

# KNOX COUNTY HOUSING STUDY

JULY 2021



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# ACKNOWLEDGMENTS

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Thomas P. Miller & Associates, LLC (TPMA) envisions a world that thinks strategically, works collaboratively, and acts sustainably. In keeping with that vision, we empower organizations and communities through strategic partnerships and informed solutions that create positive, sustainable change. Our economic development approach aims to achieve community resiliency through economic diversity, resource alignment, and community vibrancy. TPMA's Economic Development and Community Resiliency Team provides expertise in assessing markets, identifying business sector opportunities, building innovation and entrepreneurial ecosystems, and conducting housing assessments to assist communities in developing solutions for local housing challenges consistent with community and economic development objectives.

The Knox County Housing Study provides general housing trends analysis and specific site analysis as a guide for potential future housing development within the county. A variety of data sources were used to collect housing data for this study. Most notable were U.S. Census Bureau, Emsi, ESRI Business Analyst Online, local MLS real estate sales data, and individual source rent information from other local stakeholders. Attempts were made to verify data as much as possible as it was used to provide population and housing market trend analysis.

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# INTRODUCTION

Adjacent to the Illinois border in southern Indiana, Knox County is home to more than 36,000 people. The county has seen a slight decline of its population over the last five years alongside a decrease in the overall number of jobs, even amid periods of population growth across Indiana. Knox County is home to many veterans and those near the age of retirement. Most of the housing units in the county are occupied, with just over half of them occupied by owners. In addition, most of the housing stock in the county was built before 1990. Invariably, rehabilitation is a need. Within Knox County, the City of Vincennes (the oldest city in Indiana) has a population of more than 17,000 people and is home to a university in a historic, midwestern urban environment.

There is an overall lack of affordable workforce housing, which adversely impacts business attraction and expansion efforts in Knox County. Nevertheless, both the county and City of Vincennes desire amenities and homes that align with the existing priorities and needs. Some barriers to development exist, such as zoning and regulatory issues. Even so, strong schools and the increase of the suburban population offers a promising opportunity for further housing development. The county also has a generally low cost of living that is an ever-present benefit for development and millennial attraction.

Ultimately, this study is intended to illuminate the housing market in Knox County through a comprehensive data analysis that is supplemented further by inclusive community stakeholder engagement. The analysis supports a housing development strategy for Knox County Indiana Economic Development, that aims to improve the economic competitiveness of the area and aid in business attraction and resident retention. Knox County Indiana Economic Development served as the project lead and formed a Steering Committee, which included voices from across the community that aided in the direction of the study's recommendations.

**01 BASELINE HOUSING INITIATIVE REPORT**  
a summary of housing-related documents and discussion about key tools related to housing development in Knox County

**02 SOCIO-ECONOMIC TECHNICAL MEMORANDUM**  
major characteristics of the current population, estimates future population, and analyzes major household groups

**03 HOUSING STOCK, TRENDS, AND PROJECTIONS**  
an analysis of the current housing stock and estimates the demand for future residential development

**04 STAKEHOLDER ENGAGEMENT**  
a summary of interview and focus group input on current conditions, challenges, and strategies for Knox Co. housing

A photograph of a two-story house with a light-colored exterior and dark shutters. The house features a prominent front porch with decorative columns and a gabled roof with exposed wooden trusses. A dark blue semi-transparent overlay covers the entire image, and the text 'BASELINE HOUSING REPORT' is written in white at the bottom left.

# BASELINE HOUSING REPORT



## OUT OF REACH, THE HIGH COST OF HOUSING

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Out of Reach is a study published every year by the National Low Income Housing Coalition. It looks at every state and analyzes issues that surround housing and those who are low-income, and cost burdened. In 2018, they found that there is not a single state, metropolitan area, or county in the entire nation where a worker can earn the federal minimum wage of \$7.25/hour, or the prevailing state minimum wage in places that have a higher minimum wage and afford a two-bedroom home at fair market rent while working a standard 40-hour week. In Indiana, the Fair Market Rent (FMR) for a two-bedroom apartment is \$848. To afford this level of rent and utilities – without paying more than 30% of income on housing – a household must earn \$2,828 monthly or \$33,940 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of \$16.32.

In Knox County, the hourly wage necessary to afford a two-bedroom home at a fair market rate (HUD identified), is about \$14.73. The estimated hourly mean renter wage in 2020 was \$11.76. The necessary identified hourly wage is an annual income of \$30,640, which means to afford a two-bedroom unit at fair market rate, one earning the state minimum wage would essentially need two full time jobs. The area's median income is \$60,000, which places the affordable monthly rent of the area based on that at \$1,500. As 30% of the AMI is \$18,000, the monthly affordable rent at that level is \$450. For a renter who earns the mean hourly renter wage (\$11.76), they would need 1.3 full time jobs in Knox County to afford a two-bedroom rental at a fair market rate. Some people who are working full time cannot afford their homes.

## INDIANA HOUSING COMPARED TO THE UNITED STATES

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The Joint Center for Housing Studies of Harvard University publishes a state of the nation's housing report annually. Key themes across the United States include insufficient housing construction, increase demand for ownership, tight supply of rental housing markets which is inducing price pressure, urgent affordability concerns, and the fact that aging boomers and millennials will support strong housing demand over the next decade.

New housing supply remains constrained, despite rising demand from growing households. This is impacted by lower-than-average housing construction. In Indiana, although homeownership is rising, home prices are increasing faster than incomes in most metro areas.

For rentals, the rate of vacancies is falling, and renter household growth is slowing. Additionally, higher income households (\$75,000 and up) have boosted rental demand across the state. However, even with top line improvements, affordability has worsened for modest income renters and remains a significant challenge for low-income renters. Amplifying this issue, Indiana's low rent housing stock has declined each year from the peak in 2014.

# HOUSING TOOLS IN KNOX COUNTY INDIANA

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There are several tools in Knox County that can help to spur housing and community development. The following incentives, policies, and programs all constitute viable tools to aid in the expansion of the county's baseline of housing stock.

## GOOD LANDLORD PROGRAM

To build a body of responsible landlords, a city must go beyond regulations to create a landlord incentive system. Incentives and regulations are interactive strategies. Some of the most effective incentives tie into the regulatory system by offering regulatory relief as a product of responsible behavior.

## SCATTERED SITE DEVELOPMENT

Good for developing rental stock.  
SFR, Duplexes, Townhomes,  
Rental Housing Tax Credit (IHCD)

## HISTORIC TAX CREDITS

Historic Tax Credits from the federal US Department of the Interior Park Service may be very valuable for developers to raise equity for properties that qualify as historic.



## UPPER STORY REVITALIZATION

**Indiana Redevelopment Tax Credit** - the Redevelopment Tax Credit (RTC) provides an incentive for investment in the redevelopment of vacant land and buildings as well as brownfields. This credit, established by Indiana Code § 6-3.1-34, provides companies and developers an assignable income tax credit for investing in the redevelopment of communities, improving quality of place and building capacity at the local level.

**PreservINg Main Street** - a multi-faceted community development program designed to build a sustainable historic preservation community ethic, build local capacity for local Main Street programs, and serve as a comprehensive downtown revitalization model. This program will provide eligible Indiana Main Street communities with an additional "tool" in their economic vitality toolbox that will help stimulate local economies using an innovative funding mechanism to preserve downtown historic buildings.





## OTHER RELEVANT INDIANA PROGRAMS

**READI (IEDC)** - Indiana launched the Regional Economic Acceleration and Development Initiative (READI) that will dedicate \$500 million in state appropriations to promote strategic investments that will make Indiana a magnet for talent and economic growth. The state will encourage neighboring counties, cities and towns to partner to create a shared vision for their future, mapping out the programs, initiatives and projects that are critical for them to retain talent today and attract the workforce of tomorrow.

**Tax Increment Financing (TIF)** - a powerful financing tool used to fund economic development and investment in infrastructure. TIF is based on capturing the future increased tax dollars that are a result of the development. Specific use of appropriate TIF funds is governed by IC 36-7-14.

**Indiana Housing & Community Development Authority (IHCDA)** - provides Rental Housing Tax Credits for both multi-family and scattered site single-family rental projects. These tax credits are critical for raising equity to close the financial gap to keep projects affordable for households making at or about 60% of Area Median Income.

## USDA RURAL DEVELOPMENT PROGRAMS

**Multi-family Housing** - Farm Labor Direct Loans & Grants, Housing Preservation and Revitalization Loans & Grants, Housing Preservation Grants, MF direct loans, MF housing guarantees, MF housing rental assistance

**Single-Family Housing** - Mutual Self-help housing TA grants, SF direct loans, SF home loan guarantees, SF repair loans & grants, rural housing site loans



A three-story Victorian-style house with a blue and red color scheme. The house features a wrap-around porch with blue columns and red railings. The roof has two dormer windows with red trim. The house is set against a clear blue sky.

# SOCIOECONOMIC TECHNICAL MEMORANDUM

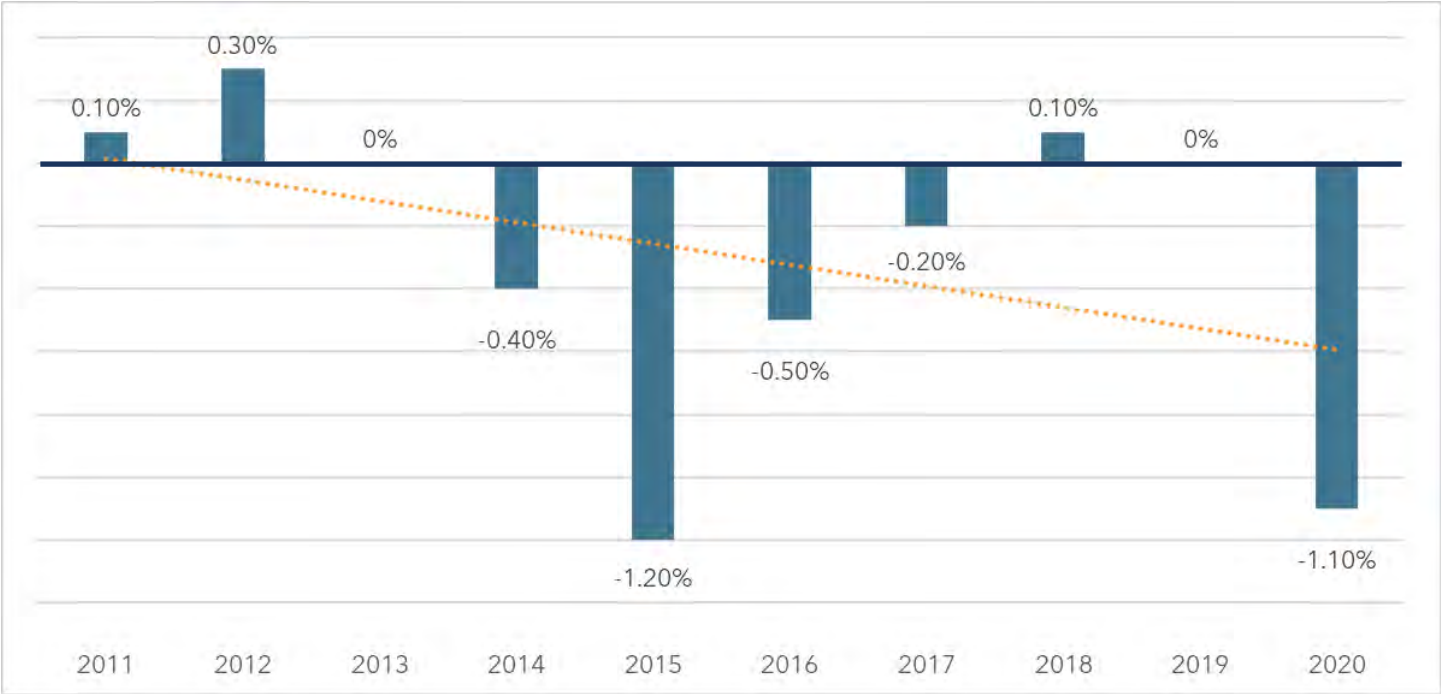


# POPULATION

Knox County is a largely rural area with a rich history. Much of the county's population is concentrated in its largest city, Vincennes. Moving in a different direction to the general trend of the state, Knox County has experienced an overall decline, losing up to -1.20% of the population in 2015, closely followed by 2020 and the COVID-19 pandemic impact on population, indicating a consistent downward trend.

