.5%
Arts/Entertainment/Recreation	130	1.3%	2,388,480	1.5%
Information	130	1.3%	2,846,142	1.8%
Agric/Forestry/Fishing/Hunting	101	1.0%	1,973,200	1.3%
Utilities	83	0.8%	1,412,381	0.9%
Mining	32	0.3%	705,964	0.4%
Real Estate/Rental/Leasing	14	0.1%	3,044,245	1.9%
Mgmt of Companies/Enterprises	0	0.0%	116,402	0.1%
<b>Total Employment</b>	<b>10,097</b>	<b>100.0%</b>	<b>157,284,361</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Employment in Pittsburg, Kansas is concentrated in the healthcare/social assistance, educational services, and manufacturing industries, which collectively comprise 47.6 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, total employment in manufacturing in the city increased from 2010 to 2021, a trend that is contrary to national trends, and suggests that manufacturing locally is more resilient than the national average. Further, the city also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the city features comparatively greater employment in the educational services, healthcare/social assistance, and manufacturing industries. Conversely, the city is underrepresented in the prof/scientific/tech services, construction, and public administration industries.



## Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2021.

**2010-2021 CHANGE IN EMPLOYMENT - PMA**

Industry	<u>2010</u>		<u>2021</u>		<u>2010-2021</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	1,563	17.1%	1,838	18.2%	275	1.6%
Educational Services	1,449	15.8%	1,724	17.1%	275	1.7%
Manufacturing	1,114	12.2%	1,243	12.3%	129	1.1%
Retail Trade	764	8.4%	1,140	11.3%	376	4.5%
Accommodation/Food Services	845	9.2%	817	8.1%	-28	-0.3%
Admin/Support/Waste Mgmt Svcs	167	1.8%	463	4.6%	296	16.1%
Transportation/Warehousing	192	2.1%	447	4.4%	255	12.1%
Other Services	454	5.0%	431	4.3%	-23	-0.5%
Construction	561	6.1%	372	3.7%	-189	-3.1%
Prof/Scientific/Tech Services	377	4.1%	338	3.3%	-39	-0.9%
Public Administration	433	4.7%	280	2.8%	-153	-3.2%
Finance/Insurance	280	3.1%	277	2.7%	-3	-0.1%
Wholesale Trade	231	2.5%	237	2.3%	6	0.2%
Arts/Entertainment/Recreation	164	1.8%	130	1.3%	-34	-1.9%
Information	117	1.3%	130	1.3%	13	1.0%
Agric/Forestry/Fishing/Hunting	171	1.9%	101	1.0%	-70	-3.7%
Utilities	53	0.6%	83	0.8%	30	5.1%
Mining	36	0.4%	32	0.3%	-4	-1.0%
Real Estate/Rental/Leasing	111	1.2%	14	0.1%	-97	-7.9%
Mgmt of Companies/Enterprises	65	0.7%	0	0.0%	-65	-9.1%
<b>Total Employment</b>	<b>9,147</b>	<b>100.0%</b>	<b>10,097</b>	<b>100.0%</b>	<b>950</b>	<b>0.9%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

\*Industry data current as of 2010. Other projections current as of 2021.

\* Change in percentage is calculated as a rate of change by industry.

Total employment in the city increased at an annualized rate of 0.9 percent between 2010 and 2021. The industries which expanded most substantially during this period include retail trade, admin/support/waste management services, and healthcare/social assistance. Additionally, total employment in manufacturing increased during this period locally, a trend that is notable given contractions nationwide. Conversely, the construction, public administration, agriculture/forestry/fishing/hunting, real estate/rental/leasing, and management of companies/enterprises sectors experienced the least growth and in fact contracted.

The following table illustrates job growth projections by industry as presented in the 2021 Pittsburg Micropolitan Area Economic Annual Profile.

<b>Job Growth By Industry</b> <b>2021 - 2025</b> <b>Pittsburg Micropolitan Area</b>	
Industry	Jobs
Leisure and hospitality	42
Education and health services	41
Professional and business services	38
Trade, transportation, and utilities	26
Financial activities	21
Total Government	0
Natural resources and mining	0
Other services	0
Information	-2
Construction	-6
Manufacturing	-75
Source: BLS, Woods & Poole, BERC	

Source: BLS, Woods & Poole, BREC (as cited in 2021 Pittsburg Micropolitan Area Economic Annual Profile)

As illustrated, the growth projections by industry suggest the majority of the projected job growth in the area will be in the leisure and hospitality, educational and health services, professional and business services, trade/transportation/utilities, and financial activities sectors. It is worth noting that the above projections were made prior to the 2022 announcement of the FedEx distribution center.

## Major Employers

The table following details the major employers in Pittsburg, Kansas.

### MAJOR EMPLOYERS - PITTSBURG, KANSAS

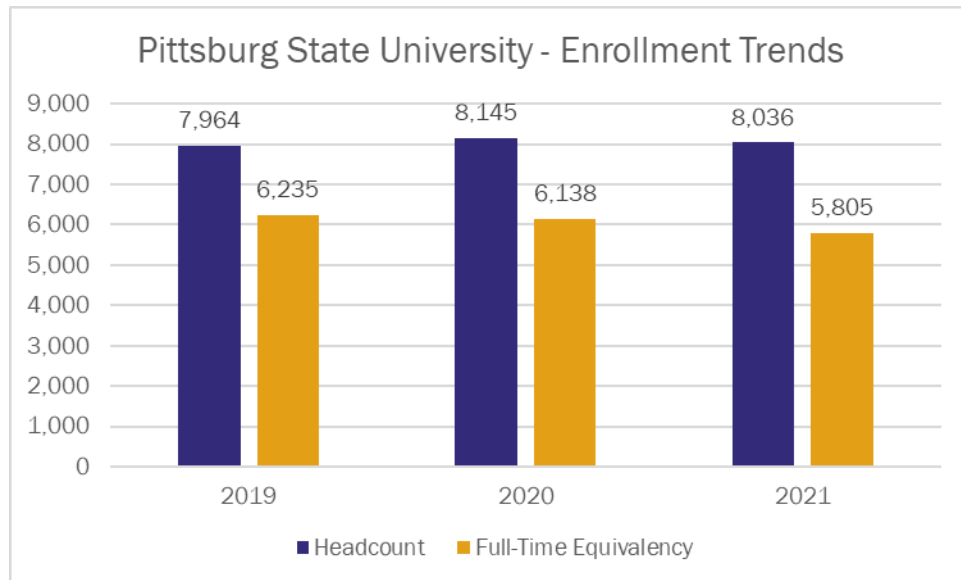
Employer	Industry	Total Employees
Pittsburg State University	Education	1,867
Crossland Construction	Construction	1,400
Ascension Via Christi Hospital	Healthcare	775
Pittsburg USD 250	Education	684
Sugar Creek Packing Company	Manufacturing	500
Pitt Plastics	Manufacturing	304
Masonite International	Manufacturing	300
Miller's Professional Imaging	Professional Services	287
Ward Kraft	Manufacturing	270
NPC International	Accommodation/Food Services	269
Kansas Crossing Casino + Hotel	Recreation/Tourism	260
City of Pittsburg	Public Administration	241
Southeast USD 247	Education	223
Community Health Center of SEK	Healthcare	206
Crawford County Mental Health	Healthcare	195
SEK Education Service Center	Education	160
CDL Electric Company, Inc	Utilities	154
Via Christi Village	Healthcare	152
New Hope Services	Healthcare	150
Watco		150
<b>Total</b>		<b>8,547</b>

Source: Pittsburg Chamber of Commerce, retrieved March 2022

The largest employers in Pittsburg represent a mix of industries including educational services, construction healthcare services, and manufacturing, among others.

When compared to the 2014 report, three of the top five major employers (Pittsburg State University, Ascension Via Christi Hospital, and Pittsburg USD 250) currently employ more persons than were employed in 2014. The remaining two major employers appear to be new to the local market. Crossland Construction is headquartered in Columbus, Kansas, approximately 25 miles south of Pittsburg. Crossland Construction has eight offices throughout the country and is ranked in the top 100 contractors nationwide. We were unable to identify an office in Pittsburg. Sugar Creek Packing Company was founded in 1966 and has grown to a total of six manufacturing and packaging facilities spanning three states in the Midwest including one facility in Frontenac, which is located just north of Pittsburg. Together, this suggests the above list may represent employers in the region rather than specific to Pittsburg. It is worth noting that according to a local news story from July 2021, Sugar Creek Packing Company is proposing to purchase 35 acres in Pittsburg to build homes to attract prospective employees. More specifically, according to Derek Boesken, Sugar Creek Packing Company Plant Manager, "some of the surrounding areas we struggle to bring in some high level talent from outside of the area, and offering them either a temporary play to stay while they kind of get their feet on the ground, get grounded in the community or to stay permanently." No additional details were available.

Pittsburg State University is a four-year public university offering a wide variety of degrees and certificates. According to the Kansas Board of Regents, there are seven state universities in Kansas. The student to faculty ratio is 19:1 and the university offers over 250 academic programs in within the colleges of Arts and Sciences, Business, Education and Technology. The following table illustrates enrollment trends from 2019 to 2021.



Source: Kansas Board of Regents, retrieved February 2021

As illustrated, the full-time equivalency enrollment has steadily decreased since 2019 and the 2021 full-time equivalency was 6.9 percent lower than that of 2019. One important caveat however is that the incoming 2021 freshmen class increased in size for the first time in six years.

Overall, major employers account for a large percentage of total employment in the Pittsburg, Kansas Micropolitan Area, which suggests that these major employers are critical for the local economy.

### Employment Expansions/Contractions

We spoke with Blake Benson, Pittsburg Area Chamber of Commerce President, regarding any recent business expansions or contractions in Pittsburg and the surrounding areas, which are listed following.

- Davita Dialysis opened the doors to their new location in September of 2016 near Rouse and Centennial, across the street from Via Christi. Since, the group has provided dialysis treatment options for residents of Pittsburg and the surrounding areas.
- Kansas Crossing Casino opened in March of 2017 and continues to bring new entertainment to the Pittsburg area. With 1% of their profits going to the City of Pittsburg, Crawford County, and Cherokee County, it is estimated that the Casino has contributed \$8.5 million. In addition, the Casino has partnered with three local agencies to donate over \$4.5 million over 10 years to the Career and Technical Education Center, Pittsburg State University, and the Crawford County Convention and Visitors Bureau.
- Physi-Kuhl Therapy opened in the fall of 2018 and a smaller clinic will be opened on Broadway near 8th Street. This new option for physical therapy will provide high quality, individual care while offering a slightly different atmosphere.

- The area continues to be a regional medical hub with several developments since the prior 2014 report. First, the Community Health Center of Southeast Kansas is working on a \$6 million project that will add a medical residency program in an attempt to help address the ongoing difficulty of attracting medical professionals to the region; it is worth noting that this challenge is not unique to Pittsburg, nor is it unique to the healthcare profession as rural areas throughout the country struggle to be competitive with jobs in more urban markets. The building will be complete in the spring of 2022 and the first class of approximately 12 residents is expected to start in the fall of 2022. Second, the only dermatologist in southeast Kansas opened its headquarters in Pittsburg in late 2020 and employs approximately 15 persons.
- In February 2022, the City of Pittsburg and Pittsburg Area Chamber of Commerce announced that a new FedEx Ground distribution center is slated to open in Pittsburg in October 2022. Construction on the new 250,000 square foot facility is underway next to Kansas Crossing Casino. The facility is expected to add approximately 150 full and part-time jobs to the local economy. The Kansas Department of Transportation's completion of the four-lane U.S. 69 highway expansion to Pittsburg was reportedly critical in ensuring this expansion could move forward.
- A project in the pipeline is the development of a new industrial park, the Montee Industrial Park. This development will be 180 acres of prime industrial development property served by rail and a transload facility. The City has purchased the property and is currently working with its engineers to discuss layout.

### **WARN Notices**

We reviewed publications by the Kansas Works listing WARN (Worker Adjustment and Retraining Notification Act) notices since 2014. There has only been one WARN notice issued in Workforce Investment Area 5, which consists of southeast Kansas including Crawford County. On October 26, 2018, Mercy Health Kansas Communities, Inc. issued a WARN notice impacting 327 employees; this WARN notice represents the closure of the local hospital in Fort Scott, which is located approximately 31 miles north of Pittsburg. No notices have been filed since the onset of the COVID-19 pandemic.

## Employment and Unemployment Trends

The following tables detail employment and unemployment trends for the Pittsburg, Kansas Micropolitan Statistical Area (SMA) from 2006 to January 2022.

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Pittsburg, KS Micropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2006	18,345	-	5.1%	-	144,427,000	-	4.6%	-
2007	19,253	5.0%	4.9%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	18,771	-2.5%	5.3%	0.4%	145,363,000	-0.5%	5.8%	1.2%
2009	18,422	-1.9%	8.6%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	17,687	-4.0%	8.6%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	17,755	0.4%	7.8%	-0.8%	139,869,000	0.6%	9.0%	-0.7%
2012	18,075	1.8%	6.6%	-1.2%	142,469,000	1.9%	8.1%	-0.9%
2013	18,186	0.6%	5.9%	-0.7%	143,929,000	1.0%	7.4%	-0.7%
2014	18,144	-0.2%	5.3%	-0.6%	146,305,000	1.7%	6.2%	-1.2%
2015	18,012	-0.7%	5.1%	-0.2%	148,833,000	1.7%	5.3%	-0.9%
2016	18,087	0.4%	4.8%	-0.3%	151,436,000	1.7%	4.9%	-0.4%
2017	18,342	1.4%	4.2%	-0.6%	153,337,000	1.3%	4.4%	-0.5%
2018	18,072	-1.5%	3.9%	-0.3%	155,761,000	1.6%	3.9%	-0.4%
2019	18,137	0.4%	3.9%	-0.1%	157,538,000	1.1%	3.7%	-0.2%
2020	17,901	-1.3%	5.5%	1.7%	147,795,000	-6.2%	8.1%	4.4%
2021	18,328	2.4%	3.6%	-1.9%	152,581,000	3.2%	5.4%	-2.7%
2022 YTD	18,323	0.0%	2.8%	-0.8%	156,280,000	2.4%	4.3%	-1.1%
Jan-2021	18,189	-	4.6%	-	148,383,000	-	6.8%	-
Jan-2022	18,323	0.7%	2.8%	-1.8%	155,618,000	4.9%	4.4%	-2.4%

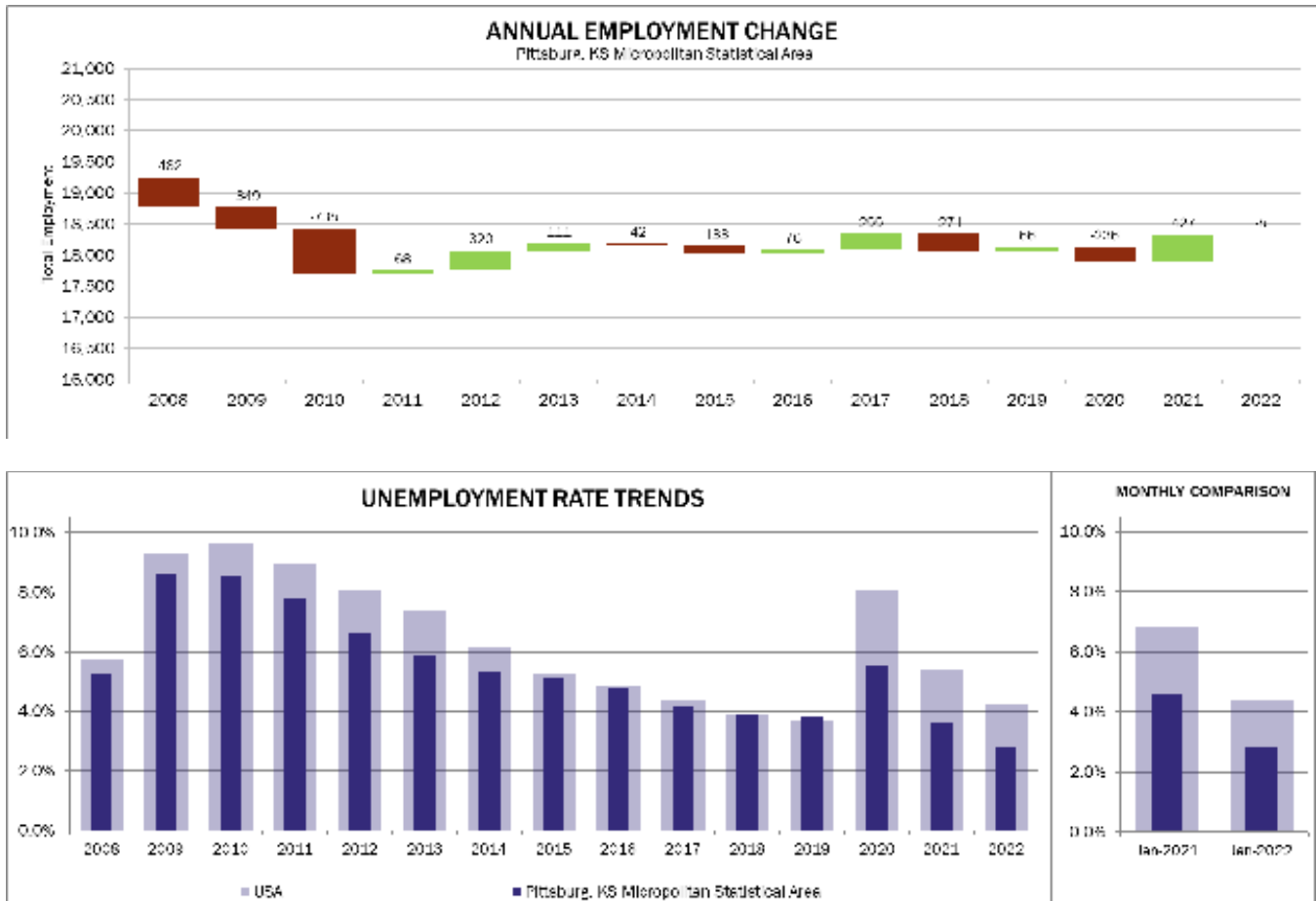
Source: U.S. Bureau of Labor Statistics, April 2022

\*2022 data is through January

From 2012 through 2019 total employment in the SMA fluctuated between periods of contraction and growth while nationwide total employment steadily increased. In 2020, total employment in the SMA contracted by 1.3 percent due to the COVID-19 pandemic; the nationwide contraction was significantly greater in magnitude at 6.2 percent. In 2021 both the SMA and the nation experienced an increase in total employment with growth in the SMA lagging slightly behind that in the nation as a whole. From January 2021 to January 2022, total employment in the SMA increased by 0.7 percent, less than the 4.9 percent growth reported nationally, but relevant nevertheless as total employment in the SMA is currently only slightly lower than the pre COVID-19 peak whereas total employment nationally continues to lag well behind the pre COVID-19 peak.

From 2008 through 2017 the unemployment rate in the SMA was below the national average. In 2018 however the unemployment rate in the SMA increased to be equal to the national average and one year later local unemployment surpassed the national average for the first time since 2007. In 2020 the unemployment rate in SMA increased by 1.7 percentage points to 5.5 percent, well below the national average of 8.1 percent. In 2021 the local unemployment rate fell by 1.9 percentage points to an average of 3.6 percent, still well below the national average of 5.4 percent. According to the most recent statistics, the unemployment rate in the SMA is at a 20-year low at 2.8 percent, still well below the national unemployment rate of 4.4 percent.

Overall, the local economy appears to have fared well in recent years in light of the COVID-19 pandemic with a less substantial contraction in total employment and a less substantial increase in unemployment.



## Wages by Occupation

The following table illustrates the wages by occupation for the Pittsburg, Kansas Micropolitan Statistical Area (SMA).

**PITTSBURG, KS MICROPOLITAN STATISTICAL AREA - 2ND QTR 2020 AREA WAGE ESTIMATES**

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>378,350</b>	<b>\$19.97</b>	<b>\$41,540</b>
Management Occupations	14,990	\$42.73	\$88,880
Architecture and Engineering Occupations	4,620	\$34.51	\$71,780
Healthcare Practitioners and Technical Occupations	22,140	\$32.41	\$67,420
Life, Physical, and Social Science Occupations	2,500	\$31.27	\$65,040
Computer and Mathematical Occupations	3,730	\$29.75	\$61,870
Legal Occupations	1,370	\$29.55	\$61,460
Business and Financial Operations Occupations	13,980	\$28.90	\$60,110
Installation, Maintenance, and Repair Occupations	19,630	\$23.11	\$48,080
Construction and Extraction Occupations	16,410	\$20.92	\$43,510
Community and Social Service Occupations	4,960	\$20.20	\$42,010
Educational Instruction and Library Occupations	31,220	\$20.10	\$41,800
Protective Service Occupations	8,410	\$19.03	\$39,590
Production Occupations	42,110	\$18.66	\$38,810
Transportation and Material Moving Occupations	35,240	\$17.56	\$36,520
Sales and Related Occupations	33,160	\$17.50	\$36,400
Office and Administrative Support Occupations	47,920	\$16.68	\$34,700
Farming, Fishing, and Forestry Occupations	2,600	\$16.59	\$34,510
Arts, Design, Entertainment, Sports, and Media Occupations	4,230	\$15.63	\$32,520
Building and Grounds Cleaning and Maintenance Occupations	12,990	\$13.72	\$28,530
Healthcare Support Occupations	19,600	\$13.06	\$27,160
Personal Care and Service Occupations	6,130	\$13.01	\$27,060
Food Preparation and Serving Related Occupations	30,420	\$10.53	\$21,910

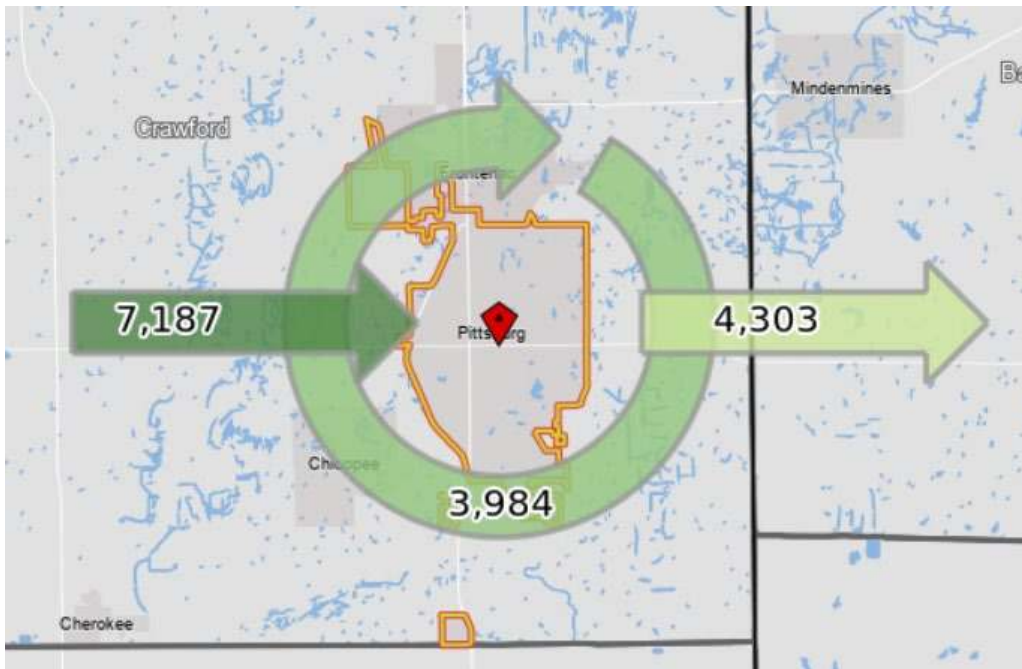
Source: Department Of Labor, Occupational Employment Statistics, 5/2020, retrieved 4/2022

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$10.53 per hour. The highest average hourly wage, of \$42.73, is for those in management occupations.