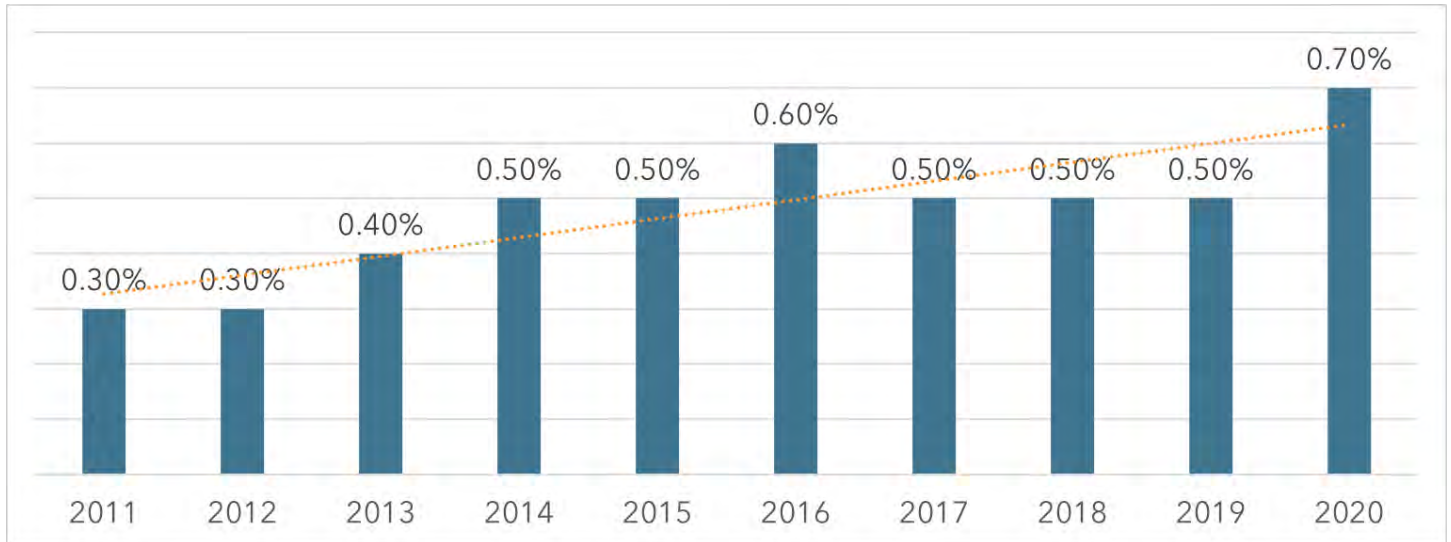
Over the last ten years, population decline has been a determining factor in trends that have impacted the local economy, mobility, and the housing market. Low population recovery has been characteristic of Knox County, placing a greater strain on existing structures, as community needs change and academic notoriety drives the population to the region. The daytime population results in a slight increase but reverts after work hours.

Exhibit 1: Knox County Population Over Time  
Source: Emsi Q1 2021



However, the population in the state overall, indicates upward trends gaining 0.7% in population last year, the greatest growth the area has seen for the last ten years. Nationally population growth has stayed stagnant or experienced minimal growth in recent years.

*Exhibit 2: Indiana Population Over Time*  
Source: Emsi Q1 2021



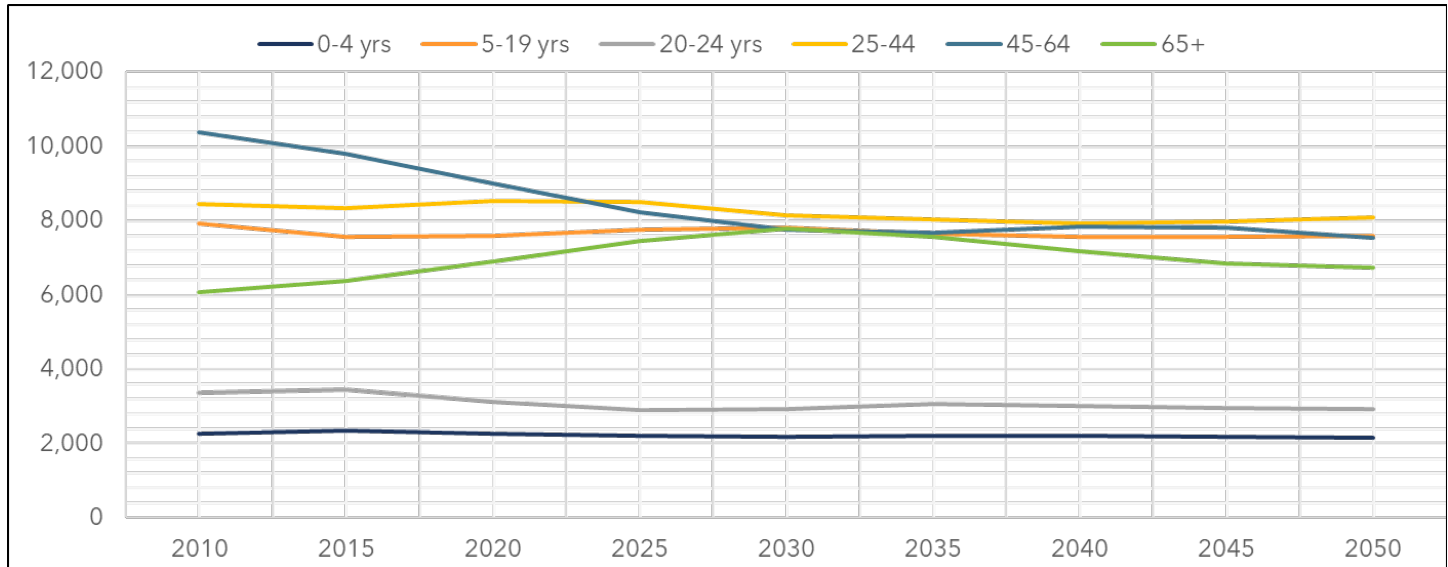


Knox County's median age is growing from 38.4 in 2010 to a projected 41.0 by 2025. Between 2010 and 2015, the largest age group was ages 45 to 60. As time passes, this large group will age out of the labor force, creating gaps in employment, skill level, and institutional knowledge. Other segments

between the age of 20 to 44 have maintained over time and will continue to do so into the future with no significant increase in population anticipated. As newer generations enter the workforce to replace vacancies, affordable housing becomes a pivotal factor in attracting and retaining the talent.

*Exhibit 3: Projected Population by age 2010-2050*

Source: StatsIndiana



In 2020, the county's population declined by 3.8% (over 1400 residents). The population is expected to continue to decline through 2025 at a similar rate and reach relative stability into the future. The minimal growth trend is displayed, primarily due to lack of housing and consistent turnover in local businesses and institutions. Age groups between 0-4 and 20-24 years of age are projected to maintain stability between 2030 and 2050, assuming all other factors remain constant. The age group, 45-64, has seen the most significant decrease in

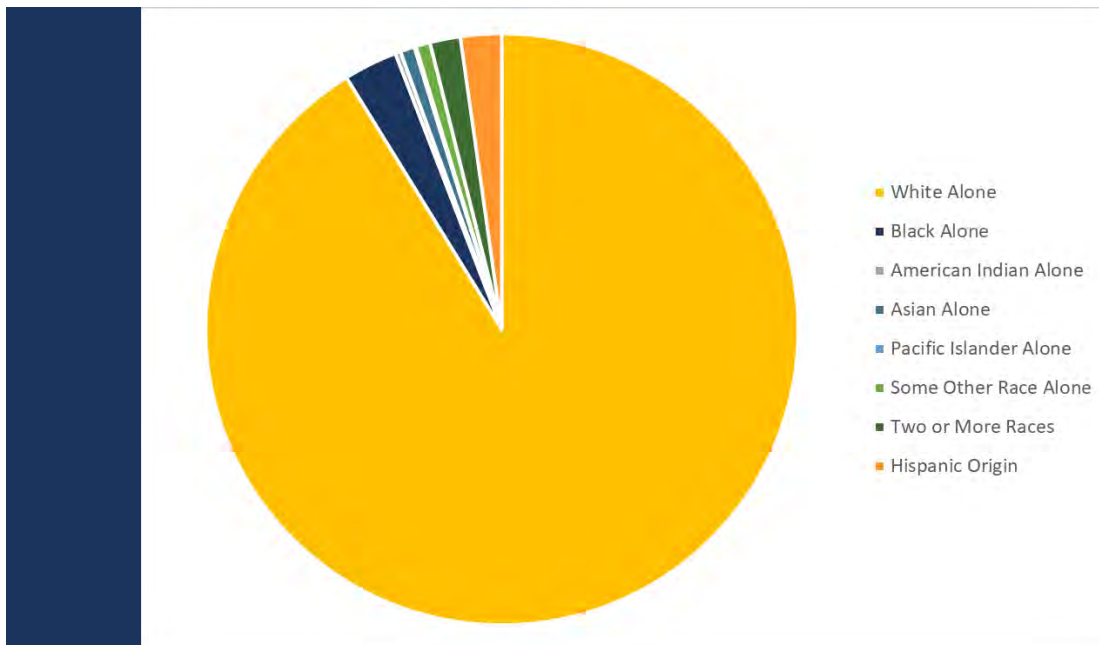
population since 2010. To drive population in long term growth and assure sufficient supply to regional industry demands, the region must attract and retain talent pools to develop and foster a dynamic local economy, competitive with surrounding areas that are currently drawing human resources away from the county. There is no significant loss of labor force due to ageing population segments retiring from the workforce, although an increase is predicted for 2030.

93% of county residents identify as White, making up a highly significant segment of the local population, followed by 3% Black, and 2.3% of Hispanic origin. Other races and ethnicities form 2% of the population. Knox County roughly reflects a similar distribution to the rest of the state, where White residents represent the highest population segment, forming 84% of the population, black

9.1% and residents of Hispanic origin form 6%. Stakeholder input suggests that people of color recruited to work in Vincennes often live outside of Knox County and commute about an hour. It was indicated that people of color may not feel included in the community and that strategies need to be developed and implemented in order to attract and retain people of color to the area.

*Exhibit 4: Population by Race*

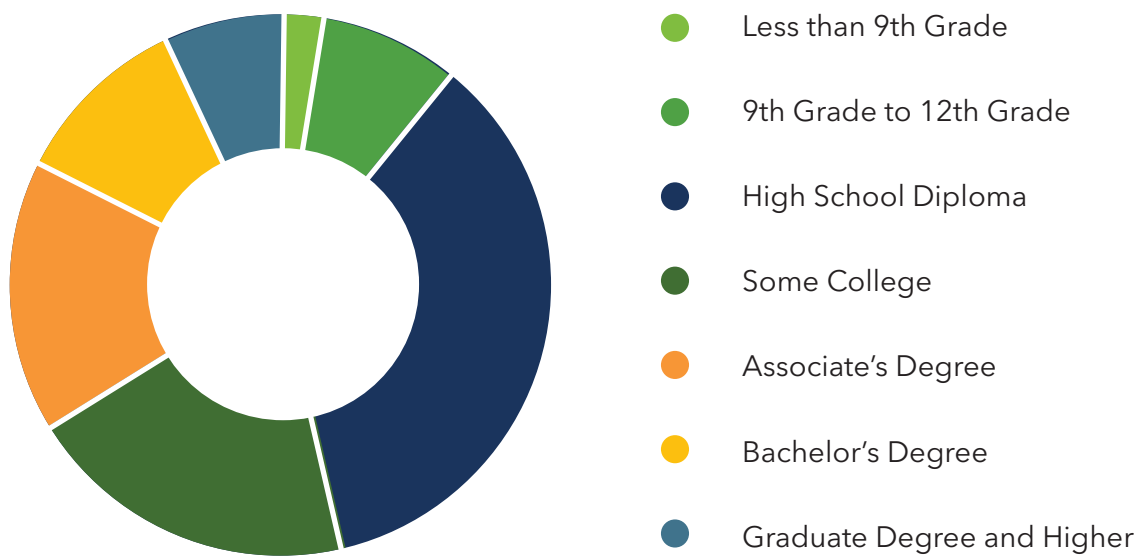
Source: EMSI Q1 2021



Education attainment in the region is largely dominated by Vincennes University, Good Samaritan Hospital School of Radiologic Technology, and Vincennes Beauty College. Positive views on k-12 education have made the county an attractive place for growing families in the area. A significant majority of the population has achieved a high school diploma and have entered higher education institutions. Degrees awarded are distributed in a relatively evenly between men and women, with a graduation rate of 47% female and 53%

male graduates. The state has shown a moderate increase in graduation rates, from 87.29% to 87.69% indicating an upwards trend in education attainment, that is often offset by the loss of population. When comparing Knox County education attainment to the state and national levels, Knox County is above average in high school graduations and Associates degrees while matching the state and county in the Some College category, and closely matching the Less than 9th grade and 9th to 12th grade educational segments.