## Commuting Patterns

The following section analyzes data from the U.S. Census Bureau's OnTheMap project, utilizing data from 2019, the most recent data available. The first graphic illustrates the inflow/outflow of workers in Pittsburg.



Source: US Census Bureau OnTheMap, data from 2019, retrieved March 2022

As illustrated, the city of Pittsburg is a net importer of workers as 64.3 percent of persons employed in the city, live outside of the city limits; this is consistent with information provided in local interviews. The vast majority of persons employed in the city however travel less than ten miles from their homes, which suggests that the majority of the workers in Pittsburg are living just outside of the city limits. The following table illustrates where people who work in Pittsburg live.

	Count	Share
<u><a href="#">All Places (Cities, CDPs, etc.)</a></u>	11,171	100.0%
<span style="background-color: yellow;">■</span> <u><a href="#">Pittsburg city, KS</a></u>	3,984	35.7%
<span style="background-color: lightgreen;">■</span> <u><a href="#">Frontenac city, KS</a></u>	636	5.7%
<span style="background-color: green;">■</span> <u><a href="#">Girard city, KS</a></u>	259	2.3%
<span style="background-color: darkgreen;">■</span> <u><a href="#">Arma city, KS</a></u>	194	1.7%
<span style="background-color: orange;">■</span> <u><a href="#">Joplin city, MO</a></u>	184	1.6%
<span style="background-color: brown;">■</span> <u><a href="#">Fort Scott city, KS</a></u>	161	1.4%
<span style="background-color: darkred;">■</span> <u><a href="#">Parsons city, KS</a></u>	161	1.4%
<span style="background-color: red;">■</span> <u><a href="#">Wichita city, KS</a></u>	146	1.3%
<span style="background-color: lightgrey;">■</span> <u><a href="#">Columbus city, KS</a></u>	126	1.1%
<span style="background-color: grey;">■</span> <u><a href="#">Baxter Springs city, KS</a></u>	80	0.7%
<b>All Other Locations</b>	5,240	46.9%

Source: US Census Bureau OnTheMap, data from 2019, retrieved March 2022

The most common cities where Pittsburg workers live are Frontenac and Girard; the largest percentage of workers however (46.9 percent) live in either unincorporated areas or cities further from those included on the above list; based on the commuting distance (the majority of workers commute less than ten miles), we believe the majority of workers live in unincorporated areas of Crawford and immediately adjacent counties.

## Conclusion

Employment in Pittsburg, Kansas is concentrated in the healthcare/social assistance, educational services, and manufacturing industries, which collectively comprise 47.6 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, total employment in manufacturing in the city increased from 2010 to 2021, a trend that is contrary to national trends, and suggests that manufacturing locally is more resilient than the national average. Further, the city also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods.

When compared to the 2014 report, three of the top five major employers (Pittsburg State University, Ascension Via Christi Hospital, and Pittsburg USD 250) currently employ more persons than were employed in 2014. The remaining two major employers appear to be new to the local market. Crossland Construction is headquartered in Columbus, Kansas, approximately 25 miles south of Pittsburg, and Sugar Creek Packing Company has one facility in Frontenac, which is located just north of Pittsburg. We were unable to identify offices for either company in Pittsburg, which suggests the above list may represent employers in the region rather than specific to Pittsburg. It is worth noting that according to a local news story from July 2021, Sugar Creek Packing Company is proposing to purchase 35 acres in Pittsburg to build homes to attract prospective employees. More specifically, according to Derek Boesken, Sugar Creek Packing Company Plant Manager, “some of the surrounding areas we struggle to bring in some high-level talent from outside of the area, and offering them either a temporary play to stay while they kind of get their feet on the ground, get grounded in the community or to stay permanently.” No additional details were available. Further, from 2010 and 2021, the industries which expanded most substantially during this period include retail trade, admin/support/waste management services, and healthcare/social assistance. Additionally, total employment in manufacturing increased during this period locally, a trend that is notable given contractions nationwide. Conversely, the construction, public administration, agriculture/forestry/fishing/hunting, real estate/rental/leasing, and management of companies/enterprises sectors experienced the least growth and in fact contracted.

In 2020, total employment in the Pittsburg, Kansas Micropolitan Statistical Area (SMA) contracted by 1.3 percent due to the COVID-19 pandemic; the nationwide contraction was significantly greater in magnitude at 6.2 percent. From January 2021 to January 2022, total employment in the SMA increased by 0.7 percent, less than the 4.9 percent growth reported nationally, but relevant nevertheless as total employment in the SMA is currently only slightly lower than the pre COVID-19 peak whereas total employment nationally continues to lag well behind the pre COVID-19 peak. In 2020 the unemployment rate in SMA increased by 1.7 percentage points to 5.5 percent, well below the national average of 8.1 percent. In 2021 the local unemployment rate fell by 1.9 percentage points to an average of 3.6 percent, still well below the national average of 5.4 percent. According to the most recent statistics, the unemployment rate in the SMA is at a 20-year low at 2.8 percent, still well below the national unemployment rate of 4.4 percent. Overall, the local economy appears to have fared well in recent years in light of the COVID-19 pandemic with a less substantial contraction in total employment and a less substantial increase in unemployment.

## DEMOGRAPHIC TRENDS

The following section presents demographic data for the City of Pittsburg, the Pittsburg, Kansas Micropolitan Statistical Area (SMA), which consists of Crawford County, the State of Kansas, and the nation. Information is provided to us by ESRI Demographics and Ribbon Demographic, national proprietary data providers, or collected from the US Census Bureau. It is worth noting that college students who are living outside of group quarters (i.e. dormitories) and outside of their parents' home, are counted as persons in the local population. It is also worth noting that projections were released prior to the FedEx transfer station announcement, a development that is expected to impact demographic trends upon completion.

### Population

#### Total Population

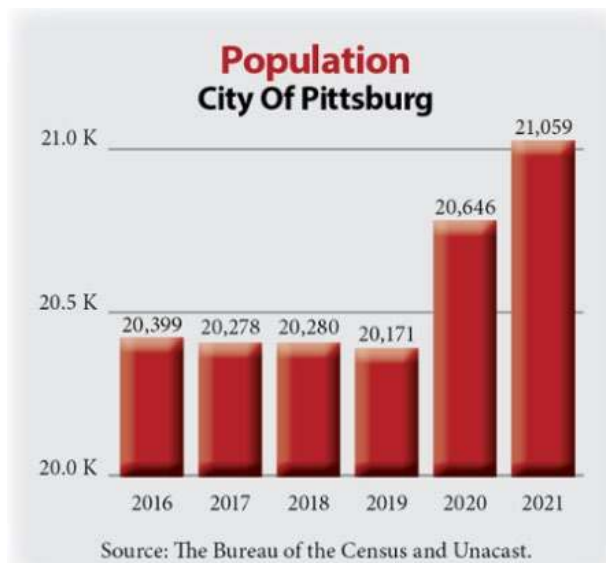
The following tables illustrate the total population growth trends in the city, micropolitan statistical area, which consists of Crawford County, state, and nation from 2000 through 2021, as well as projections through 2026.

	Population				Annual Percent Change		
	2000	2010	Est. 2021	Prj. 2026	2000-10	2010-21	2021-26
Pittsburg, KS	19,032	20,276	20,315	20,071	0.7%	0.0%	-0.2%
Pittsburg, KS Micropolitan Statistical Area	35,152	39,134	39,625	39,261	1.1%	0.1%	-0.2%
Kansas	2,680,066	2,853,026	2,955,529	2,996,345	0.6%	0.3%	0.3%
USA	280,304,282	308,745,538	333,934,112	345,887,495	1.0%	0.7%	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As illustrated above, the population in the city increased from 2000 to 2010 and remained stable from 2010 to 2021. From 2021 through 2026, the population in the city is projected to decrease slightly. Similar trends and projections are evident in the county. Statewide, the population has steadily increased, albeit at slower rates relative to nationwide growth. A stable or declining population is relatively common among more rural areas of the country, particularly as nationwide population growth slows.

It is worth noting that ESRI's 2021 population number is slightly below the 2020 Census population estimate of 20,646 persons. ESRI's 2021 population numbers were released prior to the release of the 2020 Census numbers. Further, the Pittsburg Micropolitan Area Economic Report and Data reflect a two percent increase in the population increase from 2020 to 2021, as illustrated in the graph below.



Source: As Cited in Pittsburg Micropolitan Area Economic Report and Data

### Senior Population

The following tables illustrate the senior population growth trends in the city, micropolitan statistical area, which consists of Crawford County, state, and nation from 2000 through 2021, as well as projections through 2026.

	Population 65+				Annual Percent Change		
	2000	2010	Est. 2021	Prj. 2026	2000-10	2010-21	2021-26
Pittsburg, KS	2,695	2,314	2,905	3,161	-1.4%	2.3%	1.8%
Pittsburg, KS Micropolitan Statistical Area	5,377	5,463	7,044	7,776	0.2%	2.6%	2.1%
Kansas	354,628	376,079	506,134	571,630	0.6%	3.1%	2.6%
USA	34,835,393	40,267,984	57,652,490	66,420,385	1.6%	3.8%	3.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As illustrated above, the senior population in the city decreased from 2000 to 2010, but increased by a greater magnitude from 2010 to 2021. From 2021 through 2026, the senior population in the city is projected to continue to increase, albeit at a slower rate relative to the county, state, and nation.

### Population by Age

The following tables illustrate the distribution of the population by age in the city, micropolitan statistical area, and nation in 2021, as well as projections in 2026.

#### POPULATION BY AGE IN 2021

Age Cohort	Pittsburg, KS		Pittsburg, KS Micropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	1,265	6.2%	2,278	5.7%	19,583,554	5.9%
5-9	1,172	5.8%	2,248	5.7%	20,285,004	6.1%
10-14	1,062	5.2%	2,172	5.5%	20,830,354	6.2%
15-19	1,785	8.8%	2,869	7.2%	20,895,063	6.3%
20-24	3,414	16.8%	4,418	11.1%	21,774,858	6.5%
25-29	1,746	8.6%	2,939	7.4%	23,635,805	7.1%
30-34	1,579	7.8%	2,807	7.1%	23,075,663	6.9%
35-39	1,060	5.2%	2,255	5.7%	22,214,979	6.7%
40-44	853	4.2%	2,009	5.1%	20,473,604	6.1%
45-49	792	3.9%	1,916	4.8%	19,884,128	6.0%
50-54	832	4.1%	2,033	5.1%	20,369,768	6.1%
55-59	888	4.4%	2,285	5.8%	21,854,615	6.5%
60-64	963	4.7%	2,352	5.9%	21,404,227	6.4%
65-69	813	4.0%	2,093	5.3%	18,643,582	5.6%
70-74	717	3.5%	1,796	4.5%	15,357,989	4.6%
75-79	526	2.6%	1,250	3.2%	10,256,260	3.1%
80-84	381	1.9%	873	2.2%	6,567,201	2.0%
85+	468	2.3%	1,032	2.6%	6,827,458	2.0%
<b>Total</b>	<b>20,316</b>	<b>100.0%</b>	<b>39,625</b>	<b>100.0%</b>	<b>333,934,112</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

## POPULATION BY AGE IN 2026 ESTIMATE

Age Cohort	Pittsburg, KS		Pittsburg, KS Micropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	1,263	6.3%	2,235	5.7%	20,376,508	5.9%
5-9	1,146	5.7%	2,212	5.6%	20,557,178	5.9%
10-14	1,096	5.5%	2,251	5.7%	21,175,516	6.1%
15-19	1,777	8.9%	2,841	7.2%	21,464,554	6.2%
20-24	3,275	16.3%	4,126	10.5%	21,430,752	6.2%
25-29	1,511	7.5%	2,469	6.3%	22,134,213	6.4%
30-34	1,295	6.5%	2,460	6.3%	24,254,848	7.0%
35-39	1,316	6.6%	2,573	6.6%	23,948,559	6.9%
40-44	961	4.8%	2,173	5.5%	22,461,154	6.5%
45-49	802	4.0%	1,977	5.0%	20,643,364	6.0%
50-54	793	4.0%	1,907	4.9%	19,678,616	5.7%
55-59	779	3.9%	1,987	5.1%	20,246,000	5.9%
60-64	896	4.5%	2,274	5.8%	21,095,848	6.1%
65-69	864	4.3%	2,198	5.6%	20,376,914	5.9%
70-74	732	3.6%	1,906	4.9%	17,021,089	4.9%
75-79	666	3.3%	1,600	4.1%	13,402,050	3.9%
80-84	423	2.1%	1,014	2.6%	8,180,378	2.4%
85+	476	2.4%	1,058	2.7%	7,439,954	2.2%
<b>Total</b>	<b>20,071</b>	<b>100.0%</b>	<b>39,261</b>	<b>100.0%</b>	<b>345,887,495</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The largest age cohort in the city and micropolitan statistical area is the 20- to 24-year-old cohort, a trend driven by the presence of Pittsburg State University in the city limits. In fact, the city has approximately 2.5 times the percentage of persons in this cohort relative to nationwide trends. Conversely, the city has a lesser percentage of persons ages 40 to 59 relative to the nation. These trends are projected to remain through 2026.

## Households

### Total Households

The following tables illustrate the total household growth trends in the city, micropolitan statistical area, which consists of Crawford County, state, and nation from 2000 through 2021, as well as projections through 2026.

	Households				Annual Percent Change		
	2000	2010	Est. 2021	Prj. 2026	2000-10	2010-21	2021-26
Pittsburg, KS	7,770	8,160	8,104	7,990	0.5%	-0.1%	-0.3%
Pittsburg, KS Micropolitan Statistical Area	14,252	15,699	15,875	15,683	1.0%	0.1%	-0.2%
Kansas	1,034,625	1,112,003	1,153,683	1,169,869	0.7%	0.3%	0.3%
USA	105,081,032	116,716,293	126,470,651	131,047,367	1.1%	0.7%	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Total households in the city increased from 2000 to 2010 and remained generally stable from 2010 through 2021. From 2021 to 2026 the number of total households in the city is projected to decrease, albeit only slightly. Similar trends were reported and are projected for the county. Statewide, the number of total households has increased in each period and is projected to continue to do so through 2026, albeit at a slower rate than that projected nationwide.

### Senior Households

The following tables illustrate the senior household growth trends in the city, micropolitan statistical area, which consists of Crawford County, state, and nation from 2000 through 2021, as well as projections through 2026.

	Households 65+			Annual Percent Change	
	2010	Est. 2021	Prj. 2026	2010-21	2021-26
Pittsburg, KS	1,745	1,754	1,845	0.0%	1.0%
Pittsburg, KS Micropolitan Statistical Area	3,882	4,059	4,310	0.4%	1.2%
Kansas	254,451	311,069	350,630	2.0%	2.5%
USA	27,341,469	34,420,985	39,635,347	2.3%	3.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As illustrated above, the number of senior households in the city remained stable from 2010 through 2021, and is projected to increase through 2026, albeit at a slower rate of growth than that projected in the county, state, or nation.

### Average Household Size

The following table illustrates the average household size between 2000 and 2021 as well as projections for 2026 in the city, micropolitan statistical area, and the nation.

AVERAGE HOUSEHOLD SIZE						
Year	Pittsburg, KS		Pittsburg, KS Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.27	-	2.34	-	2.59	-
2010	2.32	0.2%	2.38	0.2%	2.57	-0.1%
2021	2.33	0.1%	2.38	0.0%	2.58	0.0%
2026	2.34	0.0%	2.39	0.1%	2.58	0.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The average household size in the city and the micropolitan statistical area is smaller than the nationwide average, a trend that is likely due to the sizeable college student population in the city, many of whom are in one-person households. The average household size is projected to remain relatively stable in all areas through 2026.

### Household Size Distribution

The following table illustrates the household size distributions in the city and the micropolitan statistical area for the years 2000 and 2021, as well as the projected distributions for the year 2026.

HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS						
Household Size	2000		2021		2026	
	Total	Percent	Total	Percent	Total	Percent
1 persons	2,583	33.2%	2,571	31.7%	2,515	31.5%
2 persons	2,689	34.6%	2,693	33.2%	2,647	33.1%
3 persons	1,191	15.3%	1,345	16.6%	1,331	16.7%
4 persons	762	9.8%	812	10.0%	806	10.1%
5+ persons	545	7.0%	683	8.4%	691	8.6%
<b>Total</b>	<b>7,770</b>	<b>100.0%</b>	<b>8,104</b>	<b>100.0%</b>	<b>7,990</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022



**HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS MICROPOLITAN STATISTICAL AREA**

2000			2021		2026	
Household Size	Total	Percent	Total	Percent	Total	Percent
1 persons	4,357	30.6%	4,744	29.9%	4,664	29.7%
2 persons	4,978	34.9%	5,456	34.4%	5,379	34.3%
3 persons	2,211	15.5%	2,563	16.1%	2,540	16.2%
4 persons	1,592	11.2%	1,745	11.0%	1,731	11.0%
5+ persons	1,114	7.8%	1,367	8.6%	1,369	8.7%
Total	14,252	100.0%	15,875	100.0%	15,683	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The majority of households in the city and micropolitan statistical area are one and two-person households and these trends are projected to continue through 2026.

Senior (65+) Household Size Distribution

The following table illustrates the senior household size distribution in the city and the micropolitan statistical area for the years 2000 and 2021, as well as the projected senior household size distributions for the year 2026.

**SENIOR (65+) HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS**

2021					2026	
Household Size	Total Households	Percent	Total Households	Percent		
1 persons	1,028	58.6%	1,054	57.1%		
2 persons	661	37.7%	692	37.5%		
3 persons	52	3.0%	66	3.6%		
4 persons	6	0.3%	22	1.2%		
5+ persons	7	0.4%	11	0.6%		
Total	1,754	100.0%	1,845	100.0%		

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

**SENIOR (65+) HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS MICROPOLITAN STATISTICAL AREA**

2021					2026				
Household Size		Total Households		Percent		Total Households		Percent	
1 persons		2,093		51.6%		2,174		50.4%	
2 persons		1,771		43.6%		1,895		44.0%	
3 persons		153		3.8%		180		4.2%	
4 persons		34		0.8%		49		1.1%	
5+ persons		8		0.2%		12		0.3%	
Total		4,059		100.0%		4,310		100.0%	

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Nearly all senior (65+) households in the city and micropolitan statistical area are one or two-person households and these trends are projected to continue through 2026.

### General Household Tenure

The following table illustrates the tenure patterns in the city and the micropolitan statistical area for the years 2000, 2010, and 2021, as well as the projected tenure patterns for the year 2026.

**TENURE PATTERNS - PITTSBURG, KS**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	4,117	53.0%	3,653	47.0%
2010	3,931	48.2%	4,229	51.8%
2021	3,760	46.4%	4,344	53.6%
2026	3,795	47.5%	4,195	52.5%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

**TENURE PATTERNS - PITTSBURG, KS MICROPOLITAN STATISTICAL AREA**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	8,939	62.7%	5,313	37.3%
2010	9,649	61.5%	6,050	38.5%
2021	9,554	60.2%	6,321	39.8%
2026	9,564	61.0%	6,119	39.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As illustrated in the tables above, the majority of occupied housing units in the city are occupied by renter households; this is in contrast to that tenure patterns in the micropolitan statistical area. More specifically, while 53.6 percent of occupied housing units in the city are occupied by renters, only 39.8 percent of occupied housing units in the micropolitan statistical area are occupied by renters. Both the number and percentage of renter-occupied housing units in both areas are projected to decrease through 2026, while the number and percentage of owner-occupied housing units are projected to increase over this time period.

### Senior Household Tenure

The following table illustrates the tenure patterns for senior (65+) households in the city and the micropolitan statistical area for the years 2000, 2010, and 2021, as well as the projected tenure patterns for the year 2026.

**PITTSBURG, KS - TENURE PATTERNS OF SENIORS 65+**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	-	-	-	-
2010	1,230	70.5%	515	29.5%
2021	1,146	65.3%	608	34.7%
2026	1,199	65.0%	646	35.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

**PITTSBURG, KS MICROPOLITAN STATISTICAL AREA - TENURE PATTERNS OF SENIORS 65+**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	-	-	-	-
2010	3,014	77.6%	868	22.4%
2021	3,026	74.6%	1,033	25.4%
2026	3,219	74.7%	1,091	25.3%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022



The majority of housing units occupied by senior households in both the city and the SMA are occupied by owners, and the city does have a higher percentage of senior renter households. The number and percentage of senior renter households in the city are projected to increase through 2026.

#### Renter Household Size Distribution

The following table illustrates the renter household size distributions in the city and the micropolitan statistical area for the years 2000 and 2021, as well as the projected renter distributions for the year 2026.

##### **RENTER HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS**

	2000		2021		2026	
<i>Household Size</i>	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
1 persons	1,488	40.7%	1,651	38.0%	1,598	38.1%
2 persons	1,120	30.7%	1,268	29.2%	1,210	28.8%
3 persons	553	15.1%	717	16.5%	687	16.4%
4 persons	254	7.0%	337	7.8%	325	7.7%
5+ persons	238	6.5%	371	8.5%	375	8.9%
<b>Total</b>	<b>3,653</b>	<b>100.0%</b>	<b>4,344</b>	<b>100.0%</b>	<b>4,195</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

##### **RENTER HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS MICROPOLITAN STATISTICAL AREA**

	2000		2021		2026	
<i>Household Size</i>	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
1 persons	2,015	37.9%	2,383	37.7%	2,318	37.9%
2 persons	1,622	30.5%	1,833	29.0%	1,747	28.6%
3 persons	867	16.3%	1,055	16.7%	1,021	16.7%
4 persons	432	8.1%	520	8.2%	503	8.2%
5+ persons	377	7.1%	530	8.4%	530	8.7%
<b>Total</b>	<b>5,313</b>	<b>100.0%</b>	<b>6,321</b>	<b>100.0%</b>	<b>6,119</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The majority of renter households in the city and SMA are one and two-person households, followed by three-person households and these trends are projected to continue through 2026.

#### Senior (65+) Renter Household Size Distribution

The following table illustrates the senior renter household size distribution in the city and the micropolitan statistical area for the years 2000 and 2021, as well as the projected senior renter household size distributions for the year 2026.

##### **SENIOR (65+) RENTER HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS**

	2021		2026	
<i>Household Size</i>	<i>Total Households</i>	<i>Percent</i>	<i>Total Households</i>	<i>Percent</i>
1 persons	525	86.3%	536	83.0%
2 persons	70	11.5%	66	10.2%
3 persons	12	2.0%	27	4.2%
4 persons	1	0.2%	14	2.2%
5+ persons	0	0.0%	3	0.5%
<b>Total</b>	<b>608</b>	<b>100.0%</b>	<b>646</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

**SENIOR (65+) RENTER HOUSEHOLD SIZE DISTRIBUTION - PITTSBURG, KS MICROPOLITAN STATISTICAL AREA**

Household Size	2021		2026	
	Total Households	Percent	Total Households	Percent
1 persons	808	78.2%	838	76.8%
2 persons	192	18.6%	186	17.0%
3 persons	15	1.5%	30	2.7%
4 persons	18	1.7%	34	3.1%
5+ persons	0	0.0%	3	0.3%
<b>Total</b>	<b>1,033</b>	<b>100.0%</b>	<b>1,091</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Nearly all senior (65+) renter households in the city and micropolitan statistical area are one or two-person households and these trends are projected to continue through 2026.

## Income

### Median Household Income

The following table illustrates the median household incomes between 2000 and 2021 as well as projections for 2026 in the city, micropolitan statistical area, and the nation.

**MEDIAN HOUSEHOLD INCOME**

Year	Pittsburg, KS		Pittsburg, KS Micropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$27,097	-	\$29,912	-	\$44,333	-
2021	\$36,840	1.7%	\$41,391	1.8%	\$64,730	2.2%
2026	\$37,819	0.5%	\$44,101	1.3%	\$72,932	2.5%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The median household income in the city is below that of the micropolitan statistical area and both are well below that of the nation. While the larger presence of college students is likely a contributing factor, even working age, middle to late career households in the city have a lower median household income than that of their counterparts in the micropolitan statistical area and the nation as is evidenced in the table below.

**MEDIAN HOUSEHOLD INCOME (AGES 55-64)**

Year	Pittsburg, KS		Pittsburg, KS Micropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2021	\$44,246	-	\$48,504	-	\$74,733	-
2026	\$45,431	0.5%	\$67,601	7.9%	\$93,984	5.2%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The median household income of all households and of mid to late career working households in the city are projected to increase slightly from 2021 to 2026, but the rate of growth projected in the city is significantly lower than the rates of growth projected in the micropolitan statistical area and the nation. As such, by 2026 the gaps between the median household income in the city with that of the surrounding county and the nation as a whole are projected to further widen.

General Household Income Distribution

The following tables illustrate household income distribution in 2021 and that projected in 2026 in the city, micropolitan statistical area, and nation.

**HOUSEHOLD INCOME**

Pittsburg, KS						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,010	12.5%	917	11.5%	-19	-1.8%
\$10,000-19,999	1,324	16.3%	1,220	15.3%	-21	-1.6%
\$20,000-29,999	994	12.3%	926	11.6%	-14	-1.4%
\$30,000-39,999	975	12.0%	898	11.2%	-15	-1.6%
\$40,000-49,999	793	9.8%	863	10.8%	14	1.8%
\$50,000-59,999	539	6.7%	497	6.2%	-8	-1.6%
\$60,000-74,999	633	7.8%	629	7.9%	-1	-0.1%
\$75,000-99,999	739	9.1%	754	9.4%	3	0.4%
\$100,000-124,999	446	5.5%	494	6.2%	10	2.2%
\$125,000-149,999	262	3.2%	305	3.8%	9	3.3%
\$150,000-199,999	207	2.6%	249	3.1%	8	4.1%
\$200,000+	182	2.2%	238	3.0%	11	6.2%
<b>Total</b>	<b>8,104</b>	<b>100.0%</b>	<b>7,990</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

**HOUSEHOLD INCOME**

Pittsburg, KS Micropolitan Statistical Area						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,578	9.9%	1,437	9.2%	-28	-1.8%
\$10,000-19,999	2,310	14.6%	2,099	13.4%	-42	-1.8%
\$20,000-29,999	1,952	12.3%	1,806	11.5%	-29	-1.5%
\$30,000-39,999	1,809	11.4%	1,701	10.8%	-22	-1.2%
\$40,000-49,999	1,557	9.8%	1,559	9.9%	0	0.0%
\$50,000-59,999	1,096	6.9%	1,108	7.1%	2	0.2%
\$60,000-74,999	1,342	8.5%	1,322	8.4%	-4	-0.3%
\$75,000-99,999	1,689	10.6%	1,675	10.7%	-3	-0.2%
\$100,000-124,999	1,143	7.2%	1,204	7.7%	12	1.1%
\$125,000-149,999	657	4.1%	771	4.9%	23	3.5%
\$150,000-199,999	389	2.5%	546	3.5%	31	8.1%
\$200,000+	353	2.2%	455	2.9%	20	5.8%
<b>Total</b>	<b>15,875</b>	<b>100.0%</b>	<b>15,683</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

## HOUSEHOLD INCOME USA

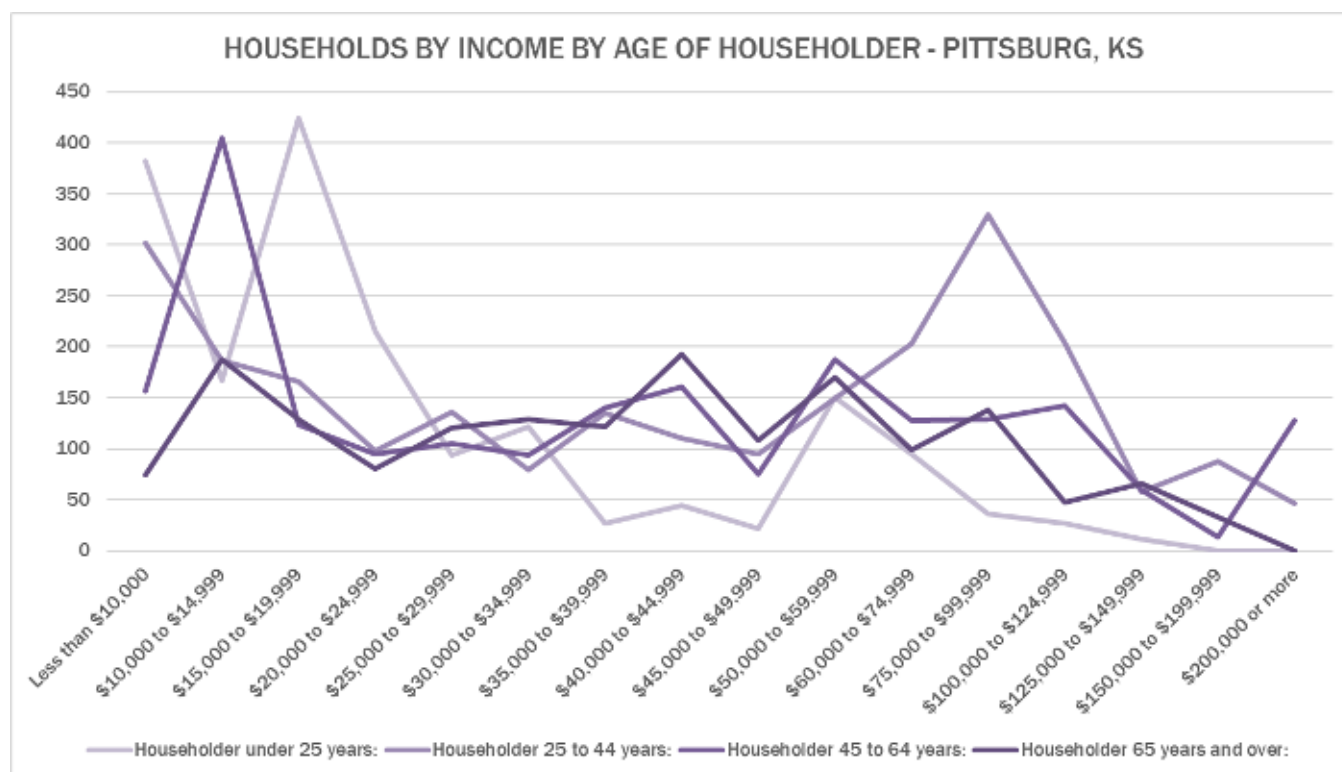
Income Cohort	2021		USA		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,612,939	6.0%	7,110,992	5.4%	-100,389	-1.3%		
\$10,000-19,999	10,391,942	8.2%	9,412,666	7.2%	-195,855	-1.9%		
\$20,000-29,999	10,979,507	8.7%	10,255,668	7.8%	-144,768	-1.3%		
\$30,000-39,999	10,681,904	8.4%	10,057,571	7.7%	-124,867	-1.2%		
\$40,000-49,999	10,130,831	8.0%	9,748,811	7.4%	-76,404	-0.8%		
\$50,000-59,999	8,996,899	7.1%	8,980,416	6.9%	-3,297	0.0%		
\$60,000-74,999	12,162,468	9.6%	11,929,878	9.1%	-46,518	-0.4%		
\$75,000-99,999	15,717,911	12.4%	16,074,353	12.3%	71,288	0.5%		
\$100,000-124,999	11,779,502	9.3%	12,575,571	9.6%	159,214	1.4%		
\$125,000-149,999	8,197,889	6.5%	9,395,357	7.2%	239,494	2.9%		
\$150,000-199,999	8,631,385	6.8%	10,395,066	7.9%	352,736	4.1%		
\$200,000+	11,187,474	8.8%	15,111,018	11.5%	784,709	7.0%		
<b>Total</b>	<b>126,470,651</b>	<b>100.0%</b>	<b>131,047,367</b>	<b>100.0%</b>				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

A significantly greater percentage of households in the city (62.9 percent) have incomes below \$50,000 relative to that of the SMA (58.0 percent) and nation (39.4 percent). Conversely, a significantly smaller percentage of households in the city (13.5 percent) have incomes of \$100,000 and above relative to that of the SMA (16.0 percent) and the nation (31.5 percent). While there are many potential explanations for the lower incomes in the city, based on our research we believe four are most prevalent. First, the city has a large number of college students many of whom have low to no income while they are in school. Second, jobs in smaller cities and rural areas typically offer lower wages than larger more urban areas due to the relatively affordable cost of living. Third, the city has a large renter household population, again due in part to the university, and renter households typically have lower incomes than owner households. And, finally, the housing supply in the city is older and historically households in search of quality housing have had to search beyond the city limits.

### Household Income Distribution by Age

The following graph illustrates the number of households by income and age of householder in Pittsburg, Kansas



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Income	Householder under 25 years:	Householder 25 to 44 years:	Householder 45 to 64 years:	Householder 65 years and over:	Total
Less than \$10,000	382	302	157	74	915
\$10,000 to \$14,999	167	187	405	188	947
\$15,000 to \$19,999	424	166	124	129	843
\$20,000 to \$24,999	215	98	95	81	489
\$25,000 to \$29,999	94	136	105	121	456
\$30,000 to \$34,999	122	79	94	129	424
\$35,000 to \$39,999	27	135	140	122	424
\$40,000 to \$44,999	44	110	161	193	508
\$45,000 to \$49,999	22	95	75	108	300
\$50,000 to \$59,999	151	149	188	170	658
\$60,000 to \$74,999	95	203	128	99	525
\$75,000 to \$99,999	36	330	129	138	633
\$100,000 to \$124,999	27	204	142	48	421
\$125,000 to \$149,999	11	58	60	66	195
\$150,000 to \$199,999	0	88	14	33	135
\$200,000 or more	0	46	128	0	174
<b>Total</b>	<b>1,817</b>	<b>2,386</b>	<b>2,145</b>	<b>1,699</b>	<b>8,047</b>

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

As illustrated, young householders are more likely to have lower incomes than mid and late career householders as well as senior householders. More specifically, 37 percent of householders with incomes below \$25,000 are householders under the age of 25. Additionally, younger householders are more likely than their counterparts to have low incomes. For example, 65 percent of householders under 25 years of age have incomes below \$25,000; this compares to 32 percent of householders ages 25 to 44, 36 percent of householders ages 45 to 64, and 28 percent of senior householders. It is reasonable to assume that many of the householders ages 25 and under are college students and that their low incomes will be temporary in nature.

#### Senior (65+) Household Income Distribution

The following tables illustrate senior household income distribution in 2021 and that projected in 2026 in the city, micropolitan statistical area, and nation.

#### HOUSEHOLD INCOME 65+

Pittsburg, KS						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	133	7.6%	131	7.1%	0	-0.3%
\$10,000-19,999	317	18.1%	318	17.2%	0	0.1%
\$20,000-29,999	366	20.9%	358	19.4%	-2	-0.4%
\$30,000-39,999	209	11.9%	216	11.7%	1	0.7%
\$40,000-49,999	117	6.7%	153	8.3%	7	6.2%
\$50,000-59,999	86	4.9%	83	4.5%	-1	-0.7%
\$60,000-74,999	167	9.5%	167	9.1%	0	0.0%
\$75,000-99,999	186	10.6%	194	10.5%	2	0.9%
\$100,000-124,999	65	3.7%	74	4.0%	2	2.8%
\$125,000-149,999	31	1.8%	42	2.3%	2	7.1%
\$150,000-199,999	36	2.1%	49	2.7%	3	7.2%
\$200,000+	41	2.3%	60	3.3%	4	9.3%
<b>Total</b>	<b>1,754</b>	<b>100.0%</b>	<b>1,845</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

#### HOUSEHOLD INCOME 65+

Pittsburg, KS Micropolitan Statistical Area						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	303	7.5%	300	7.0%	-1	-0.2%
\$10,000-19,999	729	18.0%	735	17.1%	1	0.2%
\$20,000-29,999	761	18.7%	753	17.5%	-2	-0.2%
\$30,000-39,999	582	14.3%	593	13.8%	2	0.4%
\$40,000-49,999	375	9.2%	415	9.6%	8	2.1%
\$50,000-59,999	249	6.1%	279	6.5%	6	2.4%
\$60,000-74,999	353	8.7%	377	8.7%	5	1.4%
\$75,000-99,999	347	8.5%	380	8.8%	7	1.9%
\$100,000-124,999	151	3.7%	178	4.1%	5	3.6%
\$125,000-149,999	70	1.7%	90	2.1%	4	5.7%
\$150,000-199,999	56	1.4%	88	2.0%	6	11.4%
\$200,000+	83	2.0%	122	2.8%	8	9.4%
<b>Total</b>	<b>4,059</b>	<b>100.0%</b>	<b>4,310</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

## HOUSEHOLD INCOME 65+

Income Cohort	USA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,189,406	6.4%	2,317,107	5.8%	25,540	1.2%
\$10,000-19,999	4,604,309	13.4%	4,574,581	11.5%	-5,946	-0.1%
\$20,000-29,999	4,334,891	12.6%	4,501,617	11.4%	33,345	0.8%
\$30,000-39,999	3,703,769	10.8%	3,926,521	9.9%	44,550	1.2%
\$40,000-49,999	3,191,770	9.3%	3,489,798	8.8%	59,606	1.9%
\$50,000-59,999	2,586,074	7.5%	2,958,925	7.5%	74,570	2.9%
\$60,000-74,999	3,157,581	9.2%	3,582,973	9.0%	85,078	2.7%
\$75,000-99,999	3,548,066	10.3%	4,239,576	10.7%	138,302	3.9%
\$100,000-124,999	2,243,544	6.5%	2,829,059	7.1%	117,103	5.2%
\$125,000-149,999	1,483,728	4.3%	2,019,277	5.1%	107,110	7.2%
\$150,000-199,999	1,426,281	4.1%	2,054,987	5.2%	125,741	8.8%
\$200,000+	1,951,566	5.7%	3,140,926	7.9%	237,872	12.2%
<b>Total</b>	<b>34,420,985</b>	<b>100.0%</b>	<b>39,635,347</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

A significantly greater percentage of senior households in the city (65.1 percent) and micropolitan statistical area (67.8 percent) have incomes below \$50,000 relative to that of the and nation (52.4 percent). Conversely, a significantly smaller percentage of senior households in the city (9.9 percent) and micropolitan statistical area (8.9 percent) and have incomes of \$100,000 and above relative to that of the nation (20.6 percent).

#### General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

## RENTER HOUSEHOLD INCOME

Income Cohort	Pittsburg, KS					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	905	20.8%	815	19.4%	-18	-2.0%
\$10,000-19,999	1,024	23.6%	931	22.2%	-19	-1.8%
\$20,000-29,999	635	14.6%	591	14.1%	-9	-1.4%
\$30,000-39,999	596	13.7%	551	13.1%	-9	-1.5%
\$40,000-49,999	340	7.8%	389	9.3%	10	2.9%
\$50,000-59,999	275	6.3%	267	6.4%	-2	-0.6%
\$60,000-74,999	169	3.9%	174	4.1%	1	0.6%
\$75,000-99,999	243	5.6%	250	6.0%	1	0.6%
\$100,000-124,999	58	1.3%	75	1.8%	3	5.9%
\$125,000-149,999	32	0.7%	44	1.0%	2	7.5%
\$150,000-199,999	35	0.8%	51	1.2%	3	9.1%
\$200,000+	32	0.7%	57	1.4%	5	15.6%
<b>Total</b>	<b>4,344</b>	<b>100.0%</b>	<b>4,195</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

## RENTER HOUSEHOLD INCOME

Pittsburg, KS Micropolitan Statistical Area						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,221	19.3%	1,114	18.2%	-21	-1.8%
\$10,000-19,999	1,459	23.1%	1,325	21.7%	-27	-1.8%
\$20,000-29,999	1,002	15.9%	923	15.1%	-16	-1.6%
\$30,000-39,999	812	12.8%	760	12.4%	-10	-1.3%
\$40,000-49,999	500	7.9%	538	8.8%	8	1.5%
\$50,000-59,999	425	6.7%	426	7.0%	0	0.0%
\$60,000-74,999	223	3.5%	229	3.7%	1	0.5%
\$75,000-99,999	395	6.2%	400	6.5%	1	0.3%
\$100,000-124,999	120	1.9%	141	2.3%	4	3.5%
\$125,000-149,999	68	1.1%	97	1.6%	6	8.5%
\$150,000-199,999	54	0.9%	92	1.5%	8	14.1%
\$200,000+	42	0.7%	74	1.2%	6	15.2%
<b>Total</b>	<b>6,321</b>	<b>100.0%</b>	<b>6,119</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

## RENTER HOUSEHOLD INCOME USA

USA						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	4,849,227	10.9%	4,511,554	9.9%	-67,535	-1.4%
\$10,000-19,999	5,888,272	13.2%	5,322,532	11.7%	-113,148	-1.9%
\$20,000-29,999	5,458,511	12.2%	5,089,765	11.2%	-73,749	-1.4%
\$30,000-39,999	4,810,729	10.8%	4,537,567	10.0%	-54,632	-1.1%
\$40,000-49,999	4,138,304	9.3%	4,016,529	8.9%	-24,355	-0.6%
\$50,000-59,999	3,338,362	7.5%	3,400,464	7.5%	12,420	0.4%
\$60,000-74,999	4,007,704	9.0%	4,043,990	8.9%	7,257	0.2%
\$75,000-99,999	4,241,682	9.5%	4,540,094	10.0%	59,682	1.4%
\$100,000-124,999	2,651,109	5.9%	2,999,854	6.6%	69,749	2.6%
\$125,000-149,999	1,715,278	3.8%	2,106,592	4.6%	78,263	4.6%
\$150,000-199,999	1,607,118	3.6%	2,090,902	4.6%	96,757	6.0%
\$200,000+	1,857,592	4.2%	2,695,341	5.9%	167,550	9.0%
<b>Total</b>	<b>44,563,888</b>	<b>100.0%</b>	<b>45,355,184</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

A significantly greater percentage of renter households in the city (80.6 percent) have incomes below \$50,000 relative to that of the nation (56.4 percent). Conversely, a significantly smaller percentage of households in the city (3.6 percent) have incomes of \$100,000 and above relative to that of the micropolitan statistical area (4.5 percent) and the nation (17.6 percent).



Senior (65+) Renter Household Income Distribution

The following tables illustrate senior renter household income distribution in 2021 and that projected in 2026 in the city, micropolitan statistical area, and nation.

**RENTER HOUSEHOLD INCOME 65+**

Pittsburg, KS						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	85	14.0%	83	12.8%	0	-0.5%
\$10,000-19,999	148	24.3%	148	22.9%	0	0.0%
\$20,000-29,999	166	27.3%	164	25.4%	0	-0.2%
\$30,000-39,999	57	9.4%	61	9.4%	1	1.4%
\$40,000-49,999	15	2.5%	28	4.3%	3	17.3%
\$50,000-59,999	17	2.8%	17	2.6%	0	0.0%
\$60,000-74,999	41	6.7%	43	6.7%	0	1.0%
\$75,000-99,999	46	7.6%	51	7.9%	1	2.2%
\$100,000-124,999	11	1.8%	11	1.7%	0	0.0%
\$125,000-149,999	6	1.0%	10	1.5%	1	13.3%
\$150,000-199,999	6	1.0%	14	2.2%	2	26.7%
\$200,000+	10	1.6%	16	2.5%	1	12.0%
<b>Total</b>	<b>608</b>	<b>100.0%</b>	<b>646</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

**RENTER HOUSEHOLD INCOME 65+**

Pittsburg, KS Micropolitan Statistical Area						
Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	150	14.5%	147	13.5%	-1	-0.4%
\$10,000-19,999	265	25.7%	272	24.9%	1	0.5%
\$20,000-29,999	259	25.1%	258	23.6%	0	-0.1%
\$30,000-39,999	79	7.6%	85	7.8%	1	1.5%
\$40,000-49,999	59	5.7%	69	6.3%	2	3.4%
\$50,000-59,999	68	6.6%	71	6.5%	1	0.9%
\$60,000-74,999	43	4.2%	48	4.4%	1	2.3%
\$75,000-99,999	55	5.3%	62	5.7%	1	2.5%
\$100,000-124,999	23	2.2%	24	2.2%	0	0.9%
\$125,000-149,999	10	1.0%	16	1.5%	1	12.0%
\$150,000-199,999	9	0.9%	17	1.6%	2	17.8%
\$200,000+	13	1.3%	22	2.0%	2	13.8%
<b>Total</b>	<b>1,033</b>	<b>100.0%</b>	<b>1,091</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

A significantly greater percentage of senior households in the city (77.5 percent) and micropolitan statistical area (78.6 percent) have incomes below \$50,000. Conversely, a significantly smaller percentage of senior households in the city (5.4 percent) and micropolitan statistical area (5.3 percent) and have incomes of \$100,000 and above.