*Exhibit 5: Knox County Population by Educational Attainment*  
Source: Emsi Q1 2021



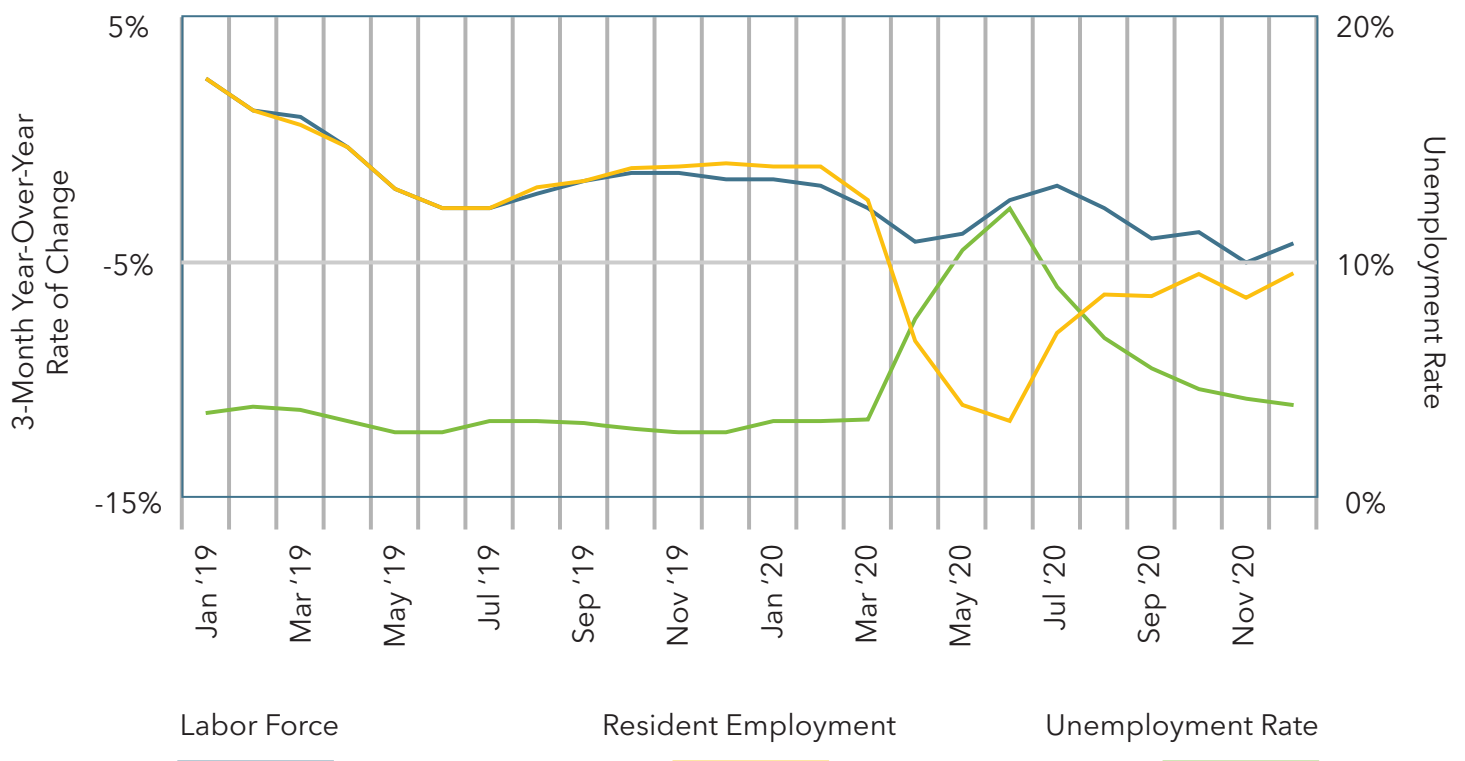
**10.2%** of Knox County, IN residents possess a **Bachelor's Degree** (9% below the national average), and **16.4%** hold an **Associate's Degree** (7.8% above the national average).



# LABOR FORCE

When considering Knox County population projections by age, the region can expect a sharp decline in the labor force by 2025 while experiencing some stagnation in the age group 25-44 that make up the bulk of available labor. Population decline is projected to slow near 2030, then leveling out through 2050. Young adults age group will remain steady into the future, with a consistent pipeline of talent flowing through local schools like Vincennes University, creating an opportunity to lure students and push the labor pool to supply the high demand for services and production.

*Exhibit 6: Labor Force and Resident Employment*  
Source: U.S. Bureau of Labor Statistics



Between 2010 and 2015, the largest age groups in the county ranged from 45 to 60 years of age. As time passes, this large group will age out of the labor force, creating gaps in employment, skill level, and institutional knowledge. Other segments between the age of 20 to 44 have maintained over time and will continue to do so into the future with

no significant increase in population anticipated. As newer generations enter the workforce to replace vacancies, affordable housing becomes a pivotal factor in attracting and retaining talent to support companies and help them adapt to new demands and tools that have been continuously changing, exacerbated by the impacts of COVID-19.

2020 Labor Force Breakdown

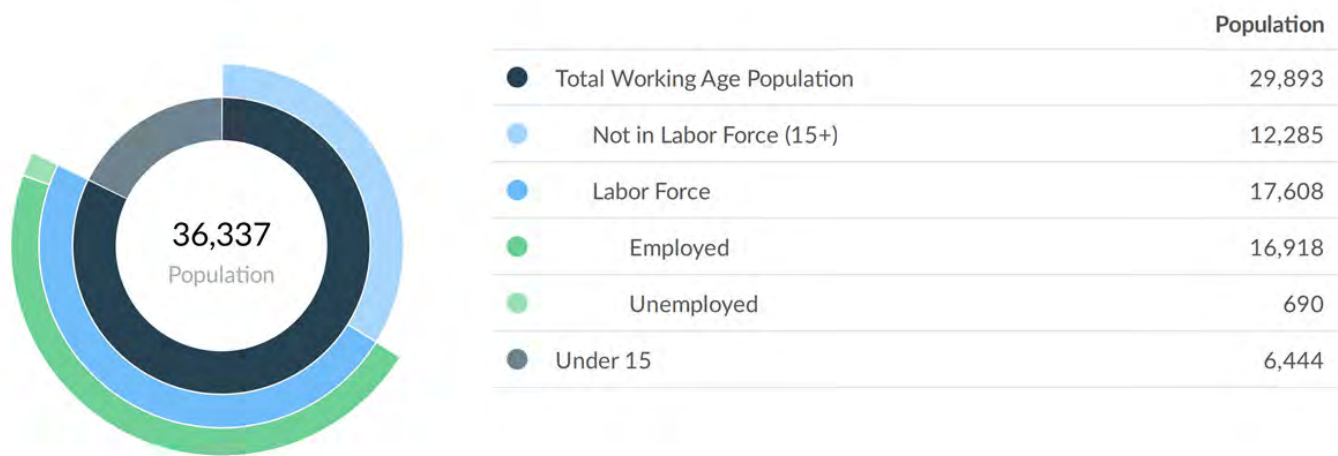
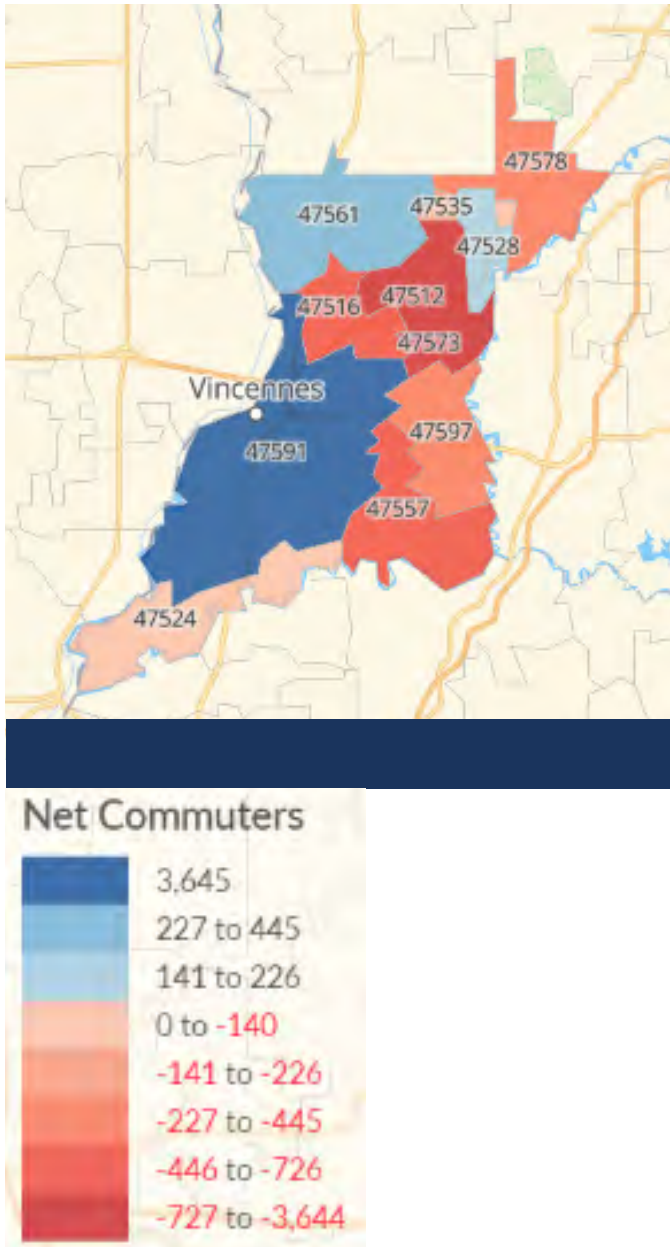


Exhibit 7: 2020 Labor Force Breakdown  
Source: Emsi Q1 2021

# COMMUTING PATTERNS

*Exhibit 8: Knox County Commuting by Zip Code*  
Source: Emsi Q1 2021



When considering commute times and potential job sites, the distance employees must travel to their workplace becomes an essential part of planning. Most of the employed county residents leave the zip code they reside in and travel towards Vincennes and the northwestern edge of the county, including zip codes 47591, 47561 and 47528, holding the highest density of job sites and job opportunities in the county, as demonstrated in Exhibit #8 commuting patterns are prevalent in the zip codes 47512, 47516 and 47557 who observe the largest decrease in daytime population. This extreme shift can present mobility issues, service gaps, and strain on infrastructure. Zip code 47542 sees the smallest change in daytime population.

## Method for Commute Pattern

Commuting patterns considered in this study derive from the Census Bureau's LED LODES dataset. Commuting patterns are derived from the Census Bureau's LED LODES dataset. These commuting patterns are applied to final Emsi industry job counts (from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) dataset) to create an industry-based commuting/industry-by-residence dataset.





*Exhibit 9: Knox County Commuter Overview*  
 Source: Stats Indiana and TPMA

## OVERVIEW OF TOWNSHIPS

A township in the United States refers to a small geographic area, ranging in size from 6 to 54 square miles (15.6 km to 140.4 km), with 36 square miles (93 km) being the norm.

The township government is a local unit of government, originally rural in application. They are geographic and political subdivisions of a county. The township is identified by a name, such as Washington Township. The responsibilities and the form of the township government is specified by the state legislature. OF Indiana is the only state where every portion of the state is part of a township government, regardless of other municipalities; there are 1,006 townships in Indiana.