## Housing Related Demographic Trends

### Housing Problems by Tenure

HUD released the CHAS (Comprehensive Housing Affordability Strategy) data for the 2014 to 2018 period in September 2021; this is the most recent CHAS data available. For the purposes of this data set, HUD identifies four housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and cost burden greater than 30 percent. These housing problems are considered severe if: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 person per room, and cost burden greater than 50 percent. HUD defines cost/rent burdened households as those “who pay more than 30 percent of their income for housing” and “may have difficulty affording necessities such as food, clothing, transportation, and medical care.” The following table illustrates the current cost/rent burden data for owners without a mortgage, owners with a mortgage, and renters in Pittsburg, Kansas. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is select monthly owner costs including mortgage payment, utilities, association fees, insurance, and real estate taxes. The following tables illustrate housing problems and severe housing problems by tenure and income.

Income by Housing Problems (Owners only)	Household has at least 1 of 4 Housing Problems	Household has none of 4 Housing Problems OR cost burden not available, no other problems	Total
Household Income <= 30% HAMFI	145	70	215
Household Income >30% to <=50% HAMFI	100	115	215
Household Income >50% to <=80% HAMFI	135	440	575
Household Income >80% to <=100% HAMFI	40	405	445
Household Income >100% HAMFI	70	1,710	1,780
<b>Total</b>	<b>490</b>	<b>2,740</b>	<b>3,230</b>

Source: HUD, 2014-2018 CHAS Data

Income by Housing Problems (Renters only)	Household has at least 1 of 4 Housing Problems	Household has none of 4 Housing Problems OR cost burden not available, no other problems	Total
Household Income <= 30% HAMFI	1,150	340	1,490
Household Income >30% to <=50% HAMFI	710	145	855
Household Income >50% to <=80% HAMFI	525	410	935
Household Income >80% to <=100% HAMFI	55	365	420
Household Income >100% HAMFI	60	825	880
<b>Total</b>	<b>2,505</b>	<b>2,080</b>	<b>4,585</b>

Source: HUD, 2014-2018 CHAS Data

As illustrated, a greater percentage and number of renter households in Pittsburg have at least one of four housing problems when compared to owner households. While the majority of renter households with at least one housing problem have incomes of 30 percent or below of the HUD Area Median Family Income (HAMFI), households with incomes ranging from 50 to 80 percent of the HAMFI are also more likely than not to have at least one housing problem. The following two tables present a brief overview of two of the aforementioned housing problems from the more current ESRI demographics.

## SUBSTANDARD HOUSING

Year	Pittsburg, KS	Pittsburg, KS Micropolitan Statistical Area	USA
	Percentage	Percentage	Percentage
2021	0.83%	0.55%	1.70%

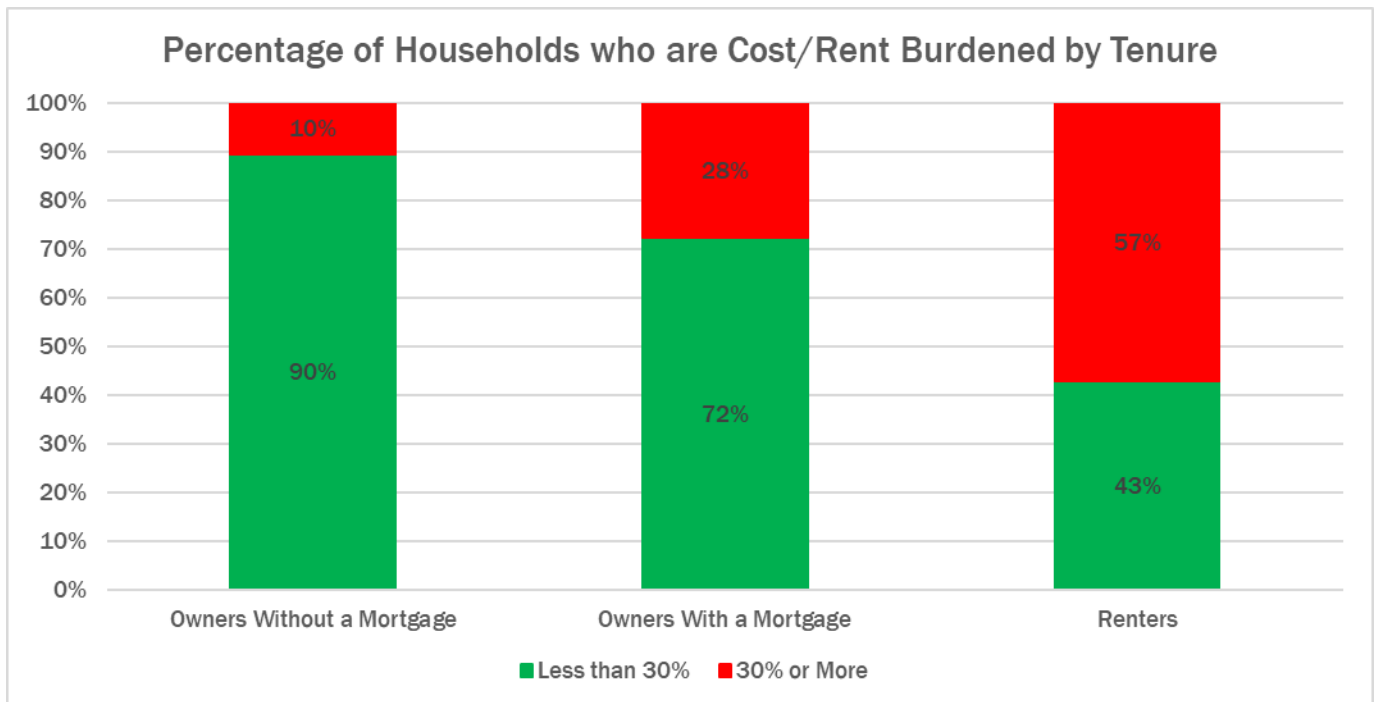
Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

## RENT OVERBURDENED

Year	Pittsburg, KS		Pittsburg, KS Micropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2021	1,843	56.4%	2,490	50.5%	16,610,566	42.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As illustrated, both the city and the micropolitan statistical area (Crawford County) have a lesser percentage of substandard housing relative to the nation, but a significantly higher percentage of rent overburdened households relative to the nation. This is consistent with the CHAS data, which suggests that the vast majority of both owners and renters in the CHAS data set with housing problems are cost/rent burdened. A more detailed analysis of cost/rent burdened households utilizing slightly more recent data from the American Community Survey is included following.

Cost/Rent Burdened Households

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

As illustrated, owners without a mortgage are the least likely to be cost burdened and renters are the most likely. While the disproportionate likelihood of being cost/rent burdened is important, so too are the raw numbers.

**COST/RENT BURDENED HOUSEHOLDS - PITTSBURG, KANSAS**

Monthly Housing Cost as Percentage of Income	Owners Without a Mortgage	Owners With a Mortgage	Renters
Less than 30%	1,554	1,295	1,810
30% or More	179	492	2,396

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

As illustrated above, not only are renters more likely to be cost burdened than their owner counterparts, there are also more renter households who are cost burdened. One contributing factor is the large number of college student households in Pittsburg many of whom are renters with limited incomes. The situation within which this group finds itself, being cost/rent overburdened that is, will be temporary for the majority of these households.

### Conclusion

The City of Pittsburg is an area with a relatively stable population and total number of households. Both the population and the number of total households in the city are projected to decrease slightly through 2026. It is however worth noting that ESRI's 2021 population number is slightly below the 2020 Census population estimate of 20,646 persons. ESRI's 2021 population numbers were released prior to the release of the 2020 Census numbers. Further, the Pittsburg Micropolitan Area Economic Report and Data reflect a two percent increase in the population increase from 2020 to 2021. A stable or declining population is relatively common among more rural areas of the country, particularly as nationwide population growth slows.

The city has a significantly lower median household income and more total households, senior households, renter households, and senior renter households with incomes below \$50,000 than the surrounding MSA and nation, and these gaps are projected to increase through 2026. While there are many potential explanations for the lower incomes in the city, based on our research we believe four are most prevalent. First, the city has a large number of college students many of whom have low to no income while they are in school. Second, jobs in smaller cities and rural areas typically offer lower wages than larger more urban areas due to the relatively affordable cost of living. Third, the city has a large renter household population, again due in part to the university, and renter households typically have lower incomes than owner households. And, finally, the housing supply in the city is older and historically households in search of quality housing have had to search beyond the city limits. While the majority of households in Pittsburg do not have housing problems, those that do are more likely to be renters than owners, are most likely to be cost/rent burdened than have one of the other four housing related problems, and are more likely to be lower income. While one contributing factor is the large number of college student households, 32 percent of householders ages 25 to 44 and 36 percent of householders ages 45 to 64 have incomes of \$25,000 or below. In other words, approximately one third of working age householders have incomes below \$25,000, and at least some of these households are likely to have housing related problems including being cost/rent burdened. Thus, housing affordability issues do not appear to be limited to college students.

On average, the current demographic trends (based on 2021 ESRI Demographics) are relatively comparable to those reported in 2014, with a few notable exceptions. First, in the 2014 report the city and the county were areas of slow population and household growth and those trends were projected to continue through 2018. According to current ESRI Demographics, the total population and the total number of households in both areas are projected to decrease slightly through 2026. Second, the median household income in Pittsburg in the 2014 report based on 2013 ESRI Demographics was \$33,096. The 2021 median household income based on the same data source is \$36,840. Accounting for inflation, the 2014 median household income in 2022 dollars would be equivalent to \$40,681, which is higher than the current median household income.

## **III. INTERVIEWS**

## INTERVIEWS WITH CURRENT DEVELOPERS AND MARKET PARTICIPANTS

For the purpose of this study, we were asked to interview current developers and market participants. The list of current developers was provided by the client. The summary of those interviews are included below.

### DEVELOPERS

The City of Pittsburg provided us with a list of current developers in the market to interview for the purposes of this update. These companies and a summary of the provided input is included below.

#### Turnkey LLC

We spoke with Turnkey LLC about their company and its work in the Pittsburg market as well as general home construction trends in the area. The company is a developer and builder and also has a commercial glazing business where they manufacture a lot of their own materials for their local projects. The company specializes in offering a turnkey process from concept to development to sales. Current projects in Pittsburg include the Creekside East Development. Construction on Phase I of the development started in October 2020 and to date four homes are occupied and an additional six are under construction. In total, Phase I will offer approximately 24 homes and the developer anticipates three phases that could have a total of approximately 100 homes upon full build-out. Both custom and model homes are available and range in size from 1,600 to 1,750 square feet. Homes were originally priced in the \$230,000 to \$250,000 range, but due to inflation and supply chain issues, future homes will likely sell for \$240,000 to \$270,000. Finally, given that Creekside East remains in the early stages, it is currently too early to speculate as to potential future projects in the Pittsburg market. Other than rising costs and supply chain disruptions, there have been no reported challenges or barriers particular to development in Pittsburg.

#### P&L Development

P&L Development is a developer working on the Silverback Landing subdivision. While the project reportedly started three years ago, construction did not begin until late 2020 and the first home was sold in June 2021 and six homes had been sold as of the interview. The development will consist of three and four-bedroom ranch and 1.5 story homes ranging from 1,500 to 2,200 square feet in size with the majority ranging from 1,800 to 2,000 square feet, and priced at \$230,000 to \$250,000. The COVID-19 pandemic has had an impact on the development as supply shortages and other market dynamics led to higher costs and a more limited set of options for customization. For example, initially there were ten granite options for countertops, now the majority of those options are no longer available, or the wait time is extensive. Additionally, the lumber package for a home prior to COVID was estimated at \$20,000 to \$25,000; now that same package is estimated to cost \$60,000 to \$75,000. Additionally, a cabinet package prior to COVID-19 was estimated to cost \$8,000; post COVID-19 that same cabinet package is \$14,000 to \$15,000. As a result, the developer has shifted somewhat towards more spec homes rather than custom buildings, though if the materials markets return to pre-COVID operations, then they will return to providing more customization options. Currently there are only two homes that are available for sale and there is an interested buyer for one of the two already. In general, demand has been strong. To date the buyers have been a combination of locals and from out of the area, though all of the latter were relocating to Pittsburg either to be closer to family or because one of the buyers was raised in Pittsburg. This project benefited from the Rural Housing Incentive District (RHID) program.

#### Rob Little

According to Rob Little, his company is not active in the Pittsburg market.

## McGowan Built

McGowan Built specializes in residential and commercial construction and is new to the Pittsburg area. The company is currently working on a 20-unit apartment complex on the north side of downtown Pittsburg. The development will consist primarily of one-bedroom units, but will also include several two-bedroom/one-bathroom units. The rents will range from \$650 to \$750. This project did not benefit from any particular incentives. The company is interested in doing more projects in Pittsburg in the near future.

## P3 Development

P3 Development's interest in Pittsburg began with the idea of student housing, however after discussions with the university it was determined that there was no additional need for student housing in the market, and instead the university advocated for the development of an active adult community. Out of those discussions came the Villas at Creekside development, a planned active living rental community. The units are high-end one-story villas with quartz countertops, covered patios, and oversized attached garages. The development will be gated and consist of 29 buildings as well as a bocce ball court, dog park, pickle ball court, and outdoor walking areas, as well as a community building. There is land (70 to 100 acres) for up to five phases, but future phases and plans will be dependent on the acceptance and performance of the first phase. Phase I will offer 58 total units including two-bedroom/two-bathroom units for \$1,850 per month and three-bedroom/two-bathroom units for \$2,100 per month and tenants will be responsible for all utilities. P3 Development is also working on a second smaller project, a 12-home development on three acres that was going through city council at the time of the interview. The projected unit mix is three and four-bedroom homes ranging from 1,400 to 1,700 square feet in size and priced between \$180,000 and \$270,000. P3 Development also has access to an additional 33 acres adjacent this site, so the project could be expanded, but as of now there are no specific public plans for that land. One possibility would be to do a for-sale development with smaller homes, possibly a mix of townhomes and single-family homes mostly ranging from 1,100 to 1,300 square feet and priced between \$160,000 and \$170,000, but whether or not this could work would depend in part on scale noting that smaller homes have a smaller return and as such you really need volume. One challenge identified was the speed, or lack thereof, of the sale of the infrastructure noting that it could be helpful to developers if the city could help facilitate the transactions with Evergy. Overall, P3 Development noted that it would be helpful for the city to develop a plan of exactly what is needed in terms of housing supply, to provide local developers with a little more direction to aid in their own plans and proposals.

## OTHER MARKET PARTICIPANTS

### Real Estate Agent – Laurie Anderson

According to Laurie Anderson, a real estate agent who works with P&L Development at Silverback Landing, the average home in southeast Kansas is \$80,000 and approximately 100 years old. Subdivisions have historically not been a common form of development in the Pittsburg market with the last subdivision in Pittsburg reportedly added in the 1960s. As a result, as with all new things, the concept of the subdivision took some time to sell locally, but with time it has become clear that the homes are superior in terms of condition and that surrounding residents have also benefited from improved infrastructure in the neighborhoods and rising home values even of the older housing supply. A second challenge was getting the initial properties to appraise because with the lack of new supply in the market appraisers were left with significantly inferior comparables and having to apply significant upward adjustments for which there was limited local empirical support or comparables from other markets, which was reportedly met by funders with some skepticism. Now that some homes have sold, this challenge has already become less severe and with time and more homes delivered, this barrier is expected to dissipate.



### **Pittsburg Area Chamber of Commerce – Blake Benson**

In addition to providing information on the local economy, we interviewed Blake Benson, Pittsburg Area Chamber of Commerce President, to gain insight on housing trends in the Pittsburg market. According to Blake Benson, Pittsburg has a diverse business base and is a regional hub for retail, healthcare, and education, and that diversity has allowed Pittsburg to grow despite the pandemic. The area continues to be a regional medical hub with several developments since the prior 2014 report. First, the Community Health Center of Southeast Kansas is working on a \$6 million project that will add a medical residency program in an attempt to help address the ongoing difficulty of attracting medical professionals to the region; it is worth noting that this challenge is not unique to Pittsburg, nor is it unique to the healthcare profession as rural areas throughout the country struggle to be competitive with jobs in more urban markets. The building will be complete in the spring of 2022 and the first class of approximately 12 residents is expected to start in the fall of 2022. Second, the only dermatologist in southeast Kansas opened its headquarters in Pittsburg in late 2020 and employs approximately 15 persons. Additionally, there are plans to open satellite facilities in other areas of southeast Kansas. The area is also home to Pittsburg State University, the presence of which has an impact on the local housing market as much of the rental stock is marketed towards students. There has reportedly been good success with moderate to upper income homes being added to the housing supply. The one ongoing gap is the lack of quality rental units targeted towards working professionals, with or without families, who are reluctant to buy a house prior to relocation and would prefer to rent for a year or two first. Finally, the recently announced economic expansions, and the addition of the FedEx Ground distribution center in particular, are expected to continue to drive demand for housing. According to Blake Benson, the average wage for an unskilled entry level manufacturing job in Pittsburg was \$14 per hour prior to COVID; that has since increased to \$18 per hour. The ongoing nationwide labor shortage together with the increase in wages and the planned opening of the FedEx facility, which will have to compete for labor in an already tight market, suggests that wages will be sustained. As a result, this increase in pay may make homeownership affordable for some of these households.

According to Blake Benson, there are two primary housing gaps in the market. First, while there has reportedly been good success with moderate to upper income homes for \$250,000 and above being added to the housing supply, there continues to be a need for homes in the \$140,000 to \$200,000 range. These homes would target workers who have experienced an increase in pay due to the effects of the pandemic, and for whom homeownership could now be in reach at the lower price points. Second, there is an ongoing lack of quality rental units targeted towards working professionals, with or without families, who are reluctant to buy a house prior to relocation and would prefer to rent for a year or two first. The majority of the rental supply is targeted towards students, which impacts both quality/features as well as neighborhood dynamics.

### **City of Pittsburg, Public Information Officer - Sarah Runyon**

We interviewed Sarah Runyon, Public Information Officer with the City of Pittsburg, for insights into housing market challenges and barriers. According to Sarah Runyon, there is a gap in quality low to moderate income housing, priced at \$100,000 to \$150,000. Second, but related to the first point, there is an insufficient supply available and accessible to first time homebuyers. The recent additions at Creekside East and Silverback Landing are certainly a welcomed addition, but these homes are out of reach for a lot of people in the community. The Pitt Highlands project, which targeted low-income households and offered a rent-to-buy option, was successful and additional projects of this kind would be well received. The Pittsburg Land Bank, which was formed in 2015, has also reportedly been successful and any tools to accelerate the use of that tool would likely be well received. The neighborhoods surrounding downtown are some of the oldest in the city and there continues to be homes in these neighborhoods that are in need of repair/renovation. One suggestion was to target incentives to particular areas of the city, for example, if one buys a home in neighborhood X, in exchange you will get Y as an upgrade to the home you purchased, and to be even more targeted, perhaps even down to block by block, in an attempt to upgrade the older housing stock. In addition to the need to continue to upgrade the older housing stock surrounding downtown, Sarah Runyon also noted that there is still more to be done in downtown itself. More specifically, the upper stories of several downtown buildings have been neglected for some time, but the cost to bring these structures up to code has been prohibitive.



### City of Pittsburg, City Manager – Daron Hall

The lack of housing and other housing related issues in Pittsburg is reportedly limiting population growth. According to a 2016 commuter survey conducted by Kelce College of Business at Pittsburg State University, 70.9 percent of jobs in Pittsburg were filled by commuters, of which 53.2 percent identified housing issues as the reason they don't live in Pittsburg, and the higher the income the more likely it was that the respondent commuted. The city has a sufficient housing for low-income households, but there is a lack of housing (rental and owner) for middle income households. Pittsburg Highlands, a low-income rent to buy development was reportedly completed in 2016/2017 and while the project was successful, there are no plans for another similar development. The following were identified as housing related needs for Pittsburg:

- Starter homes, generally three-bedrooms/two-bathrooms between 1,400 and 1,500 square feet in size and priced between \$150,000 and \$180,000.
- Additional moderate to high end housing, similar to what is in the pipeline, as demand reportedly exceeds the pipeline supply.
- Professional transitional housing for new residents who will likely transition into local homeownership. Though a sizeable percentage of the housing supply in Pittsburg are rental units, these units typically cater to students and there is a lack of higher end quality rental units that would be suitable for professionals relocating to the area but preferring to rent prior to purchasing. This could consist of luxury townhomes with an attached garage for six-to-18-month leases.
- Code enforcement for quality control, particularly for the older housing stock – the city reportedly has a new software for code enforcement and has been making progress on this front, though more is needed.
- Increase neighborhood pride

### City of Pittsburg, Director of Community Development & Housing - Quentin Holmes

As the city continues to grow, housing continues to be in high demand. There are several areas that are being targeted for development/redevelopment including a greenfield near Meadowlark Elementary School, the Mid City Renaissance Redevelopment, a second greenfield on the east side of town, and the downtown area. While the city has relied on a wide variety of tools and strategies to help address housing related needs in Pittsburg, it has utilized three primary tools as summarized below.

- First, the Rural Housing Incentive District (RHID) is a program designed to aid developers to build housing in rural communities and was established through state law in 1998 under the RHID Act. The RHID captures 100 percent of the incremental increase in real property taxes (less the mills taken out for the school district) and reimburses those funds to the developer over a 15-year period. Permitted uses for RHID reimbursement include: certain land acquisition costs, payment of relocation assistance, site preparation, sanitary and storm sewers and lift stations, drainage conduits/channels/levees, street grading/paving/cubs/gutters, street lighting, underground public and limited private utilities, sidewalks, and water mains and extensions. The two main subdivisions under development in Pittsburg to date, Creekside East and Silverback Landing, both benefited from the RHID program.
- Second, in 2015, the city created the Pittsburg Land Bank, which “has the responsibility and authority to efficiently acquire, hold, manage, transform, and convey abandons, tax-foreclosed, or otherwise under-utilized or distressed properties into productive use” (Pittsburg Land Bank Frequently Asked Questions). The Pittsburg Land Bank is divided into three types of parcels: parcels with a structure, buildable parcels, and non-buildable parcels. Properties are acquired through purchase, owner donation, or tax foreclosure. Following acquisition, the Land Bank becomes responsible for code violations and maintenance and the donor is relieved of back taxes and may receive some income tax benefit from the donation. Most properties are then sold, priced at 75 percent of the appraisal price,

as determined by the Crawford County Appraiser's Office. The creation of a Community Development Corporation could help to meet some of the city's development needs.

- Third, the Neighborhood Revitalization Program (NRP) is a partnership between the City of Pittsburg, Crawford County, and USD 250. The NRP is intended to promote revitalization and development by focusing rehabilitation, conservation, and redevelopment within the NRP area by offering property tax rebates to owners who complete certain improvements or renovations of property with a minimum investment of \$5,000 for residential properties and \$10,000 on commercial/industrial properties.

There continues to be demand for low to moderate income housing (owner), moderate to high income housing (rental and owner), high end rental housing, and code enforcement/upgrades to some of the older housing supply. Developable land continues to be in high demand in order to meet the housing related needs and as such the city could annex currently unincorporated areas of Crawford County and/or revise zoning regulations.

### **City of Pittsburg, Deputy City Manager – Jay Byers**

Pittsburg is a small market with tremendous pent-up housing demand. While the economy was historically tied to the presence of Pittsburg State University, the local economy has since diversified and the local economy is no longer tied directly to the performance of the university. The reason that the city has not grown was largely attributed to housing shortages, and shortages of quality housing in particular. Developers working in the market are reportedly taking a larger risk here given the market's size, but studies have demonstrated that there is growth potential for the city if housing needs are adequately addressed. Nevertheless, the city has attracted several new developers for a variety of owner/rental projects including two new single-family home subdivisions, the first to be built in Pittsburg in over 50 years. Securing financing was a challenge initially due to the lack of comparables, but this challenge should be overcome within the next five years as more homes are newly constructed rectifying the aforementioned lack of good sale comparables for appraisals. The older housing stock that is in disrepair should be demolished to make way for infill development for low to moderate income housing and the city can provide various incentives such as free land, discounts on utility hookups, streamlined inspection process, support in the financing community, etc. The creation of a Community Development Corporation could help to meet some of the city's development needs.

The city has numerous recent developments that will only further increase interest in the city including the announcement of a new major employer (FedEx) and the passage of the 2022 Pittsburg School Bond, which will construct, equip, and furnish the renovations and improvements to the existing 1921 section of Pittsburg Community Middle School, and make all other necessary improvements, at an estimated cost of \$16.5 million. Additionally, Pittsburg is a regional retail hub with a trade pull factor, which measures the relative strength of a city to attract retail shoppers, of 1.8 (a factor greater than 1.0 indicates that the municipality is pulling in trade from beyond the municipal borders). Additionally, enrollment at Pittsburg State University is reportedly declining, which puts more pressure on landlords with code violation properties to either upgrade the units or sell/donate them to the Land Bank, as there is less demand for this type of housing supply which has historically been targeted towards students. This external pressure is expected to contribute to the goal of increasing the quality of the older housing supply.

One restriction on growth noted by Jay Byers was the role of certain stakeholders who, in many instances, would be advocating for housing supply growth, are not necessarily in favor of additional development in Pittsburg. For example, some local realtors are also landlords and an increase in new housing supply has the potential to put additional pressure on the older housing supply to improve the quality in order to remain competitive, a pressure that absent additional housing supply in a supply constrained market would not present itself. Additionally, some employers may prefer to pay lower wages, wages that would make new construction housing out of reach for many households, and as such this new product was not necessarily desirable. However, the nationwide labor shortage has reportedly altered this perspective as local employers seek non-wage related ways to attract labor to the area above, and one such way would be to point to a quality and affordable housing supply.

### **Pittsburg State University – Director of the Business & Economic Research Center, Associate Professor of Economics - Dr. Michael Davidsson, Ph.D.**

Dr. Michael Davidsson is Director of the Business & Economic Research Center at Pittsburg State University in Pittsburg Kansas. Dr. Davidsson has conducted extensive research on micropolitan statistical areas, including the Pittsburg, Kansas Micropolitan Statistical Area, which consists of Crawford County. One of Dr. Davidsson's key contributions to this field of research that is directly relevant to Pittsburg is that the state of housing markets and the regulatory environment in micropolitan statistical areas are very important to economic growth. Dr. Davidsson also conducted a 2016 commuter study in Pittsburg and found that 70.9 percent of jobs in Pittsburg were filled by commuters, of which 53.2 percent identified housing issues as the reason they don't live in Pittsburg. The primary home base for commuters to Pittsburg was areas outside of Pittsburg but still in Crawford County (41.2 percent of all participants) followed by outside of Kansas (16.5 percent of all participants), and outside of Crawford County, but in Kansas (13.2 percent of all participants). Factors associated with commuting to Pittsburg for employment but living outside of Pittsburg include age (older cohorts less likely to live in Pittsburg) and income (higher income households less likely to live in Pittsburg). According to Dr. Davidsson, housing prices in Pittsburg will continue to rise without an increase in supply, particularly prices for newer homes as approximately half of Pittsburg's housing stock is at least 50 years old. Further, the lack of new subdivisions or master developments in the past 30 to 40 years has resulted in an inconsistent housing stock within neighborhoods. For example, one neighborhood could have both an old \$20,000 home adjacent a newly constructed \$700,000 home. This trend may be related to another finding from the commuter study - a lot of respondents indicated that while they like their neighborhood, a lack of historical code enforcement has created some property specific issues.

### **Pro X Realty – Supervising Owner and Broker, Tyler Casey**

Pro X Realty is both a property management company, and reportedly the largest one in Pittsburg, as well as a broker – the firm manages approximately 500 doors in Pittsburg and 300 doors in Joplin. The company manages both single-family and multifamily buildings that range from one to six-bedrooms. The portfolio is currently approximately 96 percent occupied, which is reportedly higher than the typical rental project in the city due to the organization's size and marketing budget. Rents vary based on condition and location and range from \$350 to \$600 for one-bedroom units, \$450 to \$800 for two-bedroom units, \$600 to \$1,200 for three-bedroom units, and approximately \$1,400 for four-bedroom units. According to Tyler Casey, there is no need for any additional development as the current pipeline consists of approximately 500 rental units and 250 to 300 single-family homes, and there even that may be more than what is needed. Further, according to Tyler Casey, persons who work in Pittsburg but live elsewhere, do so for competing sales tax, lower property taxes, lower boat registration fees, lower groceries, and/or lower insurance. For example, according to Tyler Casey, property taxes in Pittsburg are twice as high as those in Joplin, Missouri, which is just across the state line.

Tyler Casey identified two main housing gaps. First, Pro X Realty receives requests from higher level professionals in search of a quality short-term rentals, which the household decides what and where to purchase a home; this type of housing is not currently offered in Pittsburg. Second, single-family homes priced between \$100,000 and \$120,000 are in high demand in the market, but new construction homes cannot be built at these price points and as such will need to be acquisition/rehabilitation projects. Tyler Casey also identified two main housing related issues. First, while rent prices have increased somewhat in the past two years, home prices have reportedly increased significantly in recent years, which will result in an affordability issue in the future at this level of price growth. Second, Pittsburg has experienced a lot of change in recent years and with so much in flux, it is difficult to know what housing related needs the city has/will have in the future.

## SUMMARY: STRENGTHS & WEAKNESSES

The results of the interviews suggest that Pittsburg, like most cities, offers both strengths and weaknesses as it relates to the potential for future growth, as summarized below. It is worth noting that these are strengths and weaknesses as identified by stakeholders, not Novogradac Consulting LLP.

### Strengths

- WiFi infrastructure
- New excellent quality housing supply in the pipeline
- Older housing supply that could be relatively easily and affordably renovated to create quality, lower priced homes for low to moderate income households.
- Interest among developers for additional future projects
- Recently announced addition of a new major employer in fall 2022

### Weaknesses

- Select public schools are below average in terms of performance
- Property taxes are reportedly higher relative to surrounding areas
- Resistance to change among certain subgroups of the local population
- Historically ineffective code enforcement
- Historical lack of quality housing supply for moderate to upper income households
- Lack of quality short-term rental housing
- Lack of quality rental housing
- Some development regulatory barriers remain such as select requirements to obtain certificates of occupancy that are seasonally appropriate but which are applied year-round and can delay development

## **IV. HOUSING SUPPLY**

## CHANGES TO HOUSING SUPPLY SINCE 2014 REPORT

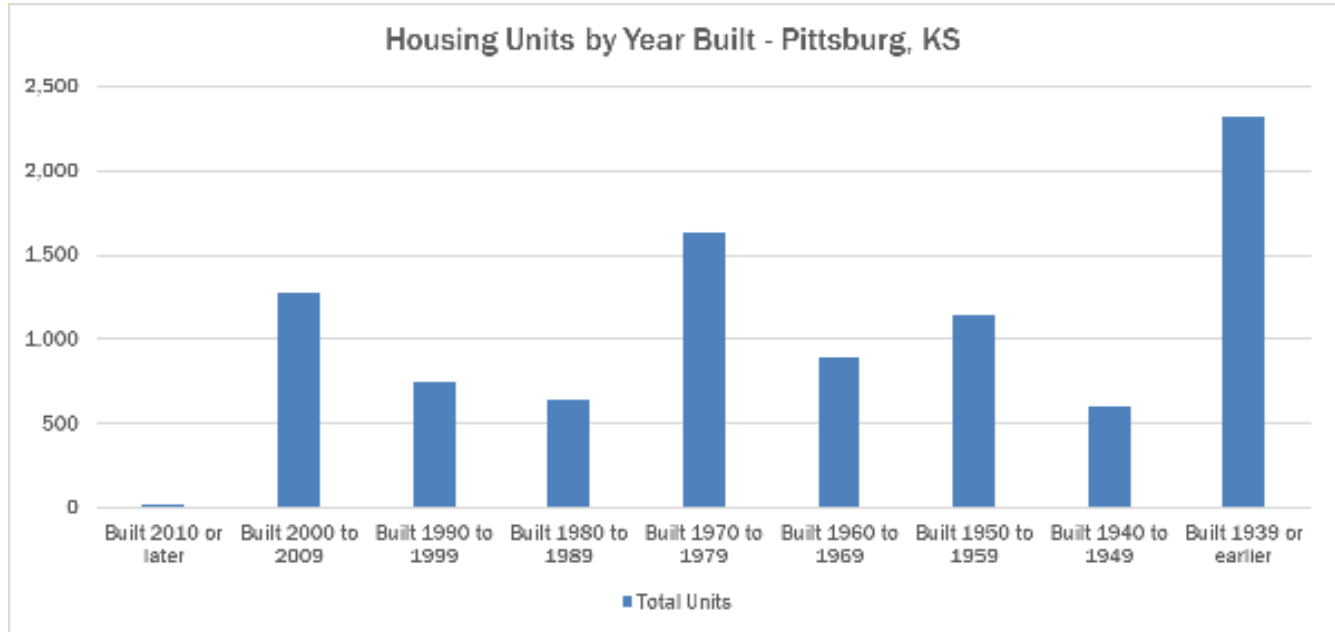
The following discussion includes an analysis of the current housing supply. Data for this section has been obtained from ESRI Demographic, a national proprietary data provider, and the U.S. Census Bureau. The following section provides guidance on how to best consume the data provided herein.

First, the data presented herein are estimates based on a sample of the total population (rather than the entirety of the population, which would constitute a census) and are therefore subject to both sampling and non-sampling error. A margin of error is a measure of the possible variation of an estimate based on a sample around the actual population value. At a specified level of confidence, the sample estimate and the actual population value will differ by no more than the value of the margin of error. Further, there is generally a negative correlation between sample size and the magnitude of the margin of error. As a result, estimates based on small sample sizes typically have a larger margin of error and consequently less reliable estimates. For this reason, the Census Bureau does not produce one-year estimates for areas with populations less than 65,000; for these areas, which include Pittsburg, five-year estimates are provided. The estimates in the five-year data sets are based on data collected over the respective five-year period and describe the average characteristics for that five-year period. When analyzing trends over time it is important to refrain from comparing data with overlapping time periods. The 2016-2020 American Community Survey 5-Year estimates are the most recent census data available for Pittsburg, Kansas given its size; there are however also select 2020 data points available from the 2020 Census, which will be presented where available. It is worth noting that the US Census Bureau cautions against making comparisons between the recently released 2016-2020 5-Year Estimates with prior 5-Year data sets for the following reasons. First, should not compare data sets with overlapping time periods, thus the most appropriate comparison data set is from 2011-2015 5-Year Estimates. However, this most appropriate comparison in terms of time period, may not be directly comparable in terms of geographic boundaries and the 2011-2015 ACS 5-Year estimates used legal boundaries as of January 1, 2015 and the 2016-2020 ACS 5-Year Estimates used legal boundaries as of January 1, 2020, and many of the statistical areas for the latter period have been updated to reflect 2020 Census geographies. Second, there were changes in the questionnaire or coding for a wide variety of data points, which could impact over time comparisons.

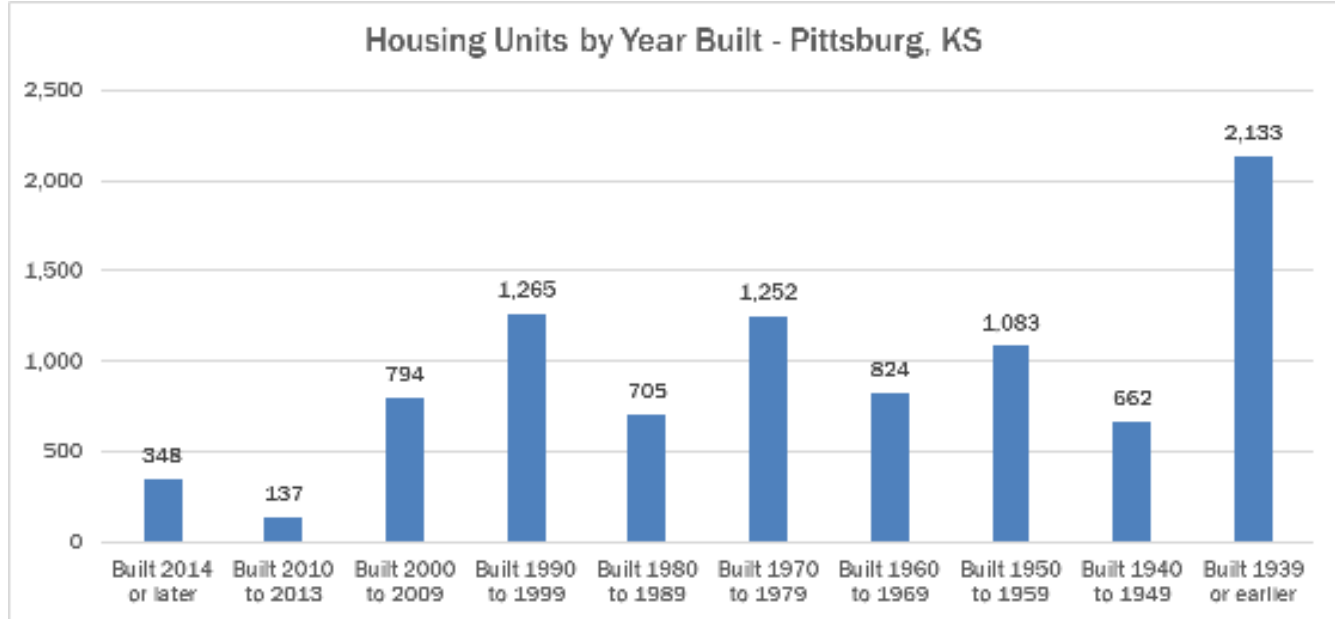
Second, we caution the reader that a change in an estimate or a difference between estimates need not indicate an actual change or actual difference. Instead, a test must be conducted to determine whether or not the change/difference is indeed statistically significant rather than occurring by chance due to differing samples. While some estimates presented may on the surface appear to have changed or be different, these differences may in fact be due to the sampling error and as such we have only commented on trends that are in fact statistically significant meaning that we can say with some level of certainty that the difference in the estimates is due to an actual difference rather than chance. In order to determine whether or not differences in estimates are significant (as opposed to occurring by chance), one must perform a simple statistical test that accounts for the error inherent in estimates based on a sample of a population. An explanation and tool produced by the Census Bureau for conducting such tests can be found here: <https://www.census.gov/programs-surveys/acs/guidance/statistical-testing-tool.html>. Unless otherwise noted, we have relied on a confidence level of 90 percent. We have identified significant trends in the text.

### Age of Housing Supply

The following graph illustrates the age of the housing supply in Pittsburg as of the 2014 5-Year ACS estimates relative to the 2020 5-Year ACS estimates. We relied on the 2014 5-Year estimates as the prior point of comparison as the prior report was issued in 2014.



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

As illustrated, a large number of newly constructed homes have been added to the local housing supply since the 2014 report. More specifically, approximately 5.3 percent of the housing supply as of the 2020 estimates, was built since 2010; this is higher than the 0.2 percent of the housing supply constructed since 2010 reported in the 2014 Census estimates.

## Units in Structure

The following table summarizes the number of units in structures in Pittsburg.

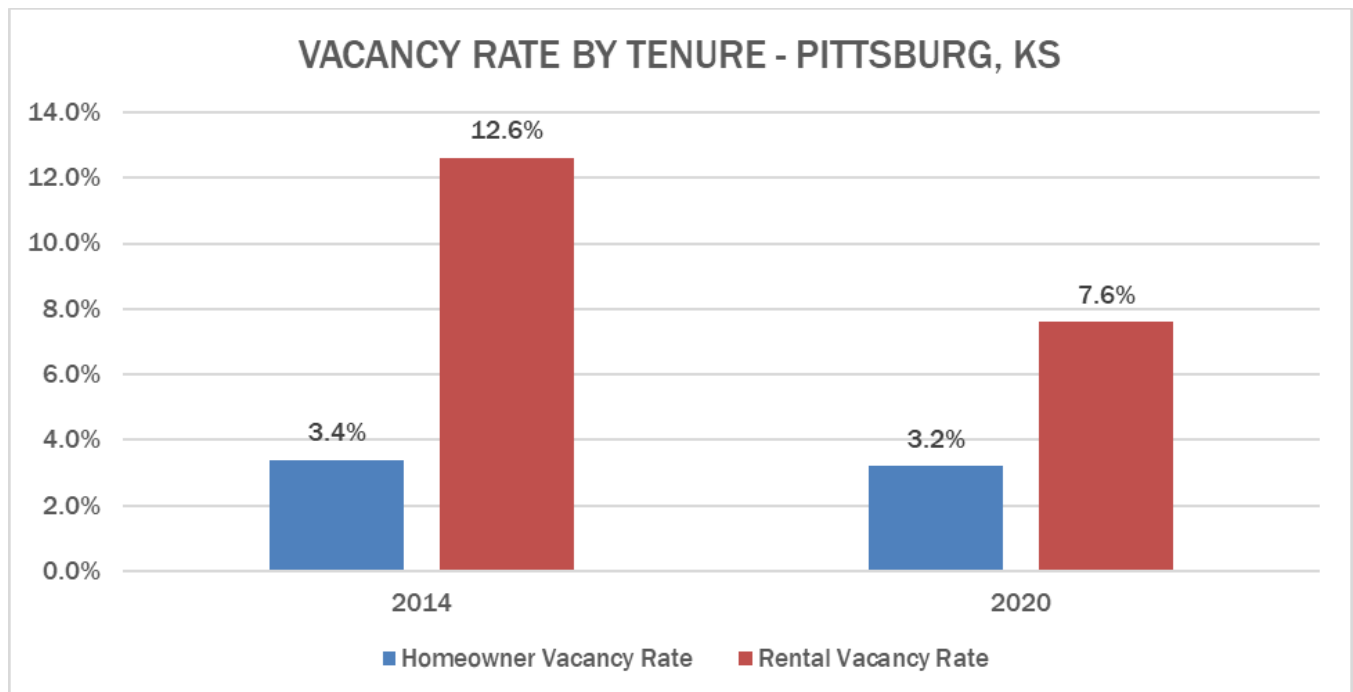
UNITS IN STRUCTURE		
Units in Structure	Total Units	Percent
1-unit, detached	6,330	68.8%
1-unit, attached	462	5.0%
2 units	423	4.6%
3 or 4 units	235	2.6%
5 to 9 units	485	5.3%
10 to 19 units	416	4.5%
20 or more units	717	7.8%
Mobile home	135	1.5%

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

The vast majority of housing units in Pittsburg are detached single-family homes, followed by 20 or more-unit multi-family buildings.

## Housing Vacancy Rate

The following graph illustrates the 2020 5-Year owner-occupied and renter-occupied housing unit vacancy rate estimates for Pittsburg relative to the 2014 5-Year Estimates.



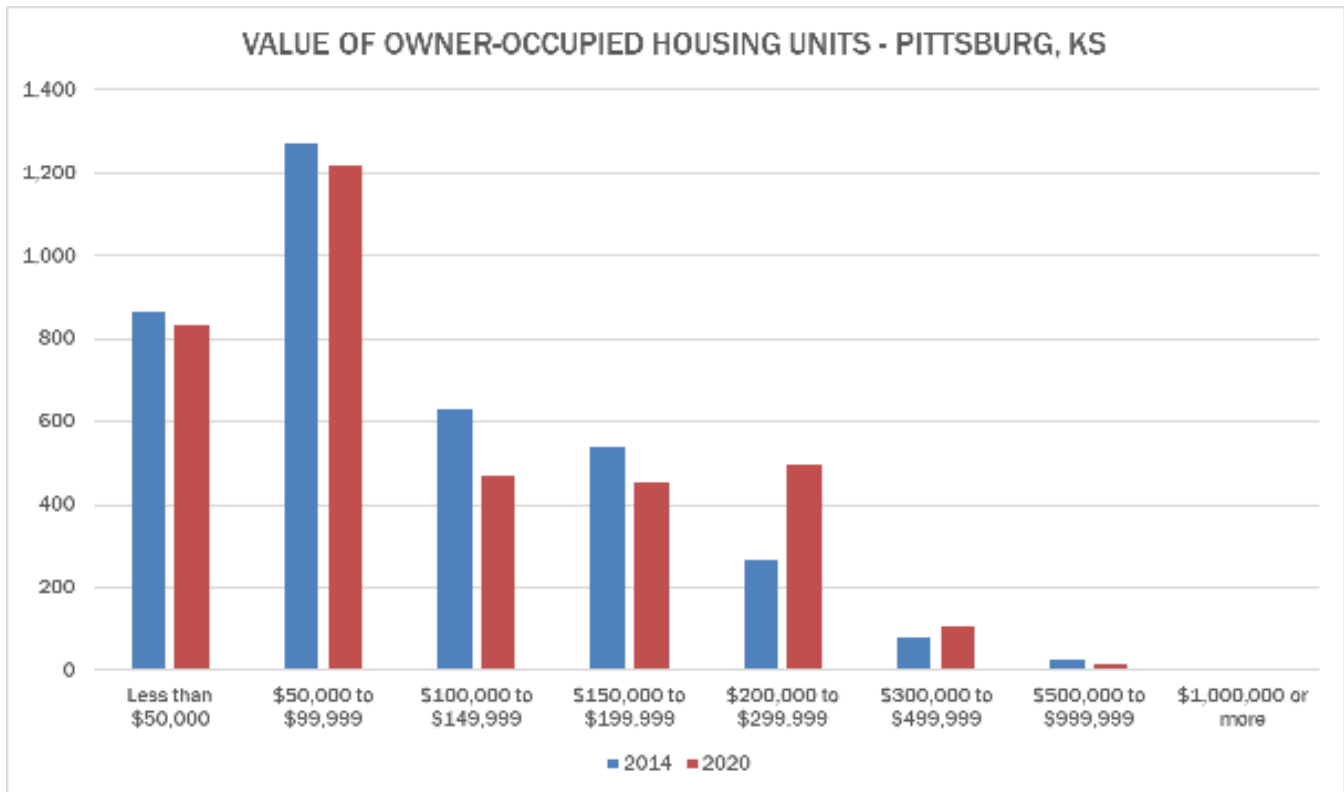
Source: U.S. Census Bureau, 2010-2014 & 2016-2020 American Community Survey 5-Year Estimates

The rental vacancy rate is higher than the homeowner vacancy rate. Further, the current rental vacancy rate has decreased since the 2014 estimate, while the homeowner vacancy rate has remained relatively stable.