The eastern and southern parts of the county, including zip codes 47512, 47516, and 47578, see the most significant decrease in the daytime population defined by ESRI as the summation

of residents and workers during business hours later reverts in the evening to reflect the resident population.

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The eastern and southern parts of the county, including zip codes 47512, 47516 and 47578 see the largest decrease in daytime population defined by ESRI as the summation of residents and workers present in the area during business hours, that later reverts in the evening to reflect resident population.

ZIP Name	2020 Resident Workers	2020 Jobs	2020 Net Commuters
Vincennes	12,163	15,683	3,520
Bicknell	1,705	968	(737)
Oaktown	789	1,029	240
Bruceville	618	162	(455)
Monroe City	607	155	(452)

*Exhibit 10: Where Talent Lives*

*Source: Emsi Q1 2021*



Bicknell, Bruceville, and Monroe City see the highest commute rate, with a significant part of their population traveling to Vincennes and Oaktown regularly indicating low economic activity or an undynamic presence of private/public companies, suggesting the need for new sites and centers of the enterprise. However, the agrarian nature of the area has granted a specialized labor pool and relative stability throughout the recent economic turmoil. As the most prominent area for an employment opportunity, Vincennes brings in approximately 3500 daytime commuters to supply a wide array of products and services that are not readily available in other parts of the county. Vincennes, Oaktown, and Edwardsport have a positive net commuter amount, while Bicknell and Freelandville see a decline in population and available employment opportunities for bear by residents.

ZIP Name	2020 Resident Workers	2020 Jobs	2020 Net Commuters
Vincennes	12,163	15,683	3,520
Oaktown	789	1,029	240
Bicknell	1,705	968	(737)
Edwardsport	302	449	147
Freelandville	373	189	(184)

*Exhibit 11: Where Talent Works*

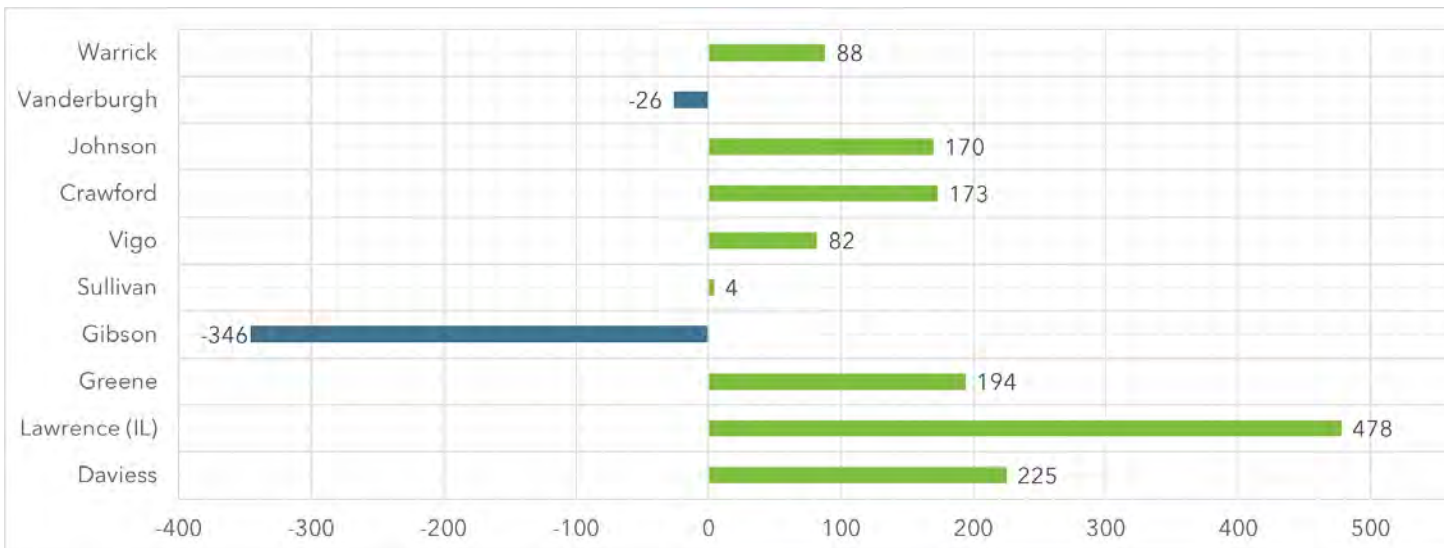
Source: Emsi Q1 2021

When comparing Knox County net commuters to other counties, more daytime population commutes out of Knox County than many of its counterparts, including Warrick, Vigo, Johnson, and Crawford. Lawrence, IL, and Daviess observe the most significant increase in population by

commuting. At the same time, Vanderburg has a marginal loss. Gibson and Bicknell have one of the largest decreases in the region, dwarfing nearby counties. Freelandville experiences a less impactful yet consistent loss of daytime population to more economically dynamic areas like Vincennes.

*Exhibit 12: Net Commuter County Comparison*

Source: StatsIndiana





# WAGES AND INCOME

Exhibit 12 displays the households in Knox County separated by income brackets. The largest group, representing about 19.5% of the households in the county, have incomes between \$50-74,999. Nearly 51% of the households in the county make less than \$49,999, with the largest of that cohort being within

the range of \$35-49k; this group is about 15% of the entire total. The \$75-200+ household income group is far smaller, comprising about 30% of the total, with the smallest cohort being the \$200k+ group, which is just 2.3% of the total.

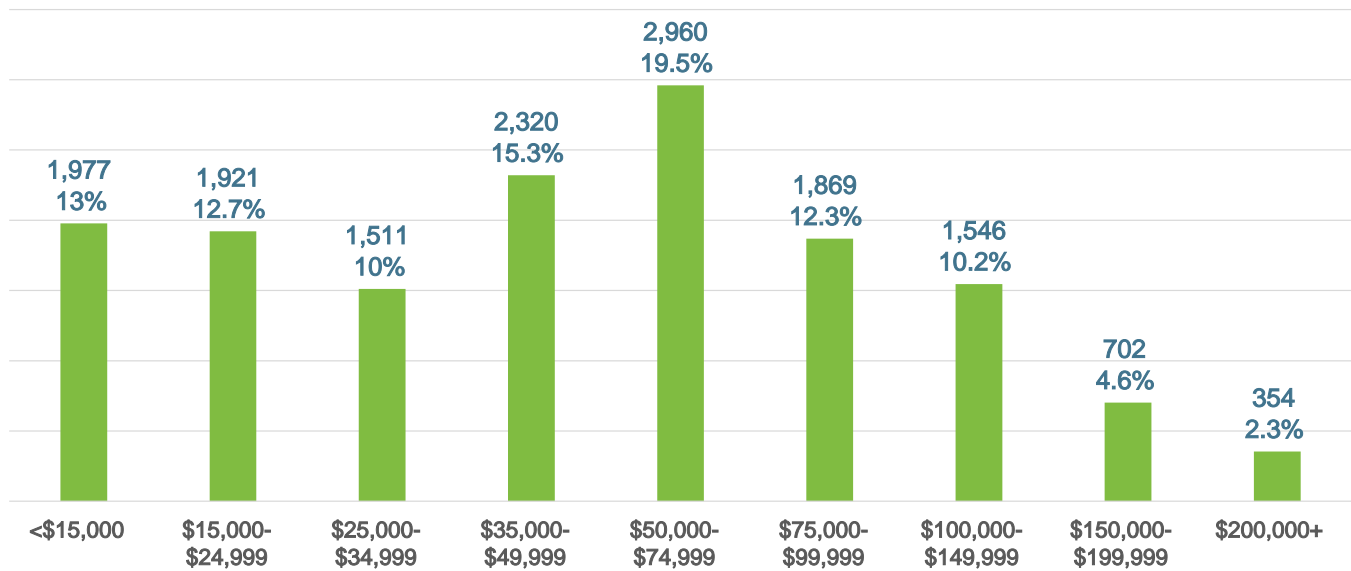


Exhibit 13: Knox County Households by Income  
Source: U.S. Census Bureau, Census 2010 Summary File 1.  
Esri Forecasts for 2020 and 2025.

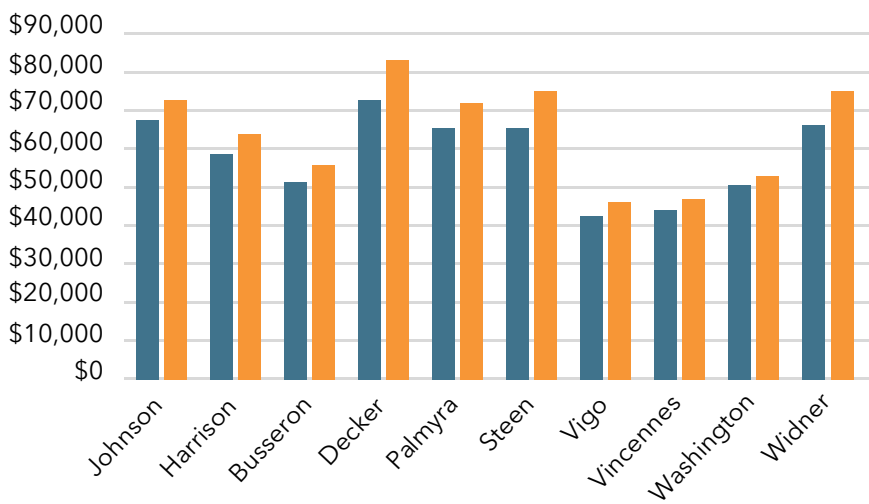


Exhibit 14: Median Household Income by Township 2020-2025  
Source: U.S. Census Bureau

For Knox County, overall, the median household income is expected to increase by about 6% by 2025. Median household income is growing at disparate rates in the county, favoring Steen, Decker, Widner and Johnson. Slower growth can be observed in Vigo, Vincennes and Washington that have displayed marginal growth rates projected through 2025, often due to the industrial nature of each township, where some have a deep agrarian inclination and others are more focused on higher education, products, and services.

The MIT Living Wage Calculator also sheds light on the income of the county. This tool allows an understanding of what wages are needed to live in the county; this translates what wages are necessary for someone who does not spend more than a 1/3 of monthly income on rent and allows them an ability to afford the necessary expenses for a moderately comfortable, first-world lifestyle. Typical expenses include food, childcare, medical, transportation, taxes, and civic expenses.

The living wage in the calculator is the hourly rate that an individual in a household must earn to support his or herself and their family. The assumption is the sole provider is working full-time (2080 hours per year). The tool provides information for individuals, and households with one or two working adults and zero to three children. The table below shows the living wages for two adults, both working, for various situations with or without children.

Two Adults (Both Working)				
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$10.74	\$14.33	\$17.44	\$19.73
Poverty Wage	\$4.14	\$5.22	\$6.30	\$7.38
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25

Exhibit 15: Knox County Living Wage Breakdown

Source: MIT Living Wage Calculator

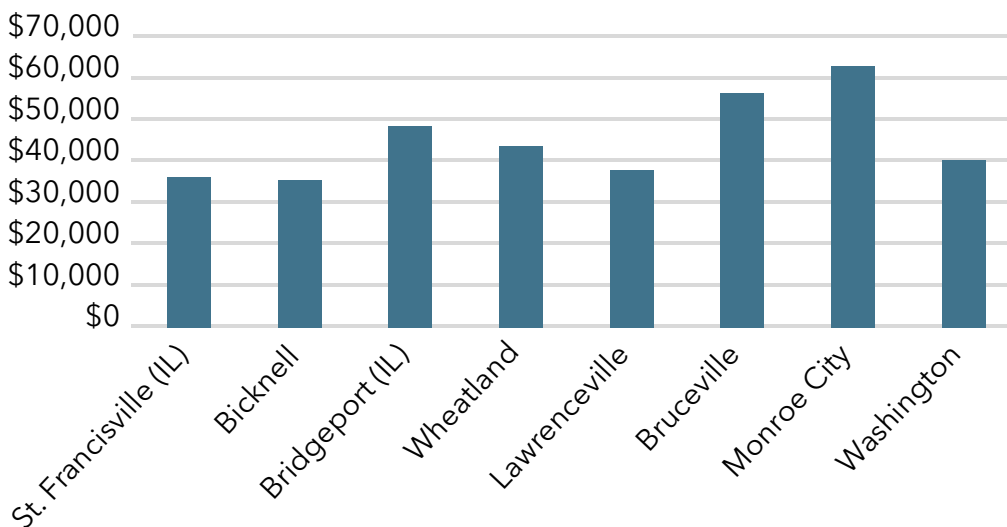


Exhibit 16: Median Household Income Comparison

Source: U.S. Census Bureau

When comparing median household incomes among similar cities, Bicknell and St. Francisville see a similar income to residents in Lawrenceville and Washington, displaying the highest poverty rates in the area, Bicknell and Lawrenceville have a rate of over 28%, followed by Washington at 18.3% poverty rate. Monroe City and Bruceville have the highest incomes, falling just below the national average of \$68,703. This trend follows in median property value with St. Francisville and Bicknell at the lowest value averaging \$48,000 while the highest value is in Washington, reaching over \$84,000.