### Value of Owner-Occupied Units

The following table illustrates the value of owner-occupied housing units in Pittsburg, Kansas according to the 2020 and 2014 5-Year Estimates.

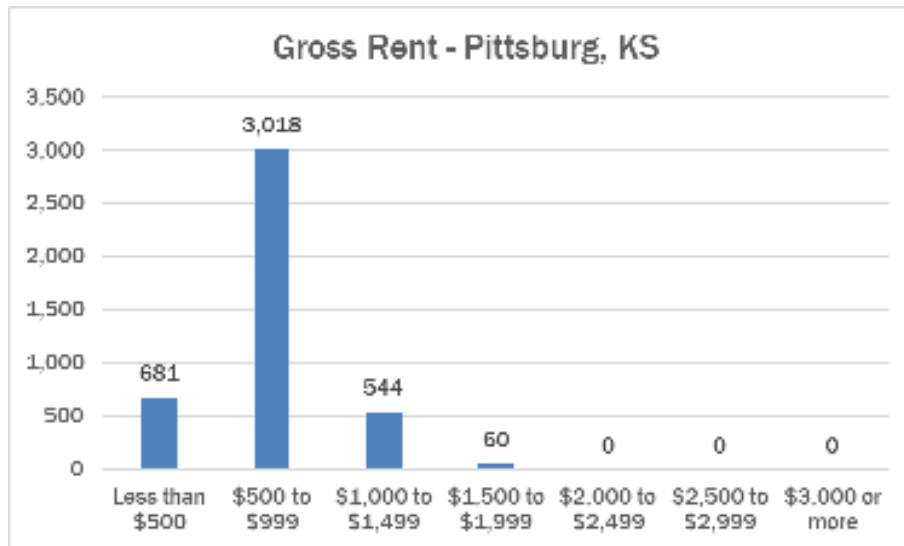


Source: U.S. Census Bureau, 2010-2014 & 2016-2020 American Community Survey 5-Year Estimates

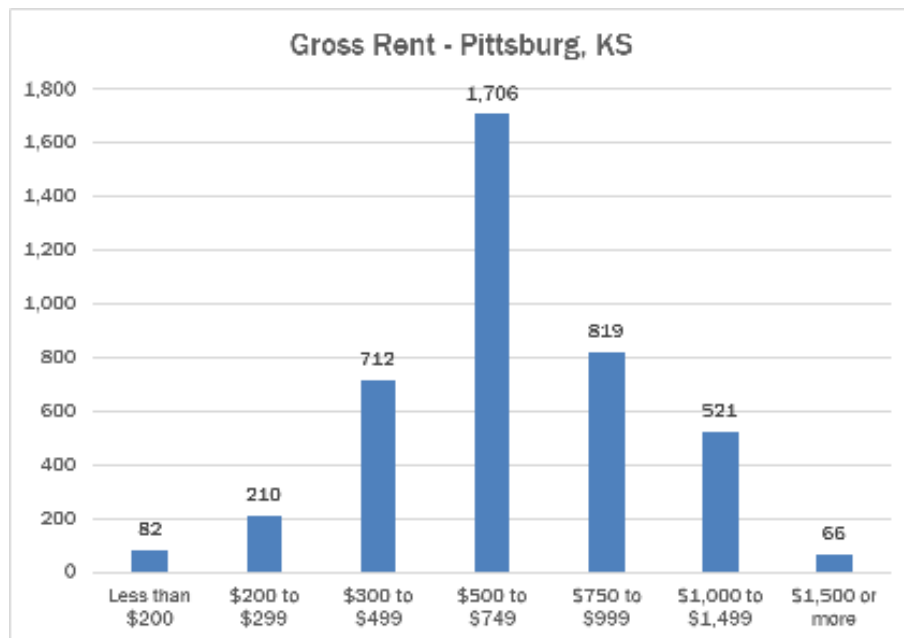
As illustrated, the majority, approximately 82.8 percent, of occupied homes as of the 2020 ACS estimates, are valued at less than \$200,000, including 57.1 percent valued at less than \$100,000. In terms of changes, the only category that has changed since 2014 is homes valued between \$200,000 and \$299,999, where the number of homes in this category has increased since 2014. Additionally, the median home value of \$86,800 in 2020 has not changed since the 2014 data.

## Gross Rent

The following graphs illustrate the gross rent for rental housing units in Pittsburg as of the 2014 5-Year ACS and 2020 5-Year ACS estimates.



Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

The majority of the rental housing supply in Pittsburg as of the 2020 data rent for \$500 to \$999 per month.

## Additions to Housing Supply Since 2014 Report

The following table summarizes the additions to the housing supply since the 2014 report.

ADDITIONS TO HOUSING SUPPLY SINCE 2014 REPORT							
Development	Construction Start / Type	Construction Complete	Total Phases	Total Units	Total Units Delivered	Total Units in Pipeline	Price
<b>Owner Housing Units</b>							
Creekside East	Late 2020	N/A	3	100	4	96	\$230- \$270K
Silverback Landing	Late 2020	N/A	3	140	6	134	\$230-\$250K
Payton's Hamlet	2021	N/A	1	4	4	4	\$350K
Lakewood Drive Addition	N/A	N/A	1	15	15	0	\$165-\$200K
Pittsburg Highlands	N/A	2017	1	25	25	0	Rent to Buy
<u>Sunflower Estates</u>	<u>N/A</u>	<u>N/A</u>	<u>1</u>	<u>12</u>	<u>0</u>	<u>12</u>	<u>N/Av</u>
<b>Total</b>				<b>296</b>	<b>54</b>	<b>246</b>	
<b>Rental Housing Units</b>							
Villas at Creekside <sup>1</sup>	Market Rate	N/A	Up to 5	59	0	59	\$1,850-\$2,100
McGowan Built	Market Rate	N/A	1	20	0	20	\$650-\$750
Leland Lofts <sup>2</sup>	Moderate Income	2019	1	6	6	0	N /Av
Block 22 <sup>3</sup>	Student	2019	1	99	99	0	\$600 - \$675
<b>Total</b>				<b>184</b>	<b>105</b>	<b>79</b>	

<sup>1</sup> Active-adult gated community

<sup>2</sup> Moderate income rent/income restricted units

<sup>3</sup> Student housing

As illustrated, there are currently 54 recently constructed and 246 for sale units in the pipeline and 105 recently completed rental units and an additional 79 rental units in the pipeline. According to the 2020 5-Year ACS estimates, there are currently 9,203 housing units in Pittsburg. Thus, the new supply equates to an increase of 5.2 percent in the housing supply.

## Recent Residential Market Trends

According to the 2021 4<sup>th</sup> Quarter Pittsburg Micropolitan Area Economic Report, “a total of 446 homes were sold in the City of Pittsburg during the first 10 months of 2021, according to the Kansas Association of Realtors (up 3.5 percent from the first 10 months of 2020) for an average price of \$134,184 (up 30.4 percent) and a median price of \$111,000 (up 27.6 percent). The average home sold after 83 days on the market (down from 117), and there is currently only a 1.9 month’s supply of homes for sale (down 38.7 percent). The local population is growing at a very healthy rate, according to the Bureau of the Census, increasing 1.6 percent in 2020, and there has also been a significant increase in local residential construction in 2021. The City of Pittsburg reports that a total of 129 residential building permits were issued during the first ten months of 2021, for a stated value of \$14.5 million, up 305.5 percent from the first ten months of 2020. Of these, 32 permits were issued for new single-family residential construction, with a stated value of \$8,149,030 (up 377.0 percent), 14 permits were issued for multi-family construction, with a stated value of \$5,154,000 (up from zero in 2020), and 83 permits were issued for additions, alterations, and conversions, for a stated value of \$1,236,713 (down 8.3 percent).”

## Conclusion

A large number of newly constructed homes have been added to the local housing supply since the 2014 report. More specifically, approximately 5.3 percent of the housing supply as of the 2020 estimates, was built since 2010; this is higher than the 0.2 percent of the housing supply constructed since 2010 reported in the 2014 Census estimates. The rental vacancy rate (7.6 percent) is higher than the homeowner vacancy rate (3.2 percent). Further, the current rental vacancy rate has decreased since the 2014 estimate, while the homeowner vacancy rate has remained relatively stable.

While the majority, approximately 82.8 percent, of occupied homes as of the 2020 ACS estimates, are valued at less than \$200,000, including 57.1 percent valued at less than \$100,000, local interviews suggest that these homes are generally in average condition or worse. In terms of changes, the only category that has changed since 2014 is homes valued between \$200,000 and \$299,999, where the number of homes in this category has increased since 2014. Additionally, the median home value of \$86,800 in 2020 has not changed since the 2014 data. The majority of the rental housing supply in Pittsburg as of the 2020 data rent for \$500 to \$999 per month. There are currently 54 recently constructed and 246 for sale units in the pipeline and 105 recently completed rental units and an additional 79 rental units in the pipeline. According to the 2020 5-Year ACS estimates, there are currently 9,203 housing units in Pittsburg. Thus, the new supply equates to an increase of 5.2 percent in the housing supply. According to the 2021 4<sup>th</sup> Quarter Pittsburg Micropolitan Area Economic Report, “a total of 446 homes were sold in the City of Pittsburg during the first 10 months of 2021, according to the Kansas Association of Realtors (up 3.5 percent from the first 10 months of 2020) for an average price of \$134,184 (up 30.4 percent) and a median price of \$111,000 (up 27.6 percent).”

## **V. STRATEGIES & RECOMMENDATIONS**

## STRATEGIES & RECOMMENDATIONS

The following section begins with a summary of the 2014 recommendations and an analysis of whether they remain appropriate followed by new recommendations, as appropriate.

## BARRIERS/CHALLENGES TO HOUSING

The 2014 report identified several barriers/challenges to the housing market in Pittsburg, including:

- Financial obstacles including land costs and infrastructure costs for developers.
- Lack of readily available land for development.
- Lack of affordable rental homes for low-income families due to student rental market.
- Credit worthiness of potential buyers for homeownership (or renters).
- Individual housing cost burdens such as paying over 30.0 percent of monthly income for rent/mortgage payment and utilities.
- Limited supply of moderate-income homes in the area; long waiting times for new construction homes.
- Need for more accountability in providing and maintaining safe, clean rental living conditions by property owners.
- No existing or proposed master development plan for the city, and a lack of master-planned communities.
- Low sense of neighborhood pride and community.

While the report notes that there is no single factor that can prevent or reduce barriers, any initiative taken to promote the preservation of the existing housing stock in addition to promoting new construction should be taken.

Our updated research indicates that while some of the above issues have been addressed, they continue to be challenges. More specifically, while there have been additions to the housing supply since the last report and more additions are in the pipeline, demand is still high for quality housing as well as affordable housing and much of the older housing supply continues to be in need of upgrades.

Further, there are new challenges/barriers that must also be addressed.

- Price Increases - supply chain issues and labor market disruptions resulted in an increase in construction costs and delays in additions to supply, which has led to housing price increases.
- Demand Increases - changing labor market dynamics allowed more people who otherwise would be geographically limited in their housing search to be more flexible. Additionally, the recent announcement of a new major employer in the FedEx distribution center and the anticipated incomes associated with those planned added jobs, is expected to further increase demand both for quality rental and affordable moderate income owner housing opportunities.
- Information Barriers – there is reportedly a lack of understanding about how subdivisions work among the local population, a trend attributed to the lack of new subdivisions in recent decades. This barrier will continue to be best addressed by real estate agents, but could also be through city promotional marketing materials.
- Development Design – following the tornados in Joplin, Missouri, more buyers are reportedly in search of homes with basements or storm shelters; this is currently not a standard option offered in the subdivisions under construction and may end up as a supply gap if not addressed.

- Development Regulations/Zoning Ordinance – the development requirements could be further streamlined to ensure a faster construction timeline and certificate of occupancy issuance to better align with year-round subdivision development. Further, the current zoning code could be updated to allow for more flexibility in new development.
- Appraisal/Loans – low home values for the older housing supply and a limited supply of new homes, made it difficult for buyers to obtain financing for the homes in the development pipeline as the comparables used in the appraisals were significantly older and inferior in terms of age/condition. This barrier is however expected to be eliminated on its own over time as more of the newly constructed homes close.

### **CURRENT STATUS OF 2014 RECOMMENDATIONS: DESCRIPTION AND CURRENT APPLICABILITY**

The 2014 report provided 10 recommendations to help the City overcome challenges and take advantage of opportunities in the Pittsburg housing market. The recommendations are summarized below followed by an analysis of their current applicability.

#### **Recommendation #1: Create additional moderate to higher income housing near PSU and Mt. Carmel Regional Medical Center.**

##### Analysis:

##### **2014:**

Employment within the PMA is concentrated in the health care/social assistance and educational services sectors, which together comprise 32.4 percent of employment. This is due to the fact that Pittsburg State University is the largest employer in the area, employing 1,035 persons while Via Christi Hospital (part of the regional medical center) employs 794 persons. PSU's total enrollment has been increasing year over year, and Blake Benson of the Chamber of Commerce mentioned that much of the recent job growth has been in the medical sector as Pittsburg becomes a regional medical hub. As such, the creation of housing, for various income levels, that targets individuals that work at these two large employment centers is important for keeping potential residents within the city of Pittsburg rather than moving elsewhere because of a lack of quality housing.

##### **Current Update:**

Employment within the city continues to be concentrated in the healthcare/social assistance and educational services sectors, now accounting for 35.3 percent of total employment. This continues to be due to the presence of Pittsburg State University, the largest employer in the area employing 1,867 persons, as well as Via Christi Hospital, the third largest employer in the area employing 775 persons. The area has also seen several recent healthcare related economic expansions. The need for housing targeting professionals relocating to the area for employment in these industries, and for these major employers in particular, continues to be a gap in the housing supply. More specifically, short-term and long-term quality rental housing continues to be in demand as the majority of the rental housing stock continues to be older and targeted towards students.

Moderate income housing is typically defined as housing that targets households with incomes of 80 percent of the AMI or below. This translates to a maximum annual income of \$36,480 for a one-person household, \$41,680 for a two-person household, \$46,880 for a three-person household, and \$52,080 for a four-person household. Thus, the maximum allowable incomes for moderate income housing are

not high enough to allow a family to qualify for the majority of the housing units in the housing pipeline. The mean hourly wage across all occupations in Pittsburg is \$19.97, which translates to an annual wage of \$41,540. In a dual income household, this average annual wage would over qualify the household to live in low and moderate income housing, and instead would result in a household being classified as middle or higher income, the former of which is typically defined as households with incomes of 80 to 140 percent of the AMI. Overall, while wage data suggests that the majority of households in Pittsburg (62.9 percent) have incomes below \$50,000 and would likely be considered moderate income households, this is driven largely by the high percentage of renter households, 80.6 percent of which have incomes below this threshold. Further, the wage data suggests middle to upper income households for dual-earner households. Thus, overall, the data suggests support for moderate, middle, and higher income housing.

#### Strategy:

- Encourage the creation of high-quality housing and adjacent amenities that are supported by this higher education and medical district by providing tax incentives to developers.
- Create high-quality housing because professionals in these industries typically earn above the area median income.
- Build affordable for-sale duplexes/townhomes for medical support staff and administrative staff at PSU.
- Utilize the vacant parcels of land off Centennial Drive as locations for development and rezone them as necessary.
- Sell land off Centennial Drive to a developer who will create a master-planned mixed-use or residential development in phases and provide tax incentives to the developer.

#### Funding/Incentives:

- KHRC First-Time Home-buyer Program would allow moderate income households to purchase homes in the city.
- Moderate Income Housing Grant – This program provides grants or loans to develop housing and support homeownership programs in cities or counties with populations of less than 60,000, such as Pittsburg. According to Kansas Housing, “a lack of quality, affordable housing is one of the greatest barriers to growth and development in rural Kansas.” Further, this program “serves Kansans who don’t qualify for federal housing assistance yet struggle to afford market rate housing.” The program can be used to develop rental or owner housing as well as pay for infrastructure, gap financing, or nonpayment assistance.
- Tax Increment Financing – Establishing a new TIF district would encourage redevelopment of this area.
- Kansas PABs – Would provide better loan terms for developer funding to encourage residential construction.
- Provide infrastructure cost reduction for developers along with tax abatements to incentivize the developer.

#### Progress to Date:

- The city completed two Moderate Income Housing projects.
  - First, to create six rental units in downtown in Leland Lofts.
  - Second, to relocate water and sewer and provide homebuyer assistance of the development of 10 single-family homes at an average cost of \$166,750.
- The city established a Rural Housing Incentive District (RHID) to capture 100 percent of the incremental increase in real property taxes (less the mills taken out for the school district) and



reimburse those funds to the developer over a 15-year period, rather than the traditional approach to new development where the city would split the cost of infrastructure with developers. Both of the new subdivisions, Creekside East and Silverback Landing, are benefitting from this program, and both target middle-income, defined as households with incomes between 80 and 140 percent of the AMI, and higher income households.

- Creekside East is a proposed three phase 100-unit subdivision with homes starting in the \$230,000 to \$250,000 range, but due to cost increases are expected to increase to \$240,000 to \$270,000 in the near future; to date four homes have been delivered.
- Silverback Landing is a proposed 140-unit subdivision with homes in the \$230,000 to \$250,000 range; to date six homes have been delivered. Silverback Landing is located within one mile of both the hospital and Pittsburg State University.

#### Conclusion:

The city should continue to pursue this recommendation focusing on the full range of targeted housing including moderate income, middle income, and higher income housing options, the latter two of which will be addressed by the pipeline supply.

### **Recommendation #2: Enhance housing and amenities in the Downtown Area.**

#### Analysis:

##### **2014:**

The current housing stock in the Downtown Area includes inexpensive but poor condition market rate apartments as well as several affordable properties. There are very few options for moderately priced apartments in this area despite the desirable location. Further, there is ample space for development and redevelopment in the Downtown Area above storefronts.

##### **Current Update:**

The current housing stock in the Downtown Area is now more diverse, though it continues to offer inexpensive, but poor condition market rate apartments and there continue to be few moderately to higher priced apartments in good condition in this area despite the desirable location. Further, there continues to be ample space for development and redevelopment in the Downtown Area above storefronts.

#### Strategy:

- Emphasize the pedestrian-friendly nature of downtown and conveniences of living in the area. Residents of all demographics will be able to live closer to school, work, retail, and restaurants.
- Convert the second floors of underutilized office and retail buildings to loft-style apartments or condominiums, such as those in Joplin, which have been very successful in a similar-type setting.
- Create moderately priced income housing in the Downtown Area so that empty-nesters looking to downsize and professionals earning near the area median income have housing options.

#### Funding/Incentives:

- City of Pittsburg “Living Downtown” Loan Program would provide necessary funds to rehabilitate the second floors of existing buildings in the area by turning them into apartments that could be rented to lower income individuals.
- Low Income Housing Tax Credits and HOME funding would also provide funds to convert some of the buildings into apartments for low income households.
- HOPE VI Main Street Grant Program would support the revitalization of the downtown area including the creation of additional residential housing above storefronts.
- HUD Neighborhood Choice Grant would provide funding to support downtown revitalization.

- Provide tax abatements to developers to encourage residential housing in this area.
- Opportunity Zone investment.

#### Progress to Date:

- The city completed one Moderate Income Housing project in the downtown area, Leland Lofts. The project is a rental development with six units and was reportedly successful.
- Block 22 is an innovative mixed-use, living-learning, entrepreneurial community in Downtown Pittsburg that opened in 2019. The property consists of four historical buildings and was developed through a partnership between Pittsburg State University, the City of Pittsburg, and the Vecino Group. The development consists of student housing for Pittsburg State University students, co-working and business incubation spaces inside The Foundry, and multiple dining options. The project offers 97 one-bedroom apartments and two, two-bedroom suites. The units are fully furnished with TVs, a full-sized bed, a full kitchen including a dishwasher and garbage disposal, and washer/dryer. The prices range from \$600 to \$675 and the rent includes all utilities and high-speed internet. There is also a \$50 per month discount for income-eligible students. The Foundry @ Block 22 is more than 16,000 square feet of space that includes a maker/hacker space, business incubator, co-working space, conference rooms, and a large meeting space used by Pittsburg State University and community groups. The Foundry's co-working space is home to several small businesses and Root Coffeehouse & Creperie. In the fall of 2018, Block22 was selected as one of the top university-led projects in the nation by the University Economic Development Association. The addition of quality, newly constructed rental housing for students could cause pressure on landlords of existing poor to fair condition rental housing that historically targeted students to upgrade the older housing supply or lower rents in order to remain competitive. These pressures and potential knock on effects will increase as the amount of new, quality rental supply increases.

#### Conclusion:

The city should continue to pursue this recommendation with a particular focus on renovating and upgrading the upper stories of commercial buildings into housing units.

### **Recommendation #3: Preserve Pittsburg's existing single-family housing stock.**

#### Analysis:

**2014:** Approximately 27.1 percent was built prior to 1939, indicating a very old housing stock. In addition, 28.4 percent of the housing stock was built between 1940 and 1970. The typical life of a single-family home is approximately 40 years before significant renovations and improvements are needed. Many homes in central Pittsburg have fallen in disrepair due to neglect and financial difficulties and are in need of serious maintenance. Keeping up this maintenance is difficult for cost burdened homeowners. However, poorly maintained and condemned homes are a concern for the community and bring down the value of all homes in the area.

**Current Update:** Approximately 2,133 housing units, or 23.2 percent of the housing supply, was built prior to 1939, indicating a very old housing stock. In addition, 2,569 housing units, or 28.0 percent of the housing stock, was built between 1940 and 1970. The typical life of a single-family home is approximately 40 years before significant renovations and improvements are needed. Many homes in central Pittsburg have fallen in disrepair due to neglect and financial difficulties and are in need of serious maintenance. Keeping up this maintenance is difficult for cost

burdened homeowners. However, poorly maintained and condemned homes are a concern for the community and bring down the value of all homes in the area.

#### Strategy:

- Revitalize dilapidated neighborhoods across the city; rehabilitate low and very-low income homes to keep them from failing housing code inspections and prevent condemnation.
- Provide home buyer education, credit and budget counseling and continue local efforts.
- Encourage and market the use of local funding incentives to lower income individuals to prevent homes from declining further.
- Prevent neighborhood deterioration by demolishing homes that have been condemned or are vacant in existing neighborhoods.
- Conduct asbestos, lead paint, and other contaminant abatement.
- Encourage infill development by waiving demolition fees, reducing building permit fees, or providing other city-based incentives.
- Adopt International Existing Building Code, which helps encourage redevelopment by not requiring all new construction requirements in the building code.
- Provide community outreach/consulting that would help prospective owners fill out the necessary paperwork to apply for local housing programs.
- Incentivize landlords of older housing stock to upgrade the older housing supply.

#### Funding/Incentives:

- Neighborhood Revitalization Act – Provides a tax rebate for substantial rehabilitation of a home or demolishing and home and building new construction.
- City of Pittsburg Emergency Repair Program – Provides a 100 percent deferred loan with a maximum contribution of \$1,800 to households with incomes of 50 percent or the Area Median Income (AMI) or below.
- City of Pittsburg Housing Rehabilitation Loan Program – Provides low-interest rehabilitation loans Pittsburg homeowners for the purpose of improving their property. The program is funded by the Community Development Block Grant (CDBG) program. In order to qualify, the applicant must live in the City limits, own the home, and be low to moderate income. The maximum loan available is \$30,000.
- KHRC Weatherization Program – Increasing the participation of households in the Weatherization Program would help make the existing housing stock more energy efficient and help to lower the costs of homeownership.
- Paint Pittsburg – Help subsidize the cost of repainting and upkeep.

#### Progress to Date:

The Pittsburg Land Bank was created in 2015 and has reportedly been the primary vehicle through which the city has pursued this recommendation. The Pittsburg Land Bank focuses on the conversion of vacant, abandoned, tax-delinquent, or otherwise underused properties into productive uses. Every transfer of property from the Pittsburg Land Bank is accompanied by a development agreement, outlining the final use of the property, as well as accompanying timelines. The purchase price for Land Bank properties is set at 75 percent of the appraisal price, which is based on the Crawford County Appraiser's Office. To date, the Land Bank has sold 39 properties.

#### Conclusion:

The city should continue to pursue this recommendation through all of the aforementioned funding/incentives including, but not limited to, The Land Bank.

**Recommendation #4: Expand the supply of moderate-income housing.**Analysis:**2014:**

The mean hourly wage across all occupations in Pittsburg is \$16.71, which translates to an annual wage of \$34,770. In a dual income household, this average annual wage would over qualify the household to live in low income housing. Numerous stakeholders in the area stated that there is a shortage of moderate income homes in the area, which is forcing moderate income households to live outside of Pittsburg or wait for new homes to be constructed. In addition, the cost of demolition in addition to building a home can be high, which moderate income households cannot afford.

**Current Update:**

Moderate income housing is typically defined as housing that targets households with incomes of 80 percent of the AMI or below. This translates to a maximum annual income of \$36,480 for a one-person household, \$41,680 for a two-person household, \$46,880 for a three-person household, and \$52,080 for a four-person household. These incomes are not high enough to allow a family to qualify for the majority of the housing units in the housing pipeline. Numerous stakeholders in the area stated that there is a shortage of moderate income homes in the area priced between \$175,000 and \$225,000, and the current supply in the pipeline will not address this need.

Strategy:

- Promote renovation and restoration of existing single-family homes, which helps reduce development costs, by developers that can then be sold to moderate to income households.
- Encourage infill development of moderate income homes by waiving demolition fees, reducing building permit fees, or providing other city-based incentives.
- Provide incentives to new construction developments such as paying for an increased percentage of infrastructure costs to help entice developers to build lower priced homes while still earning a profit.

Funding/Incentives:

- Moderate Income Housing Grant – This program provides grants or loans to develop housing and support homeownership programs in cities or counties with populations of less than 60,000, such as Pittsburg. According to Kansas Housing, “a lack of quality, affordable housing is one of the greatest barriers to growth and development in rural Kansas.” Further, this program “serves Kansans who don’t qualify for federal housing assistance yet struggle to afford market rate housing.” The program can be used to develop rental or owner housing as well as pay for infrastructure, gap financing, or nonpayment assistance.
- Low Income Housing Tax Credits and HOME Funding – As of 2018, the LIHTC program can now be used to offer units to households with incomes of up to 80 percent of the AMI, so long as the development, on average, targets households with incomes of 60 percent of the AMI and below. This program can be used by developers in conjunction with donated land to increase the area’s affordable rental housing supply.
- KHRC First-Time Home-buyer Program would allow moderate income households to purchase homes.
- Provide developer incentives including grants, infrastructure, and tax abatement.
- Modify zoning code to permit greater density and variety of development designs, consider land donation, and/or further streamline the planning approval process for developments that are priced to offer affordability to moderate income households.
- Opportunity Zone investment.

Progress to Date:

The city completed two Moderate Income Housing projects.

- First, to create six rental units in downtown in Leland Lofts.
- Second, to relocate water and sewer and provide homebuyer assistance of the development of 10 single-family homes at an average cost of \$166,750.

Conclusion:

The city should continue to pursue this recommendation with a focus on homes that will be affordable to moderate income households, defined as households with incomes of 80 percent of the AMI or below. This includes millennials many of whom have student loan debt which can make qualifying for a mortgage more difficult. This also includes the development of additional affordable rental and workforce housing as renter households are currently disproportionately likely to be cost burdened relative to their owner counterparts.

**Recommendation #5: Create a land bank run by a city-related entity.**Analysis:**2014:**

The establishment of a land bank would allow for the public control of abandoned property, assemblage of parcels for residential, recreational, commercial and industrial redevelopment, and generally improve the quality of the housing stock. Recently, several cities in the area including Kansas City, Missouri, St. Louis, Missouri, and Olathe, Kansas have created land banks where vacant properties are acquired mostly through tax foreclosures and set aside for rehabilitation or resale so that they can be reintroduced to the city and county's tax rolls as well as providing maintenance and landscaping to vacant and abandoned lots. According to the US Census Bureau, there are 1,211 vacant properties in the city of Pittsburg, which provides ample opportunity to begin the creation of a land bank.

**Current Update:**

According to the most recent census estimates, there are 1,156 vacant properties in the city of Pittsburg, which continues to provide ample opportunity to begin the creation of a land bank.

Strategy:

- Allow the city to sell properties to be rehabilitated thus increasing the property values of the area as a whole.
- Provide short-term fiscal benefits to the city by getting rid of some of the worst properties in the area, while also bringing them back onto the tax roll.
- Donate excess land to nonprofit agencies to be used to construct affordable housing for families and seniors.
- Acquire land for future development of low to moderate income housing.
- Turn unusable land into parks or green space.
- Gain entitlement to a specific time period's years of property tax payments on sold properties to boost tax revenue.
- Abate delinquent taxes for properties to encourage their purchase and redevelopment.

Funding/Incentives:

- Low Income Housing Tax Credits and HOME Funding – To be used by developers in conjunction with the donated land to increase the area's affordable housing supply.
- Allocate a portion of delinquent property tax interest and penalties for the land bank to be used for funding to purchase land and homes.

Progress to Date:

The Pittsburg Land Bank was created in 2015 and has reportedly been the primary vehicle through which the city has pursued this recommendation. The Pittsburg Land Bank focuses on the conversion of vacant, abandoned, tax-delinquent, or otherwise underused properties into productive uses. Every transfer of property from the Pittsburg Land Bank is accompanied by a development agreement, outlining the final use of the property, as well as accompanying timelines. The purchase price for Land Bank properties is set at 75 percent of the appraisal price, which is based on the Crawford County Appraiser's Office. To date, the Land Bank has sold 39 properties.

Conclusion:

The city should continue to utilize the Land Bank to acquire and redevelop dilapidated and vacant parcels into affordable housing or public amenities such as green space or service providers. The city should also consider zoning changes and/or variances, where appropriate and feasible, to permit development on all land acquired to ensure its conversion to a productive use.

**Recommendation #6: Implement stricter property maintenance codes.**Analysis:

**2014:** Although there are currently property maintenance codes in place, they are not always followed or stressed in the community, which has led to a deteriorating housing stock, and properties that are unsafe.

**Current Update:** According to the most recent census estimates, there are 1,156 vacant properties in the city of Pittsburg, which continues to provide ample opportunity to begin the creation of a land bank. Further, there are 75 housing units that lack complete plumbing, 69 that lack complete kitchen facilities, and 207 that lack telephone service.

Strategy:

- Utilize Kansas' Unclaimed Property Statute more aggressively to take over abandoned property and utilize these properties for low to moderate income housing.
- Create legislation similar to Chula Vista's "Abandonment and Waste" clause that places responsibility on lenders to maintain abandoned and foreclosed properties.
- Implement property maintenance codes and a mandatory rental inspection program that would require all area rental properties to go through an annual inspection. This would help identify unsafe homes as well as encourage property upkeep. The resultant upkeep would allow more rental properties to be Section 8 compliant as well.
- Promote the weatherization of rental properties to make homes more affordable for renters.
- Encourage community-based enforcement of property maintenance violations where community members feel motivated to report violations, knowing they will be addressed by the city if the tenant does not address them.
- Enact law for certain area of city that limits number of non-related occupants, reducing the desirability for students and opening up more homes to Section 8 voucher holders.

Financing/Incentives:

- KHRC Weatherization Program – Increasing the participation of households in the Weatherization Program would help make the existing housing stock more energy efficient and help to lower the costs of homeownership.
- Paint Pittsburg – Help subsidize the cost of repainting and upkeep.



Progress to Date:

Progress on this recommendation is difficult to measure. Local interviews indicated that the code enforcement department experienced heavy turnover in recent years and there are hopes that the new team will be more successful with enforcement.

Conclusion:

The city should continue to pursue this recommendation.

**Recommendation #7: Establish neighborhood associations and planned subdivisions.**

Analysis:

**2014:** There are no neighborhood associations that exist in Pittsburg, and people are not generally held accountable for their property, which can lead to property neglect as homeowners and landlords are often focused on their own interests. In addition, the last major subdivision in the area was built in the 1970s, so there is little sense of community among neighborhoods.

**Current Update:** According to the most recent census estimates, there are 1,156 vacant properties in the city of Pittsburg, which continues to provide ample opportunity to begin the creation of a land bank. Further, there are 75 housing units that lack complete plumbing, 69 that lack complete kitchen facilities, and 207 that lack telephone service.

Strategy:

- In conjunction with the planning department and one master developer, create areas dedicated to building new subdivisions.
- Rezone previously light industrial areas, such as Mission Clay, to encourage the development and creation of new subdivisions.
- Encourage infill development in specific areas for revitalization that will create a sense of community.
- Establish neighborhood associations and provide association grants for the completion of beautification projects, creation of green space, and other projects beneficial to the city and community.
- Enact law for certain area of city that limits number of non-related occupants, reducing the desirability for students and opening up more homes to Section 8 voucher holders.

Funding/Incentives:

Rural Housing Incentive District (RHID) to capture 100 percent of the incremental increase in real property taxes (less the mills taken out for the school district) and reimburse those funds to the developer over a 15-year period, rather than the traditional approach to new development where the city would split the cost of infrastructure with developers.

Progress to Date:

Both of the two larger new subdivisions, Creekside East and Silverback Landing, are benefiting from the RHID program. Given their size, we assume that these subdivisions will have neighborhood associations upon completion.

Conclusion:

The city should continue to pursue this recommendation with an education component.

**Recommendation #8: Expand housing for seniors with emphasis on affordable housing options.**Analysis:

**2014:** The senior population in Pittsburg is predicted to increase by 2.9 percent through 2018. There is a limited supply of senior properties in the area, and senior rental properties are experiencing a vacancy rate of 1.7 percent. In addition, all but one of the affordable senior properties in the area maintains a waiting list. This data indicates the demand for additional senior rental housing. Further, the existing housing supply in Pittsburg does not offer many, if any, low-maintenance condominium, and townhome options.

**Current Update:** The senior population in Pittsburg is projected to increase by 1.8 percent through 2026. Approximately 52.4 percent senior households have annual incomes below \$50,000; these households will not be able to afford the housing units in the supply pipeline including the Villas at Creekside, a market rate active-adult community that is currently under construction.

Strategy:

- Increase housing supply targeted towards seniors, including smaller homes that require less maintenance in locations that are in close proximity to healthcare and retail amenities.
- Build condominiums and townhomes where seniors can enjoy homeownership instead of renting but do not have to worry about the maintenance of yards, common areas, etc.
- Entice developers through low-interest loans to increase the amount of LIHTC properties.
- Increase awareness and knowledge of the LIHTC and other state and federally assisted housing programs.

Funding/Incentives:

- Low Income Housing Tax Credits and HOME Funding – To be used by developers in conjunction with the donated land to increase the area's affordable housing supply.
- Opportunity Zone investment

Progress to Date:

Villas at Creekside, a gated active-adult living community, is currently under construction. The development will be gated and consist of 29 buildings as well as a bocce ball court, dog park, pickle ball court, and outdoor walking areas, as well as a community building. The units are high-end one-story villas with quartz countertops, covered patios, and oversized attached garages. According to the developer, there is land (70 to 100 acres) for up to five phases, but future phases and plans will be dependent on the acceptance and performance of the first phase. Phase I will offer 58 total units including two-bedroom/two-bathroom units for \$1,850 per month and three-bedroom/two-bathroom units for \$2,100 per month and tenants will be responsible for all utilities.

Conclusion:

The city should continue to pursue this recommendation, particularly for moderate to low-income seniors who may be interested in downsizing but for which there is a limited amount of quality, targeted rental supply for this demographic group. By pursuing this recommendation, the city also has the potential to release some of the older, more affordable housing supply for younger moderate-income households.



### **Recommendation #9: Educate low to moderate income households on how they can purchase homes and encourage the use of first-time homebuyer incentive programs.**

#### Analysis:

**2014:** Obtaining mortgage financing can be difficult for low to moderate income households due to poor credit and/or lack of funds for down payment assistance. Further, many households are unaware of home buying assistance programs in place in the area.

**Current Update:** The historically low interest rates of 2020 and 2021 increased access to mortgage financing for some households, though not those whose jobs were impacted by the pandemic. Interest rates however have risen in 2022 and are expected to continue to rise through the end of the year as the Federal Reserve continues policies designed to help address rising inflation. As interest rates continue to rise, difficulties accessing to mortgage financing is expected to rise, particularly for low to moderate income households as well as households with large student loan obligations.

#### Strategy:

- Educate future and prior homebuyers on financing options, access to capital and how to improve their credit worthiness by promoting KHRC's home buyer education programs and offering them in the community.
- Inform future homebuyers and potential residents on local home buying assistance programs.
- Provide seminars on how households can improve their credit scores and begin saving for downpayments.

#### Funding/Incentives:

- Moderate Income Housing Grant – This program provides grants or loans to develop housing and support homeownership programs in cities or counties with populations of less than 60,000, such as Pittsburg. According to Kansas Housing, “a lack of quality, affordable housing is one of the greatest barriers to growth and development in rural Kansas.” Further, this program “serves Kansans who don’t qualify for federal housing assistance yet struggle to afford market rate housing.” The program can be used to develop rental or owner housing as well as pay for infrastructure, gap financing, or nonpayment assistance.
- KHRC First-Time Home-buyer Program would allow low to moderate income households to purchase homes.
- HUD Mortgage Insurance Programs would help secure funding for lower income households.

#### Progress to Date:

Progress on this recommendation is difficult to measure. Local interviews indicated that low to moderate income households continue to have difficulties accessing homeownership, but this appears to be due primarily to rising home prices.

#### Conclusion:

The city should continue to pursue this recommendation.

**Recommendation #10: Build short-term housing for young professionals, consultants, and families near major employment centers (e.g. PSU, Mt. Carmel) to provide temporary lodging for moderate to higher income households.**

Analysis:

**2014:**

There are currently very limited furnished, temporary housing options in the Pittsburg area outside of hotels. Excluding the summer months, temporary housing, especially for larger families, is non-existent, forcing households to look outside of the city for accommodations or to delay moving to Pittsburg until permanent lodging can be established.

**Current Update:**

There are currently very limited furnished, temporary housing options in the Pittsburg area outside of hotels. Excluding the summer months, temporary housing, especially for larger families, is non-existent, forcing households to look outside of the city for accommodations or to delay moving to Pittsburg until permanent lodging can be established.

Strategy:

- Build live/work/play short-term accommodations for smaller households near PSU and the hospital by integrating multifamily housing with complementary retail options that will allow households to immediately integrate into the community and its amenities and services.
- Partner a developer with PSU and the hospital to construct a small, well-amenitized luxury apartment complex that offers both short and long-term housing options to mitigate developer risk.
- Provide development tax incentives to existing apartment complexes to construct additional phases with units dedicated to short-term housing.
- Provide tax breaks to local property management companies to dedicate a percentage of its good condition, single-family rental stock (3BRs or larger) to housing short-term leases only that would accommodate larger families.

Funding/Incentives:

- Tax Increment Financing – Establishing a new TIF district would encourage developers to create short-term housing near major employment centers.
- Provide incentives to developers including tax abatement.

Progress to Date:

McGowan Built is currently working on the acquisition/rehabilitation of a 20-unit market rate development that upon completion will offer one and two-bedroom units. Given that the units will be recently renovated, we expect the units to be in good to excellent condition upon completion. While this project will add to the quality market rate rental supply, given the sizes, they will not be appropriate for families. Further, it was not known if the development will offer short-term leases. As such, while this development will certainly improve the overall market rate rental supply, it may not meet the demand for short-term rental housing and it will not offer quality larger rental units for families.

Conclusion:

The city should continue to pursue this recommendation as research suggests this is one of the primary ongoing housing gaps in the city.

## NEW RECOMMENDATIONS & FUNDING MECHANISMS

### New Recommendation #1: Establish Community Development Corporation

#### Analysis:

**Current:** Community Development Corporations (CDCs) are nonprofit, community development oriented organizations focused on revitalizing areas in which they are located. CDCs can provide a wide variety of services to a community including buying, renovating, or building for sale or rental properties, economic development projects, social services, community organizing and cleanup projects, community development projects, and neighborhood promotion, among others. While the local government and Chamber of Commerce have a strong economic development team, community organizing, neighborhood development, and affordable housing development are areas in which a CDC could fill a void in the community.

#### Strategy:

- Support the formation and promote the funding of a CDC in Pittsburg to focus on the redevelopment of the downtown and immediately surrounding areas.

#### Funding/Incentives:

- Provide funding through the CDBG program or other state/local grants.

### New Recommendation #2: Increase opportunities for development to meet housing needs

#### Analysis:

**Current:** According to local interviews, while there continues to be some developable land in Pittsburg for larger master planned developments, the opportunities are becoming more limited as large portions of land have been purchased and are being developed to meet aforementioned housing needs. As a result, in order to meet additional housing needs that are currently not going to be met with supply in the pipeline, the city needs to identify additional development opportunities either in terms of additional land or modified uses of existing sites. One strategy that has been employed throughout the country has been zoning reform, as traditional zoning codes have been found to impede development particularly in the adaptive reuse of existing uses. According to an article by Ganon Evans published in 2022 by the Kansas Policy Institute titled *Zoning Reform, Not Subsidizes, Reduces Housing Costs*, noted that “long-term reductions in the cost of housing come from removing barriers that inflate the cost of housing. This is namely zoning laws. Building height caps, lot sizes, and rules about what buildings can be built in certain areas all affect the cost to developers. Specifically, zoning artificially increases the costs of housing by limiting the supply of housing.”

#### Strategy:

- Expand city boundaries by annexing surrounding areas of unincorporated Crawford County
- Modernize the zoning code to allow for more density and flexibility in terms of development proposed within its existing boundaries, which could in turn allow for a more purposeful use of existing land within the city limits to meet housing needs. This could include the elimination of traditional zoning to focus more on overall compatibility rather than use or modifications to the zoning code to add for example the addition of a density bonus for developments meeting city identified housing needs,

among other options. The elimination or modification of traditional zoning has occurred throughout the country in both large metropolitan areas such as Minneapolis, Minnesota which eliminated single-family zoning and Houston, Texas that does not have a formal zoning code, as well as smaller markets such as Benton County, Arkansas.