# HOUSING BASELINE

From the total housing units in 2020, over 50% are rentals, 30% are for sale, and 11% remain vacant. Considering the available stock, housing and income trends indicate a shift in consumer behavior when approaching homeownership. Preferences and priorities have changed to adapt to the new lifestyles, income trends, and effects of

the increasing popularity of remote work. Rental vacancy trends indicate a marginal increase from the first quarter of 2021, compared to the rate in the first quarter of 2020 at a national level. Sharper increases have been observed in the Northeast West and Midwest regions, seeing a decrease exclusively in the South of the country.

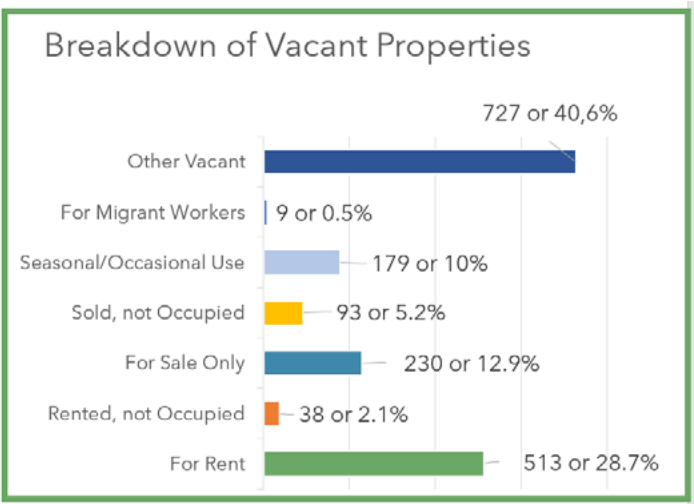
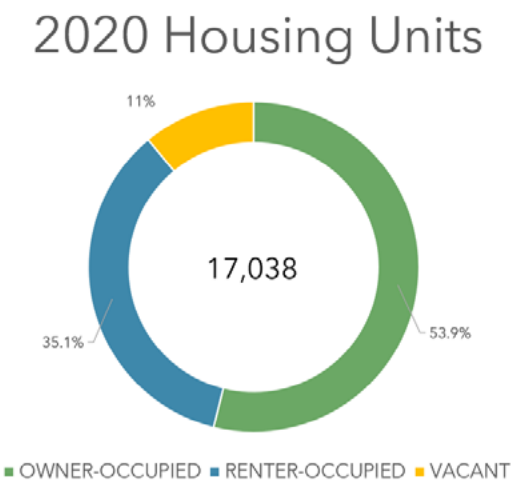


Exhibit 17: Knox County Housing Profile  
Source: Esri Business Analyst, U.S. Census Bureau, 2014-2018 American Community Survey, and TPMA

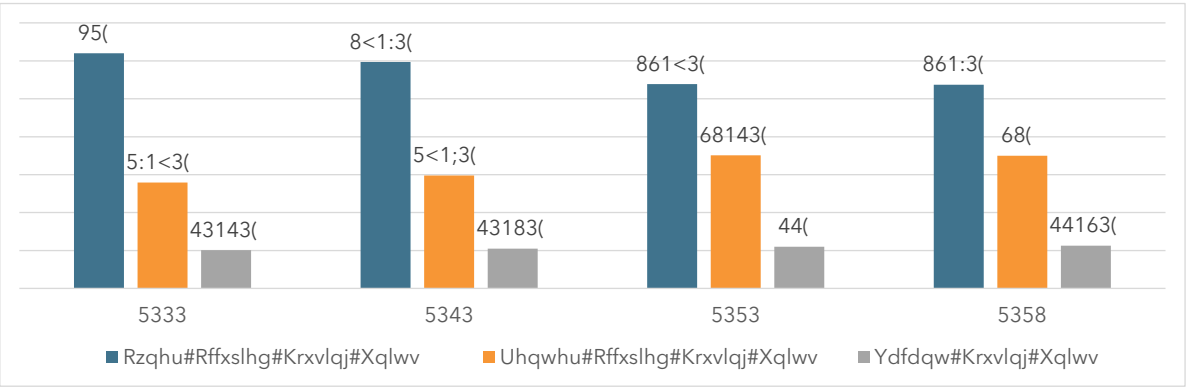


Exhibit 18: Knox County Housing Unit Summary Over Time

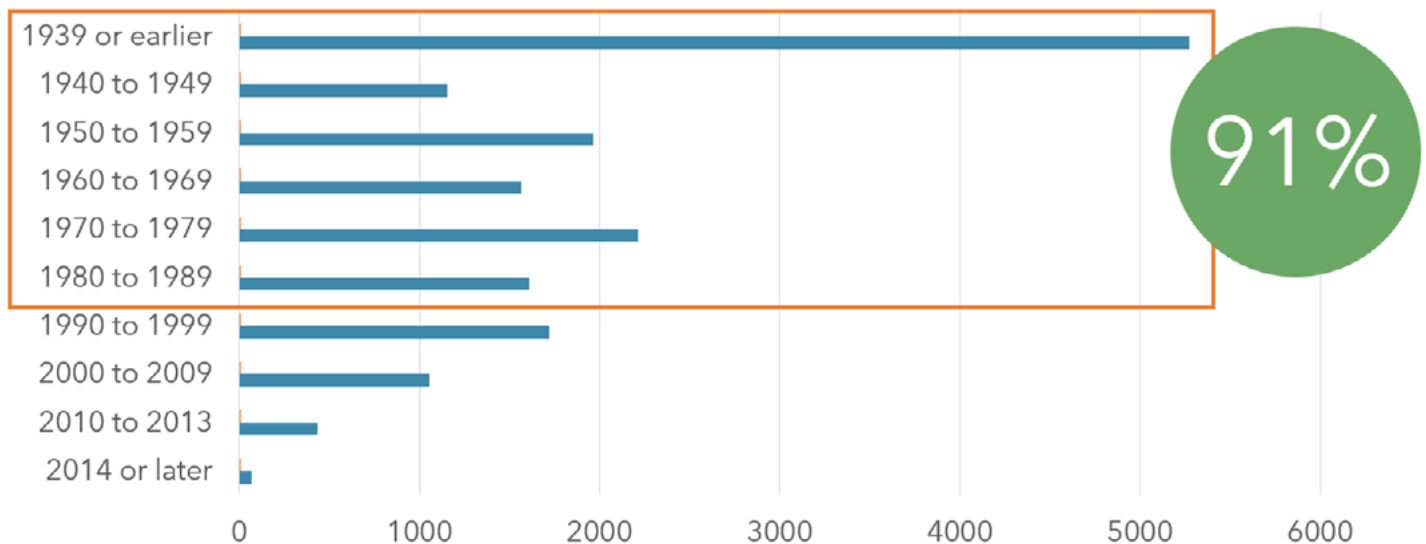
### Method for Vacancy Evaluation

Total housing unit updates are created from recorded changes in the housing inventory and estimated changes in occupancy rates are culled from the Census 2010 base data. Recorded change in the housing inventory is drawn from several data sources, including multiple construction data inputs from Metrostudy, Axiometrics, data for new manufactured homes placed by state from the Census Bureau, and building permits for permit-issuing places and counties. Independent estimates of change in occupancy are calculated from USPS residential lists, the American Community Survey, and various state and local data sources. The Current Population Survey and the Housing Vacancy Survey from the Census Bureau is used to model trends in occupancy.

Analyzing the year of construction for available housing units speaks to characteristics and expectations for buyers, as demonstrated by Exhibit #18 where over 90% of the existing stock was built before 1939. Although many of these homes are historically significant and add to the character of the City of Vincennes, they deviate from the current trends and demands seen in recent consumer behavior. Construction continued to decline into the 2000s as demand increased with the growing presence of Vincennes University, and the growing industry around the area.

The high demand for housing increases the strain on the market, creating a severe gap in supply and demand. This gap is causing lengthy ramifications with a high impact on local businesses and institutions.

Many homebuyers in the area are looking for lower-cost and low-maintenance homes. Newer generations are steering away from backyards and extensive property care and gravitating to a smaller, easier to manage home better suited to their needs, lifestyles, average family size, and income.



*Exhibit 19: Knox County Housing Units by Year Built*

*Source: Esri, U.S. Census Bureau, 2014-2018 American Community Survey, and TPMA*

The additional restrictions around the aesthetics of historic homes in protected areas may add barriers and discourage homeowners from regularly engaging in maintenance. Historically, housing improvements increase when there is a subsidy available to fund repairs. High demand has exerted upward pressure in the housing market driving prices, demanding renters and new homeowners make concessions on quality, as there is little motivation for renters and sellers to make repairs for cost of opportunity, as demand will continue its high trend.

Younger consumers entering the housing market display a shift in needs and preferences, distancing from home maintenance efforts and large properties to showing a propensity for homes with walkable spaces, reduced properties, and energy efficiency gravitating to sustainable efforts and characteristics. These preferences often lead to reduced cost of living, and ample access to restaurants, event spaces, and outdoor activities.

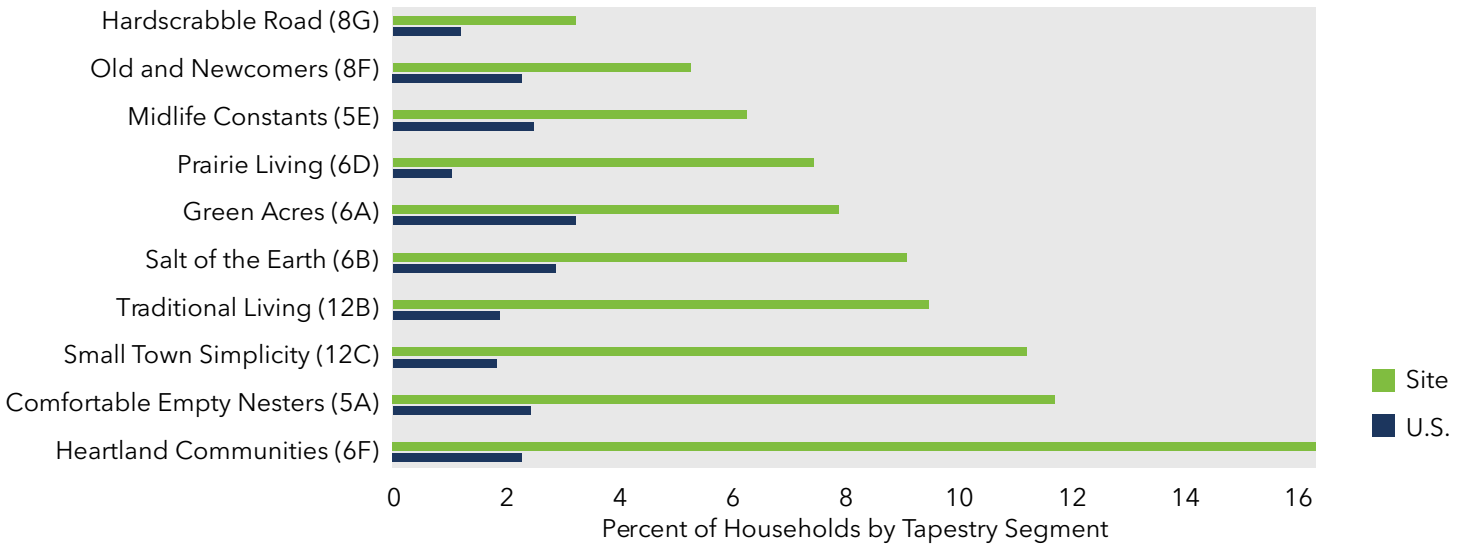


# COMMUNITY TAPESTRIES

ESRI's Tapestry Segmentation Profiles are a consumer analysis tool that identifies distinctive markets in the U.S. based on socioeconomic and demographic characteristics to provide a profile of area consumers. In essence, each tapestry provides consumer market profiles that categorize households based on their preference for goods, leisure activities, and housing choice. These profiles estimate the average national growth, demographic characteristics, and buying power of such households. Using these household tapestry profiles; Knox County can identify the broad categories of households already present in the area and gauge the types of development likely to attract target groups. The following are the tapestries that make up most Knox County households. General descriptions of the Knox County tapestries are below:

- 01 HARDCRABBLE ROAD
- 02 OLD AND NEWCOMERS
- 03 MIDLIFE CONSTANTS
- 04 PRAIRIE LIVING
- 05 GREEN ACRES
- 06 SALT OF THE EARTH
- 07 TRADITIONAL LIVING
- 08 SMALL TOWN SIMPLICITY
- 09 COMFORTABLE EMPTY NESTERS
- 10 HEARTLAND COMMUNITIES

## Top Ten Tapestry Segments, Knox County vs. U.S.



*Exhibit 20: Top Ten Tapestry Segments, Knox County vs. U.S.*  
 Source: ESRI and TPMA

All of the predominant tapestry groups that make up Knox County are over-represented in Knox County compared to the United States. The most common market segment in Knox was the Heartland Communities (6F) Tapestry with 16.4% of the total share. Comfortable Empty Nesters (5A) and Small-Town Simplicity (12C) were highly common as well.

While it is important to consider the current makeup of market segments within Knox County, the county is also influenced by a broad regional market. Analyzing a 60-minute likely maximum drive time for the labor shed shows shifting tapestry trends and provides a more holistic view of the housing market in the area. This allows Knox County to consider which market segments may be attracted to potential housing options within its borders.

Within Knox County, the Young and Restless and Soccer Moms segments do not represent significant portions of the market. However, within a 60-minute drive time, these segments appear extensively, likely from areas such as Princeton and Northern Vanderburg County. These segments are projected to grow, adding 731 new households in the region by 2030. Even if Knox County captures just 20% of this growth, it would mean 146 new households in those two segments alone.

## URBAN

Within Vincennes, the Young and Restless tapestry segment is of particular interest. The Young and Restless tapestry segment includes individuals in their 20s with higher-level skills, who are primarily looking for more urban rental housing options (max rent of \$844/month) with very low maintenance. The labor force participation for this segment is particularly high at 75%. These individuals tend to participate in community events and like to get involved. They also tend to move more frequently, so engaging them with community buy-in, opportunity for professional advancement, and tech-forward amenities may help with tapestry segment retention.

The Front Porches tapestry is also interesting for Vincennes, with projected growth of 712 households in the region by 2030. The tapestry is made up of a diverse group of families and singles, most with young children. More than half of householders in this segment are renters of older single-family dwellings, townhomes, and duplexes. They are generally blue-collar workers with a strong labor force participation rate, though unemployment is slightly high.

## SUBURBAN

In contrast, the Soccer Mom segment is affluent and looking for suburban single-family homeownership and amenities such as good schools. This gives Knox County a particularly competitive advantage in the attraction of new residents in this tapestry, as area schools are all performing well. The Soccer Mom tapestry segment is also projected to have the highest growth rate in regional suburbs through 2030. Knox County can attract this segment with family-oriented activities, convenient and time-saving services, and outdoor recreation.

While the Savvy Suburbanites segment has the highest median household income, it represents the least amount of projected new households for the area.

## SMALL TOWN/RURAL

In small towns and rural areas of the region, the tapestry data indicates a significant market for single-family housing developments. The greatest yearly change is attributed to Middleburg while the greatest number of total new households in 2030 is projected to be in the Green Acres segment.

The Green Acres tapestry segment lives primarily in single family, owner-occupied housing. They are self-reliant, more likely to be self-employed or newly retired, generally conservative, and involve themselves in many outdoor living activities. Middleburg households are also conservative and family-oriented, living in semirural neighborhoods in more affordable single-family homes. The Middleburg segment is mostly made up of young couples with multiple children. The labor force participation rate for both Green Acres and Middleburg is 66%-67%. Given that Middleburg and Green Acres have the highest median household income and the highest maximum price in housing sale, it's likely that home prices in rural Knox County will continue to increase. Other tapestry segments are projected to grow in rural Knox County as well, however, there is no projected growth in the Heartland Communities segment. However, the percentage of the Heartland Communities segment in Knox County is more than 5 times that of the United States. These homeowners are typically semiretired empty-nesters who are active in the community and support local business while enjoying a slower pace of life and outdoor activities.



		% Yrly Change	% OWN	% RENT	Median Age	Median HH Income	\$Max For-Sale	\$Max Rent/Mo	Proj. New HHs 2030	Total Capture 20%
City	Old and Newcomers	0.70%	45%	55%	39.4	\$44,900	\$134,700	\$935	233	47
	Front Porches	0.60%	47%	53%	34.9	\$43,700	\$131,100	\$910	712	142
	Retirement Communities	0.70%	45%	55%	53.9	\$40,800	\$122,400	\$850	155	31
	Young Restless	1.30%	13%	87%	29.8	\$40,500	\$121,500	\$844	167	33
	Traditional Living	0.20%	58%	42%	35.5	\$39,300	\$117,900	\$819	203	41
	Set to Impress	0.60%	28%	72%	33.9	\$32,800	\$98,400	\$683	85	17
	Hardscrabble	0.20%	40%	60%	32.4	\$28,200	\$84,600	\$588	131	26
	<b>New Market Segment to Knox County</b>								<b>1,686</b>	<b>337</b>
Suburban	Savvy Suburbanites	0.80%	91%	9%	45.1	\$108,700	\$326,100	\$2,265	102	20
	Soccer Moms	1.40%	85%	15%	37.0	\$90,500	\$271,500	\$1,885	564	113
	Comfortable Empty Nesters	0.50%	87%	13%	48.0	\$75,000	\$225,000	\$1,563	221	44
	Midlife Constants	0.30%	73%	27%	47.0	\$53,200	\$159,600	\$1,108	212	42
	<b>New Market Segment to Knox County</b>								<b>1,097</b>	<b>219</b>

Exhibit 21: City and Suburban Knox County Tapestry Breakdown (60-minute Drive Time)

		% Yearly Change	% OWN	% RENT	Median Age	Median Household Income	\$Max For-Sale	\$Max Rent/Mo	Proj. New Households 2030	Total Capture 20%
Rural/Small Community	Green Acres	0.90%	86%	14%	43.9	\$ 76,800	\$ 230,400	\$ 1,600	1,260	252
	Middleburg	1.40%	73%	27%	36.1	\$ 59,800	\$ 179,400	\$ 1,246	271	54
	Salt of the Earth	0.30%	83%	17%	44.1	\$ 56,300	\$ 168,900	\$ 1,173	1,025	205
	Prairie Living	0.30%	79%	21%	44.4	\$ 54,300	\$ 162,900	\$ 1,131	207	41
	Southern Satellites	0.70%	78%	22%	40.3	\$ 47,800	\$ 143,400	\$ 996	388	78
	Heartland Communities	0.00%	69%	31%	42.3	\$ 42,400	\$ 127,200	\$ 883	0	0
	Rooted Rural	0.20%	80%	20%	45.2	\$ 42,300	\$ 126,900	\$ 881	72	14
	Diners & Miners	0.30%	76%	24%	41.3	\$ 42,100	\$ 126,300	\$ 877	75	15
	Small Town Simplicity	0.10%	50%	50%	40.8	\$ 31,500	\$ 94,500	\$ 656	137	27
	<b>Total</b>								<b>3,435</b>	<b>687</b>

Exhibit 22: Rural and Small Town Knox County Tapestry Breakdown (60-minute Drive Time)



# HOUSING STOCK, TRENDS, & PROJECTIONS

## GAPS IN HOUSING STOCK

Affordability is a housing context often defined as a unit that is priced in such a way that a household earning 80% of area median income (AMI) could pay without being cost-burdened. Exhibit 23 demonstrates the differences between Knox County and like areas when considering the impact of affordability for renters and homebuyers.

Most homes in Knox County have a mortgage, and of them, most have neither a 2nd mortgage nor a home equity loan. Approximately 48.7% of housing units do not have a mortgage compared to the US average of 38%.

	100% AMI	80% AMI	80% AMI Max Mortgage/Rent	3x 80% AMI for Home Purchase
Knox County	\$66,800	\$53,440	\$1,336	\$48,096
Lawrence County, IL	\$39,569	\$54,320	\$1,358	\$48,888
Vincennes	\$38,412	\$53,440	\$1,336	\$48,096
St. Francisville	\$36,071	\$54,320	\$1,358	\$48,888

Exhibit 23: Context for Affordability - AMI Breakdown

2020 Median  
Household Income



**\$48,714**

2020 Median  
Home Value



**\$98,886**

Housing  
Affordability Ratio



**2.03**

Exhibit 24: Knox County Summary of Affordability



# HOUSING MARKET TRENDS

Knox County's housing market has become more competitive over the years as displayed by the real estate inventory and sales data in Exhibit 25. Real estate sales by month have remained relatively consistent. The number of units for purchase on the market has plummeted from over 100 to around just 40 since the 4th quarter of 2019. Prior to that, the average number of housing units available for sale was consistently between 90 and 150 properties. This is indicative of the housing market becoming tighter and more competitive with low supply driving prices up.

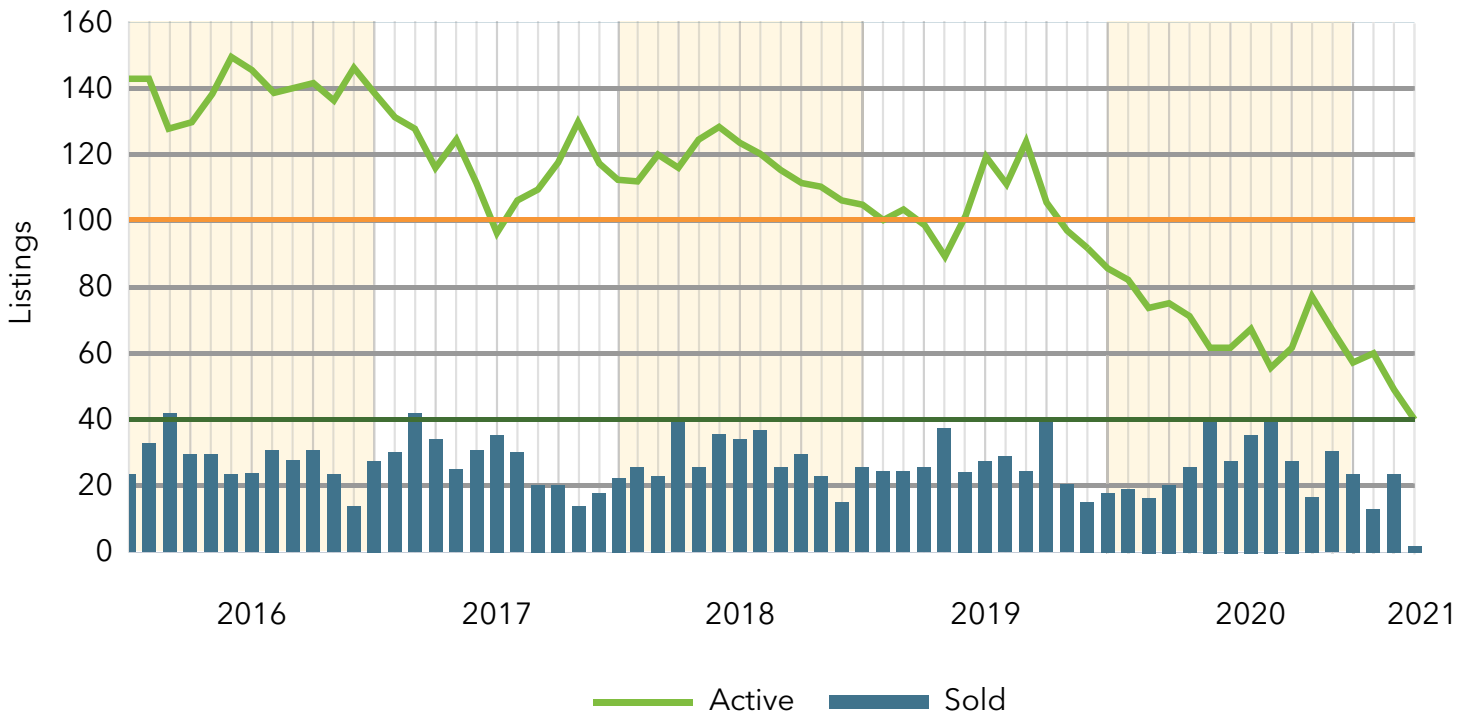


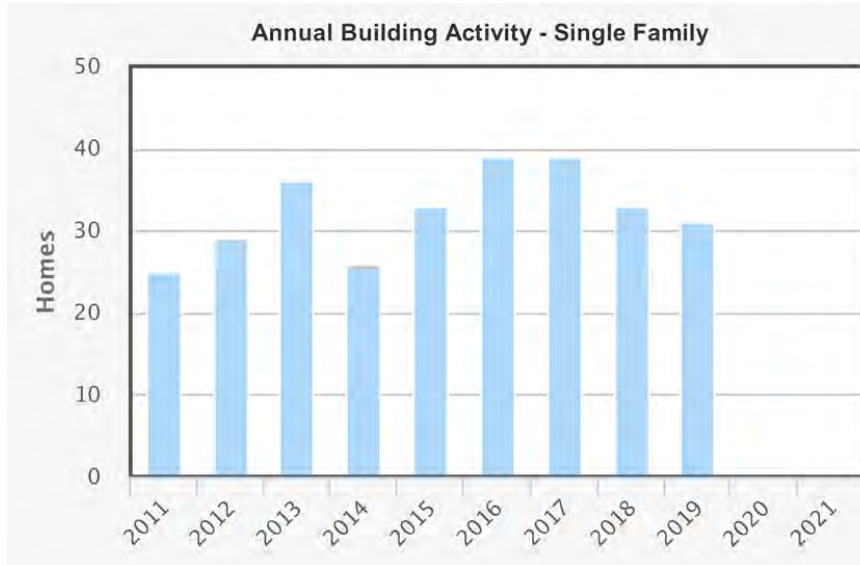
Exhibit 25: Knox County Real Estate Inventory and Sales, 2016-2021 and TPMA

Source: Indiana Regional MLS, Inc.

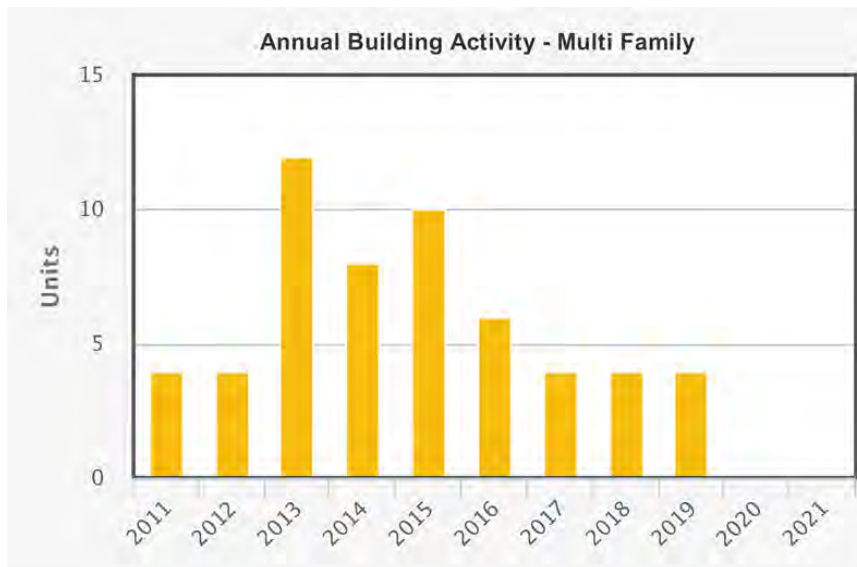
Date Created: 4/28/21

Information provided is deemed reliable but not guaranteed

Knox County's home construction has also stalled with the pandemic. According to the U.S. Census Bureau, the area has seen between 20 and 40 single-family building permits each year since 2011. Preliminary data indicates minuscule numbers in 2020 and 2021. Significantly fewer multi-family permits have been issued in Knox County with fewer than 5 per year since 2017.



*Exhibit 26: Annual Building Activity - Single Family*  
 Source: U.S. Census Bureau, Building Permits Survey and TPMA  
 Note: Data for 2020 and 2021 is preliminary, through February 2021

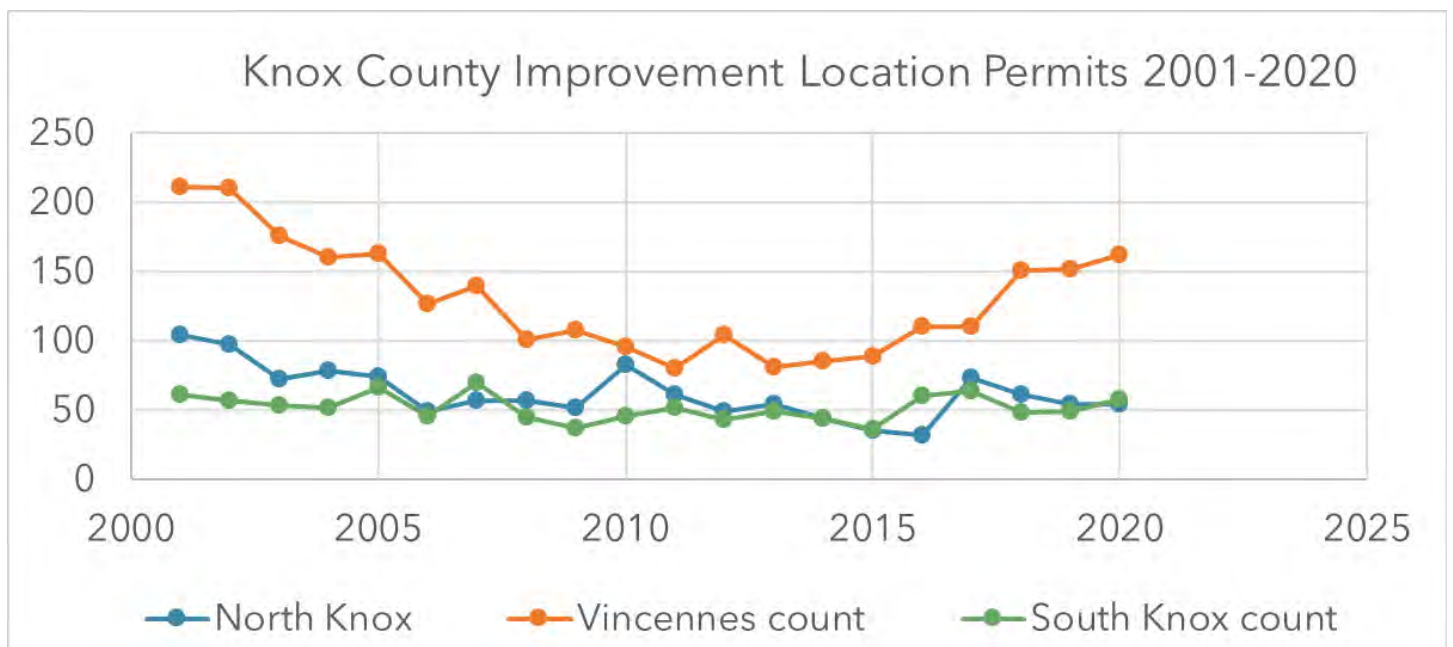


*Exhibit 27: Annual Building Activity - Multi-Family*  
 Source: U.S. Census Bureau, Building Permits Survey and TPMA  
 Note: Data for 2020 and 2021 is preliminary, through February 2021



Local data indicates that improvement permits in rural areas of the county (North Knox and South Knox school districts) has remained relatively consistent over the past 20 years. In Vincennes, there was a downward trend on permits from 2000-2010 but an upward trend, especially since 2015. Generally, positive economic trends trigger

conditions where property owners pay for location improvements and feel comfortable doing so. This could suggest the recent economic period of growth over the last five years and its gains were more so received by those in the City of Vincennes than those in the rural portions of the county.



*Exhibit 28: Knox County Improvement Location Permits, 2001-2020*  
*Source: Knox County Area Plan Commission & TPMA*  
*Note: Does not include City of Vincennes local building permits*

# PROJECTED DEMAND

A housing demand model for Knox County forecasts and quantifies what annual demand may be over a 5-year period. The Knox County Demand Model reflects the ESRI business analyst data that includes 2010 U.S. Census data and forecasts for population projections. Using this data, TPMA started the housing demand model for the estimated population for 2025. Once persons living in group quarters are removed from the estimate, then a population living in households can be estimated.

Housing unit occupancy rates remained consistent around 89%. The projected number of vacant homes

shows a steady increase from about 1,500 units to nearly 1,900 units. Once vacant units are removed, the remaining difference is the new units built over a 5-year period. Units that would likely have been demolished or converted to other uses are removed from the new housing units total. This provides a net gain in housing units. Calculations are estimated based on household growth of the 5-year period.

Based on current estimates, Knox County will need an additional 91 units between 2020-2025 just to accommodate the projected population (at a loss of 283).

	2000	2010	2020	2025
Population	39,256	38,440	37,337	37,054
Group Qtrs Population	2,228	2,182	2,119	2,103
Percentage of Population in Households	89.90%	89.50%	89.00%	88.70%
Household Population	37,028	36,258	35,218	34,951
Average Household Size	2.36	2.35	2.35	2.35
Number of Households	15,552	15,249	15,160	15,087
Housing Unit Occupancy Rate	89.90%	89.50%	89.00%	88.90%
Number of Housing Units	17,305	17,038	17,038	17,007
Estimated Number of Vacant Units	1,506	1,636	1,755	1,888
Estimated New Units 2000-2020; (proj. 2025)		-267	0	-31
Demolitions/deconversions 2000-2020; (proj. 2025)		312	312	156
Net Gain in Housing Units		-579	-312	-187
Demand for New Units:				
-Based on Household Growth		-271	-79	-65
Total new units needed (2020-2025)		41	233	91
Annualized demand		4	23	18
	<b>Annual Share Own v Rent</b>		<b>Annual Total</b>	<b>5-Yr Total</b>
	Own (60%)		11	55
	Rent (40%)		7	36

Exhibit 29: Housing Demand Model (Knox County)  
Source: ESRI Business Analyst and TPMA





When determining the demand for future housing, Knox County must also consider the expected demand for units in surrounding areas. Since the population of Knox County is expected to decrease in the next 5 years and with many workers commuting into the area, TPMA analyzed a housing demand model within a 60-minute drive time. Based on current growth trends, it is expected that an additional 1,787 will be needed within this radius between 2020-2025. In cases where Knox County succeeds in producing high-quality and suitable housing products, some of this growth can be absorbed by the county.

Given the current rental and home ownership trends, the bulk of new units would likely be for-sale housing options. TPMA estimates that approximately 40% of the new units needed will be rental housing.