#### Funding/Incentives:

- Opportunity Zone investment

#### **New Funding Mechanism: Opportunity Zones**

##### Analysis:

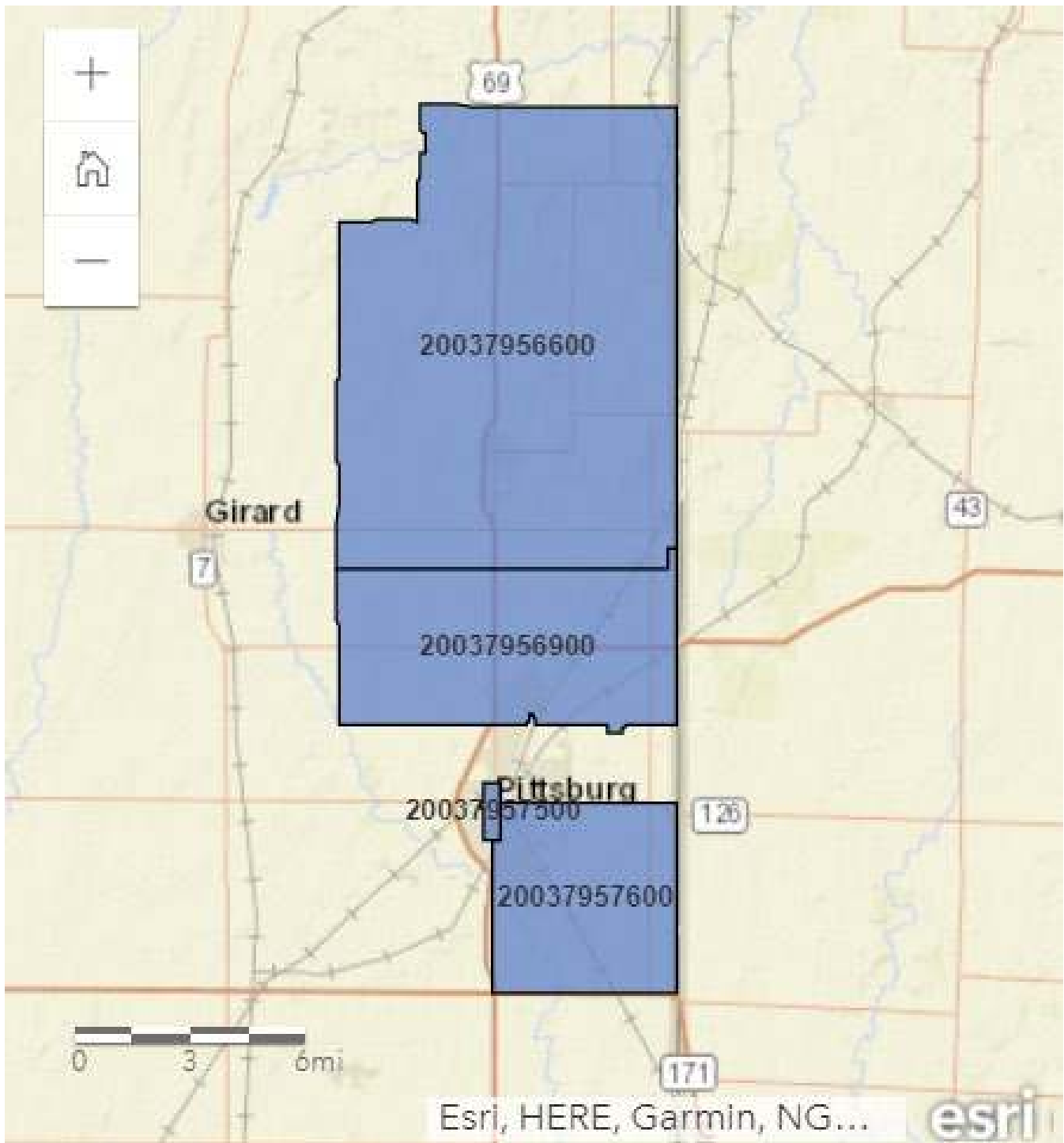
H.R. 1, signed into law on December 22, 2017, created a new tool for community development, designed to provide tax incentives to help unlock investor capital by offering preferential tax treatment for capital gains invested in low-income communities with the goal of encouraging long-term investment in low-income communities designed to promote economic growth. The same definition of a “low-income community” that is used by the new markets tax credit (NMTC) is the basis for defining an opportunity zone. The law generally allows for 25 percent of a state’s low-income community population census tracts to be designated as qualified opportunity zones. Governors are responsible for identifying the areas in their states to be designated as opportunity zones.

According to the Kansas Department of Commerce: “The following incentives are offered to investors for putting their capital to work in these qualified opportunity zones.

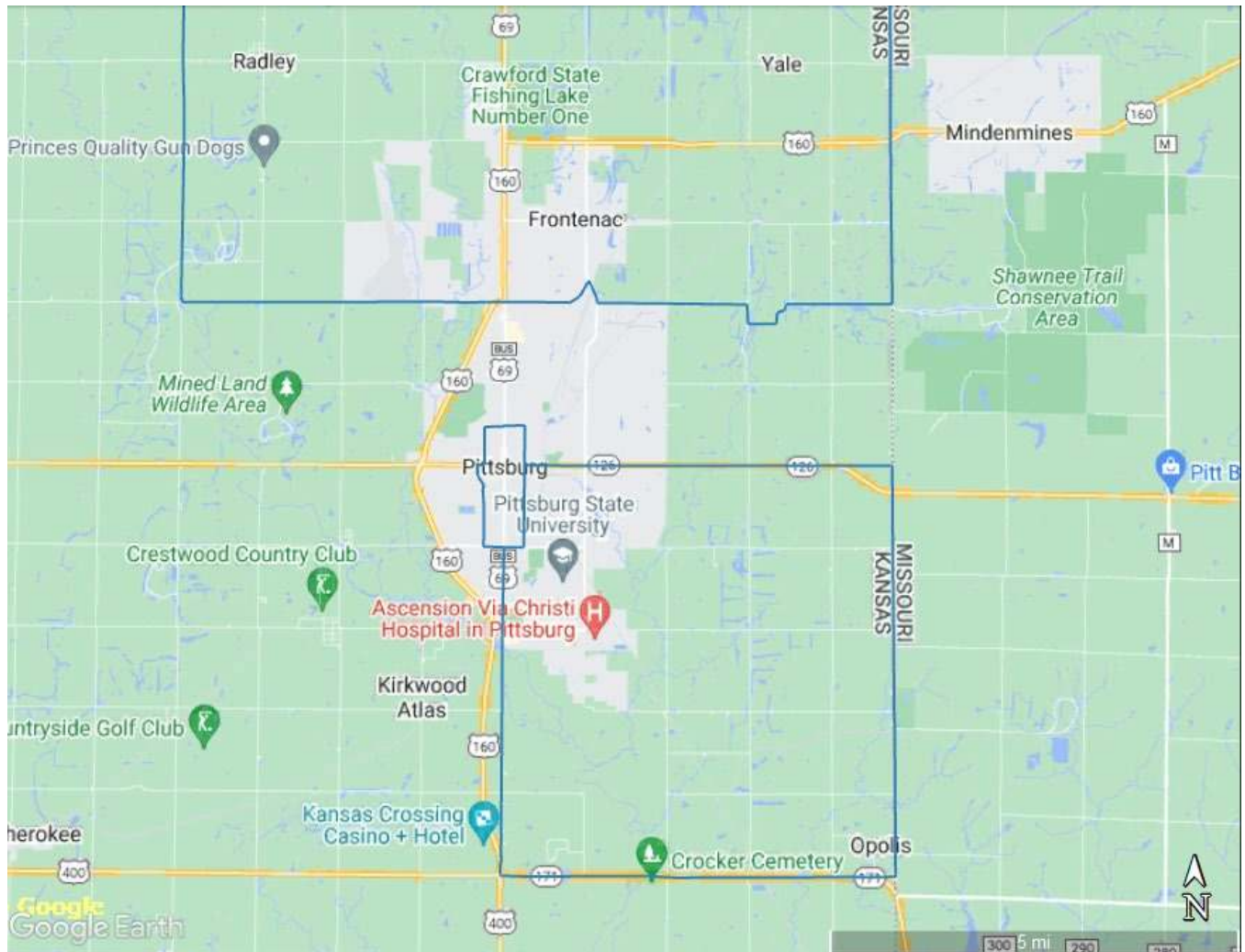
- Temporary capital gain tax deferral
  - The period of capital gain tax deferral ends on 12/31/26 or an earlier sale
- A step-up in basis
  - Investment held for five years – basis increased by 10% of deferred gain (90% taxed)
  - Investment held for seven years – basis increased by another 5% of deferred gain (85% taxed)
- Forgiveness of additional gains
  - Investment held for 10 years – basis equal to fair market value; forgiveness of gains on appreciation of investment of sale or exchange of Opportunity Fund investment. This exclusion applies only to gains accrued after an investment in an Opportunity Fund.”

Further, “these investments provide support to projects focused on a wide array of issues including, downtown revitalization, housing improvements and expansion of industrial parks and innovation districts.”

Kansas identified 74 census tracts including 70 low-income tracts and four non-low-income contiguous tracts that were “ripe for investment and ready for development” to serve as Kansas’ Opportunity Zones; this includes four census tracts in Crawford County, three of which are fully or partially in the City of Pittsburg as identified in the map on the following page.



The above map illustrated the opportunity zone census tracts in Crawford County. The map on the following page illustrates the boundaries of those tracts within Pittsburg; areas inside the blue boundaries are the opportunity zone areas.



To date we are not aware of any Opportunity Zone projects in either of the Pittsburg, Kansas opportunity zones. There are however OZ projects in Kansas and we are aware of several communities that are actively promoting their opportunity zones and/or potential projects such as El Dorado, Lawrence, Wichita, and Manhattan.

## **APPENDIX A**

### **Assumptions & Limiting Conditions**



## ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.



12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

## **APPENDIX B**

### **Data Sources**

## DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- ESRI Demographics 2021
- Ribbon Demographics 2021
- Department of Housing and Urban Development (HUD)
- City of Pittsburg
- City of Pittsburg local officials
- Pittsburg State University
- Pittsburg Micropolitan Area Economic Reports
- Kansas Department of Commerce
- U.S. Bureau of Labor Statistics
- [www.zillow.com](http://www.zillow.com)

## **APPENDIX C**

### **Qualifications of Consultants**

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**RACHEL BARNES DENTON, MAI**

**I. EDUCATION**

Cornell University, Ithaca, NY  
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

**II. LICENSING AND PROFESSIONAL AFFILIATION**

Designated Member of the Appraisal Institute  
Member of National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network  
    2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter  
    2013 Director of Communications and Board Member for Kansas City CREW  
    2014 Secretary and Board Member for Kansas City CREW  
    2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527  
State of California Certified General Real Estate Appraiser No. AG044228  
State of Colorado Certified General Real Estate Appraiser No. 100031319  
State of Georgia Certified General Real Estate Appraiser No. 391113  
State of Hawaii Certified General Real Estate Appraiser No. CGA1048  
State of Illinois Certified General Real Estate Appraiser No. 553.002012  
State of Kansas Certified General Real Estate Appraiser No. G-2501  
State of Minnesota Certified General Real Estate Appraiser No. 40420897  
State of Missouri Certified General Real Estate Appraiser No. 2007035992  
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R  
State of New Mexico Certified General Real Estate Appraiser No. 03424-G  
State of North Dakota Certified General Real Estate Appraiser No. CG-219110  
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA  
State of Oregon Certified General Real Estate Appraiser No. C000951  
State of South Dakota Certified General Real Estate Appraiser No. 1488CG  
State of Texas Certified General Real Estate Appraiser No. 1380396

**III. PROFESSIONAL EXPERIENCE**

Novogradac & Company LLP, Partner  
Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

**IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute:  
    Appraisal Principals, September 2004  
    Basic Income Capitalization, April 2005  
    Uniform Standards of Professional Appraisal Practice, various  
    Advanced Income Capitalization, August 2006  
    General Market Analysis and Highest & Best Use, July 2008  
    Advanced Sales Comparison and Cost Approaches, June 2009  
    Advanced Applications, June 2010  
    General Appraiser Report Writing and Case Studies, July 2014  
    Standards and Ethics (USPAP and Business Practices and Ethics)  
    MAI Designation General Comprehensive Examination, January 2015  
    MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

## **V. SPEAKING ENGAGEMENTS**

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado, Idaho Conference on Housing and Economic Development, and Missouri Workforce Housing Association.

## **VI. REAL ESTATE ASSIGNMENTS**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## JULIA SMITH

### **I. Education**

*University of Arizona, School of Sociology (in progress)*

Ph.D. in Sociology with concentrations in Stratification and Methodology/Statistics

*The London School of Economics and Political Science*

MSc in Comparative Politics (States and Markets)

*The London School of Economics and Political Science*

MSc in Social Policy and Planning

*American University, Washington, DC*

BA in Law and Society, minor in Mathematics

### **II. Professional Experience**

Principal, Julia Grace Smith, LLC – Consultant with Novogradac Consulting, LLP (2011 – Present)

Analyst, Novogradac & Company LLP (2006 – 2009)

Legal Secretary, Bergen & Bergen Law Firm

Research Assistant, Chr. Michelson Institute

### **III. Research Assignments**

- Conducted market and feasibility studies for a variety of projects. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes: feasibility of pro formas including, but not limited to unit mix determination, demand projections, price analysis, rental rate analysis, competitive property surveying and overall market analysis.
- Conducted Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.
- Performed various community-wide affordable housing market analyses and needs assessments for communities and counties. Analysis included demographic and demand forecasts, interviews with local stakeholders, focus groups, online public surveys, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.
- Conducted citywide analysis of poverty including causes and potential solutions.
- Conducted nationwide comparative case study of economic opportunity and poverty commissions.
- Assisted in appraisals of proposed new construction and renovation of existing properties.



## COLLATERAL ASSIGNMENT

This Collateral Assignment (“Agreement”) is executed as of September \_\_, 2022 by Payton’s Hamlet, LLC, a Kansas Limited Liability Company (the “Assignor”) in favor of Equity Bank (the “Lender”), with reference to the following:

**WHEREAS**, Assignor and Lender have entered into a Loan Agreement for a loan in the amount of \$325,000.00;

**WHEREAS**, pursuant to the Loan Agreement the Assignor has agreed to assign to Lender all rights, title, obligation, and interest of Assignor concerning its right(s) to payment in a certain contract titled “Development Agreement Payton’s Hamlet Rural Housing Incentive District” between the City of Pittsburg and Shane Kannarr, dated March 10, 2020 (the “Contract”), and subsequently assigned to Payton’s Hamlet, LLC. Payton’s Hamlet, LLC as Assignor assigns all right, title, obligation, and interest held by it as payee in the Contract in a sum not to exceed \$325,000.00.

**WHEREAS**, Assignor hereby grants to Assignee a security interest in and to the Contract and all rights, title, obligations, interest and right(s) to payments of any sort pertaining to the Contract payable by the City of Pittsburg or its Assigns to Assignor.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor and Lender hereby covenant and agree as follows:

1. INCORPORATE OF RECITALS

1.1 The above Recitals are incorporated herein by reference and are made a part hereof as if contained herein.

2. GENERAL DEFINITIONS.

2.1 As used herein, “UCC” means the Uniform Commercial Code as in effect from time to time in the State of Kansas.

2.2 All capitalized terms contained in this Agreement, but not specifically defined in this Agreement or the Loan Agreement, shall have the meanings providing by the UCC to the extent the same are used or defined therein.

3. ASSIGNMENT.

3.1 Assignment of Contract. Assignor hereby assigns, conveys, and transfers to Lender all of Assignor’s right to payment, cash proceeds and interest under the Contract to Lender which are now owned and existing or hereinafter acquired or arising, and wherever located, under the Contract.

4. APPROVAL BY CITY OF PITTSBURG. This Agreement shall be effective upon the execution hereof by the Assignor and Lender and approval by the City of Pittsburg, Kansas.

5. REPRESENTATIONS AND WARRANTIES. Assignor represents and warrants to Lender that:

5.1 Authority. Assignor has full power and authority to execute, deliver, and perform its obligations in accordance with the terms of this Agreement without the consent or approval of any other person except the City of Pittsburg, Kansas or except as may have been specifically disclosed to Lender in writing.

5.2 Absence of Other Encumbrances; Legal Actions and Claims. The Contract assigned hereunder is for collateral purposes as security for the outstanding Loans due Lender. The Contract is free and clear of all liens and adverse claims other than the Security Interest of Lender, which shall be a first lien on the Contract right. There are no actions, suits or proceedings at law or in equity now pending or, to the best of Assignor's knowledge, threatened against or affecting the Contract or any rights thereunder in any material respect.

5.3 No Previous Assignment. Assignor has not previously assigned, transferred or conveyed any of its interest in the Contract to any party other than Lender.

6. CONVENANTS AND AGREEMENTS OF ASSIGNOR. Assignor covenants and agrees as follows:

6.1 Records and Inspection. Assignor shall keep and cause to be kept accurate and complete records pertaining to the Contract. Upon ten (10) days' prior notice to Assignor (or two (2) days' prior notice if an Event of Default has occurred or is threatened), Lender shall have the right from time to time, during normal business hours, to examine such books, records, and accounts at the office of Assignor, or other Person maintaining such records and to make copies or extracts thereof as Lender shall desire.

6.2 Further Assurances and Authority of Lender. Assignor shall from time to time execute, deliver, file and record all such further agreements, instruments, financing statements, third-party notices and other documents (collectively, "Supplemental Documentation") as may be requested by Lender to preserve Lender's rights and interests in the Contract, and all rights to payments thereunder, or otherwise to carry out the intent of this Agreement. If any amount payable under or in connection with the Contract shall become evidenced by an Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Lender, duly endorsed in a manner satisfactory to Lender.

7. EVENTS OF DEFAULT. The occurrence or existence of an Event of Default under any Loan Document shall constitute an Event of Default of the Assignor.

8. RIGHTS AND REMEDIES OF LENDER UPON EVENT OF DEFAULT.

8.1 Effect of Event of Default. If an Event of Default described in any Loan Agreement between Assignor and Lender, Lender may declare the obligations secured by this Agreement to be due and payable, whereupon such obligations shall become immediately due and payable, all without notice of any kind. Lender shall promptly advise Assignor of any such declaration, but failure to do so shall not impair the effect of such declaration.

8.2 Application of Proceeds. Any proceeds received by Lender in respect of the Contract may, in the discretion of Lender, be held by Lender as collateral for, or at any time applied by Lender to the payment of any Obligations under the Loan Agreements, as Lender may determine in its sole and absolute discretion. Payments received from any third-party on account of disposition of the Contract shall not reduce the Obligations unless paid in cash to Lender. The application of proceeds by Lender shall be without prejudice to Lender's rights as against Assignor or other persons with respect to any Obligations due under the Loan Agreements which remains unpaid. Any such deficiency shall be paid forthwith to Lender by the Assignor.

9. ASSIGNMENT BY LENDER. Assignor agrees that Lender may assign or otherwise transfer this Agreement and, subject to the terms hereof, may deliver the Contract rights to the transferee(s), who shall thereupon become vested with all powers and rights in respect thereto given to Lender herein transferred, and Lender shall thereafter be fully discharged from any liability or responsibility with respect thereto, all without prejudice to the retention by Lender of all rights and powers hereby given with respect to instruments, rights or property not so transferred.

10. EXPENSES, INCLUDING ATTORNEY'S FEES. Assignor agrees to be bound by and comply in all respects with the terms of the Loan Agreement, including the provision for payment of Attorney Fees which are hereby incorporated in this Agreement.

11. REMEDIES NOT EXCLUSIVE. No right or remedy hereunder is exclusive of any right or remedy. Each and every right and remedy shall be cumulative and shall be in addition to and without prejudice to every other remedy given hereunder, under any other agreement between or among Assignor and Lender or under the terms of the Loan Agreement between Assignor and Lender as they may exist at law or in equity and may be exercised from time to time as often as deemed expedient, separately or concurrently.

12. WAIVERS. The failure or delay of Lender to insist in any instances upon the performance of any of the terms, covenants or conditions of this Agreement or the Loan Documents, or to exercise any right, remedy or privilege herein or therein conferred, shall not impair or be construed as thereafter waiving any such covenants, remedies, conditions or provisions, but every such term, condition and covenant shall continue and remain in full force and effect; nor shall any waiver of an Event of Default suspend, waive or affect any other Event

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of Default, whether the same is prior or subsequent thereto and whether of the same or of a different type.

13. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

14. ASSIGNOR'S PERFORMANCE UNDER THE CONTRACT. Assignor hereby acknowledges its duty to perform under the Contract which shall not be altered, amended, or diminished under this Agreement. Assignor shall indemnify and hold Lender harmless from any claim asserted against Lender that is due to Assignor's breach of its duties under the Contract.

15. TERMINATION. Upon payment in full and performance of all Obligations owed by Assignor to Lender, in a sum not to exceed \$325,000.00, this Agreement shall be terminated; or otherwise, it shall remain in full force and effect.

16. CONSENT OF CITY OF PITTSBURG. Assignor shall cooperate and assist Lender with obtaining the consent of the City of Pittsburgh to this Collateral Assignment and shall assist and consent to direct payment by the City of Pittsburgh to Lender of all proceeds and rights to payment under the Contract.

17. GOVERNING LAW; JURISDICTION. THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS AND REMEDIES HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF KANSAS, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement on the day and year first written above.

"LENDER"

"ASSIGNOR"

EQUITY BANK

PEYTON'S HAMLET, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Shane Kannar  
Title: Sole Member of Peyton's Hamlet, LLC

EXHIBIT "A"

CONSENT TO ASSIGNMENT AND RIGHT TO PAYMENT

The City of Pittsburgh, by and through its duly designated officer and official herby consents to this Collateral Assignment and acknowledges that Equity Bank shall be entitled to all payments due Peyton's Hamlet, LLC and/or Shane Kannarr under the Development Agreement of Peyton's Hamlet Rural Housing Incentive District entered into by the City of Pittsburgh with Shane Kannarr on or about March 10, 2020, and subsequently assigned to Peyton's Hamlet, LLC.

Equity Bank shall have the right to demand and require direct payment by the City of Pittsburgh to Equity Bank of all proceeds under the Development Agreement with Peyton's Hamlet Rural Housing Incentive District.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Duly Designated Official

City of Pittsburg, Kansas  
2022 Budget Recap  
As of August 31, 2022  
66.67% of Fiscal Year has passed

Budgeted Funds	Un-Encumbered Cash Balance 1/1/2022	Revenues			Expenditures			Y-T-D Net	Un-Encumbered Cash Balance 8/31/2022
		Adopted Budget 2022	Y-T-D Revenues 8/31/2022	Percent Received	Adopted Budget 2022	Y-T-D Expenses 8/31/2022	Percent Used		
General Fund	\$ 8,925,273	\$ 24,906,886	\$ 19,400,217	77.89%	\$ 24,615,262	\$ 16,884,265	68.59%	\$ 2,515,952	\$ 11,441,225
Public Library	355,267	938,983	813,978	86.69%	962,539	605,021	62.86%	208,958	564,225
Public Library Annuity	-	100	-	0.00%	127,370	-	0.00%	-	-
Public Library Capital Improvments	56,449	90,000		0.00%		-	0.00%	-	56,449
Special Alcohol & Drug	47,546	110,000	63,264	57.51%	105,500	50,514	47.88%	12,749	60,295
Special Parks & Recreation	-	110,000	63,264	57.51%	110,000	63,264	57.51%	-	-
Street & Highway	209,876	1,060,250	819,115	77.26%	1,101,266	747,582	67.88%	71,533	281,409
Street & Highway Sales Tax	1,686,878	2,308,207	1,605,151	69.54%	2,674,000	743,373	27.80%	861,778	2,548,656
Section 8 Housing	42,487	1,734,025	995,262	57.40%	1,661,205	1,000,238	60.21%	(4,976)	37,511
Revolving Loan Fund	2,036,234	1,190,156	2,283,717	191.88%	572,712	389,098	67.94%	1,894,619	3,930,853
Debt Service	1,424,800	4,454,568	3,496,472	78.49%	4,100,962	3,561,441	86.84%	(64,970)	1,359,830
Public Utilities	5,069,653	8,806,857	6,219,677	70.62%	9,423,860	6,455,626	68.50%	(235,949)	4,833,704
Stormwater	454,330	870,500	583,337	67.01%	935,275	471,813	50.45%	111,524	565,854
Totals	\$ 20,308,793	\$ 46,580,532	\$ 36,343,452	78.02%	\$ 46,389,951	\$ 30,972,234	66.76%	\$ 5,371,218	\$ 25,680,011

\*Sales Tax collections are 13.83% compared to same period in 2021