#### **Housing Demand Model**

*Demand is measured by a high-level comparison of population trends from the Census Bureau 2010 base data. Housing environment characteristics are considered along with the current housing distribution to predict demand trends considering community needs, preferences, and demographic tendencies.*



	2000	2010	2020	2025
Population	369,777	386,069	387,638	387,370
Group Qtrs Population	13,228	13,811	13,867	13,857
Percentage of Population in Households	96.40%	96.40%	96.40%	96.40%
Household Population	356,549	372,258	373,771	373,513
Average Household Size	2.44	2.42	2.4	2.4
Number of Households	146,672	153,542	155,576	155,766
Housing Unit Occupancy Rate	91.30%	90.40%	89.70%	88.90%
Number of Housing Units	160,722	169,921	173,509	175,210
Estimated Number of Vacant Units	13,983	16,312	17,871	19,448
Estimated New Units 2000-2020; (proj. 2025)		9,199	3,588	1,701
Demolitions/deconversions 2000-2020; (proj. 2025)	3,111	3,177	1,604	
Net Gain in Housing Units		6,088	411	97
Demand for New Units:				
-Based on Household Growth		6,623	1,961	183
Total new units needed (2020-2025)		9,734	5,138	1,787
Annualized demand		973	514	357
	Annual Share Own v Rent		Annual Total	5-Yr Total
	Own (60%)		214	1,072
	Rent (40%)		143	715

Exhibit 30: Housing Demand Model (60-minute)  
Source: ESRI Business Analyst and TPMA



Wednesday  
Evening  
4-7:30pm

Y thru OCTOBER

& Vegetables  
ed Goods  
Entertainment  
h Screening

2



# STAKEHOLDER ENGAGEMENT

## STAKEHOLDER INTERVIEWS

Through interviews and small focus groups, TPMA spoke with over 40 stakeholders that understand Knox County's current housing market and housing needs. TPMA engaged local bankers, real estate agents, builders, developers, business leaders, elected officials, school corporations, community leaders, and residents. Generally, stakeholder interviews supported findings of housing demand models and demographic and socioeconomic data analysis in terms of the existing market and demand for new affordable housing. The project team discussed a variety of topics with these stakeholders, including:

- 01** CONDITIONS OF THE HOUSING MARKET
- 02** CONSTRUCTION COSTS
- 03** SALES PRICE OF NEW AND EXISTING HOMES
- 04** CHALLENGES RELATED TO EXISTING HOUSING STOCK
- 05** CHALLENGES FOR NEW HOME CONSTRUCTION
- 06** BEST SITES FOR NEW HOME CONSTRUCTION
- 07** DIFFERENCES BETWEEN RENTAL- AND OWNER-OCCUPIED MARKETS
- 08** HOME BUYER PREFERENCES AND DEMOGRAPHICS
- 09** ATTRACTION OF RESIDENTS TO KNOX COUNTY
- 10** GENERAL PERCEPTIONS OF KNOX COUNTY AND ITS FUTURE



## CURRENT CONDITIONS

The housing market has taken a significant hit since the beginning of the COVID-19 pandemic which impacted showings and reluctance to sell, resulting in lower inventory (see MLS data in Exhibit 25). Stakeholders indicated that for-sale inventory was at an all-time low. Reluctance to sell has only increased as the market has tightened. People may be afraid to sell because they may not be able to purchase a new home at a decent price/quality level as compared to their current home.

Overall, the consensus of stakeholders in Knox County is that there is a strong demand for new homes priced between \$100,000-\$300,000, though the supply of quality homes in that price range is well below demand. Stakeholders also indicated that there was a shortage of “stepping stone” housing between \$100,000 and \$200,000. It was indicated that residents are unlikely to put low- to mid-priced homes on the market due to affordability and lack of housing stock from which to purchase. This puts many low- to mid-wage workers and first-time home buyers particularly at risk of being shut out of the market.

It was indicated that with low interest rates, home loan applicants can qualify for more. However, those approved may not be able to find suitable for-sale options on the market in their price range. For others, stakeholders say that many credit reports for residents are burdened, often with medical collections. Stakeholder indicated that there may be a need for more non-traditional mortgage lenders in the area.

Stakeholders expressed that rental stock is also low, and that availability seems to be within housing facilities that are older and/or poorly maintained. Some stakeholders expressed an urgent need for more quality, affordable multifamily development. While TPMA was unable to interview landlords in the area, stakeholders indicated that many landlords say they have empty apartments and may not agree that such a need exists.

According to stakeholder feedback, quality rental units between \$600-\$1,200 per month are in high demand. Stakeholders told TPMA that many professionals have chosen to live outside of Knox County because rental properties with upgrades and better amenities (such as stainless steel appliances and on-site gym access) are not available.





This information was supported by data gathered by a 2020 survey of Good Samaritan Hospital Resident. According to the survey, out of 36 respondents, only 5 are living in Knox County. More than 77% of residents are renting. The survey asked residents about budgeted rent/mortgage costs versus what they are paying. Most respondents, over 65%, had budgeted between \$700-\$1,100, though less than 45% were able to find acceptable housing options in this price range.

Since Knox County has a booming seasonal produce product, farmers in the area attract migrant workers. Housing for migrant workers was a brief topic of conversation, though the stakeholders interviewed were unsure about any challenges.

It was indicated that enforcement of code violations has been challenging for Knox County, which may be part of the low housing quality pointed out by stakeholders. Stakeholders also say that Knox County has many blighted properties.

Higher poverty rates, quality of housing for low-income families, and transportation were all mentioned as barriers for rural school districts. These families tend to move frequently, often switching between school districts, which presents challenges for education.

## TALENT ATTRACTION & RETENTION

Stakeholders expressed significant challenges in attracting and retaining employees.

Good Samaritan Hospital has started a residency program which creates a pipeline to recruit and retain physicians in the area. Currently, most individuals in the program are residing outside of the county due to lack of available quality rental housing.

TPMA interviewed a group of residents in the program who had varied experiences. Of the residents interviewed who live in the county, one resident has strong ties to the area with a spouse

who also works in Vincennes. Others living in the county feel they were fortunate to find reasonably priced rental housing in the area. Those not living in Knox County say their search for rental properties did not yield any results that appealed to them.

These commuting residents told TPMA that the new construction, updated designs, and amenities they sought were either not available or did not exist. On the higher end of the spectrum, the hospital expressed that there is a need for housing at price points between \$250,000 to \$500,000 to attract and retain physicians.







Good Samaritan Hospital is an advocate for increased housing stock throughout the county, and they are not alone. Other major employers in Knox County, including Vincennes University, share their concerns about talent attraction. They say entry-level staff has difficulty finding housing at price points they can afford.

Employees are commuting to Knox County from Evansville, Terre Haute, and even Fort Branch, where newer apartments with amenities can be found. With these longer commutes for work, local employers worry that, in the long-term, those workers will find employment closer to their homes.

It was indicated that people of color tend to live outside of the county, often driving an hour into Vincennes to work. Stakeholders expressed that it is sometimes difficult for Spanish-speaking residents to find adequate housing.

TPMA heard very positive feedback from stakeholders on all school districts in Knox County. There did not seem to be a preferred school district attracting residents. However, daycare options were said to be in very short supply, which is often a limiting factor for young families.

The interviews revealed that one significant challenge for workforce attraction to Knox County could be quality broadband access for remote work, e-learning, and business operations. Walkability and access to outdoor recreation identified as ways to increase attraction. The area already has many amenities that could be leveraged, such as the riverfront, Kimmel Park, and Fox Ridge Nature Park. Other amenities discussed were neighborhood fitness centers, healthy community initiatives, and proximity to restaurants and popular retailers.



## DEVELOPMENT AND DEMAND



Some newer developments in the area were called out as being great examples of the direction Knox County should be moving in terms of housing. The “French Village” by Vincennes University and the mixed-income development on the riverfront were regular topics of conversation among stakeholders, all with positive feedback.

The “French Village” is a unique and colorful addition of student housing units with inspired architecture and character. These units could attract students living elsewhere near campus, providing some rental vacancies. However, stakeholders expressed that they expect potential vacancies to be in housing units which have not been updated or maintained.

The mixed-income project on the riverfront includes 9 market rate condominiums and 22 affordable rental apartments, all within walking distance of popular downtown amenities. Property developers told TPMA that, even without advertising, there was a waiting list of approximately 80 for the 22 apartments, which are income-based from 30%-80% AMI.

Investment in the historic district was of interest to some stakeholders, though it was suggested that the historic board may present challenges. Some stakeholders expressed concern around about infill construction being consistent with neighborhood character, architecture, and design standards as approved by the Historic Board of Review.

Restoration and renovation can be expensive as well. Upper story downtown development is an attractive option. Stakeholders say that these properties are renting for well above \$1,000 per month, and that those currently being developed are already rented. Interviews also revealed that current property renovations are not being completed as quickly as is needed to meet demand and that downtown rentals are too expensive for the average Knox County worker.

Overwhelmingly, stakeholders focused on the need for new single-family housing, with preferences for development around the city limits of Vincennes and Bicknell. Nearly every stakeholder expressed concern over current single-family housing stock and the prices seen for any quality properties in the area. Low real estate inventory in the \$100,000-\$300,000 range has tightened the market and made it very difficult for potential homeowners to find properties that meet their needs. Stakeholders say that homes are either priced too high or need too many repairs to make a sale worth the financial investment.

Supply chains affected by the pandemic have also played a significant role in increasing construction costs. Recruitment and retention of skilled construction workers has been a challenge. Area developers told TPMA that the increased cost of lumber alone is currently adding approximately \$10,000-\$15,000 to most projects. Energy efficiency was also a topic of conversation, with suggestions for educational opportunities for developers, builders, and homeowners. Developers also said that reimbursements for state tax credits take a significant amount of time. With these and other barriers, it is difficult to make developments feasible.

Stakeholders advised TPMA that a variety of housing options would best meet the needs of Knox County. Some stakeholders indicated concerns about overbuilding housing that would concentrate too many students in one school district. Some stakeholders expressed a need for low-income housing, especially in North Knox, while others had negative attitudes toward income-based apartments.

Townhomes and duplexes were suggested for infill projects, as these units are low-density and do not have a high burden of maintenance (particularly landscaping and yard), which appeals to young professionals and retirees alike. Stakeholders emphasized new construction, with single-family units including 3 bedrooms and 2 bathrooms. Other suggestions included furnished turnkey options, smaller one-story homes for aging residents, mixed-use development, and open layouts.





*Exhibit 31: Housing SWOT Analysis based on Stakeholder Input*

## STRENGTHS

History & Character

Tight-knit Community

Agricultural-focused

Buy-in from Employers

Good schools

Certified Levee System

Motivated to act

## WEAKNESSES

Lack of quality SFR  
\$150K-\$250K  
& rentals \$550-\$850/mo.

Employee recruitment/  
retention is challenging

Lack of infrastructure outside  
city limits

Downtown developments  
high for average income

Low retention rate for  
students

Existing housing stock is very  
low quality or high-priced

Mid-priced housing stock  
would require renovations



## OPPORTUNITIES

NEW construction

Design to create a more  
connected community

Partnerships for energy  
efficiency education

Leverage downtown  
revitalization efforts

Aid for entry-level market rate

Rent cap

Tract homes and spec homes

## THREATS

Decreasing Housing Supply

Flood plain issues

Expense to extend  
infrastructure

Potential loss of historic value

Enforcement needed for code  
violations

Price of building materials

Difficult to hire/retain skilled  
construction workers

Blighted properties,  
especially near downtown

Limited daycare facilities





# HOUSING DEVELOPMENT SITES AND STRATEGIES

## HOUSING DEVELOPMENT SITES

The following housing development sites have been selected to potentially fill current and anticipated housing demand across a variety of household markets ranging from those oriented to rent to those that are oriented to purchase their housing. This Implementation Section is organized around the anticipated time it may take for each site to be developed.

Therefore, the housing development sites are organized around the following timeframes for implementation.

While a priority should be given to those sites in the 1 -3 Years window for development, the other sites should be reviewed, and in some cases, negotiations should commence with the existing property owners to confirm their long-term interest in selling their real estate for future housing development.

Each site is organized with the following elements:

**1-3 YEARS**

**3-5 YEARS**

**5-10 YEARS**

**01** PROJECT DESCRIPTION

**02** SITE MAP

**03** MARKET SEGMENTS TO TARGET  
BY HOUSEHOLD TYPES

**04** FINANCIAL SCENARIO

**05** NEXT STEPS FOR  
IMPLEMENTATION

1 - 3 YEARS

# EDWARDSPORT:

## SCHOOL REDEVELOPMENT FOR APARTMENTS

### PROJECT DESCRIPTION

North Knox School Corporation may be a willing property owner with interest in providing the school at a very low price for redevelopment for residential apartments. The school site comes with ample green space and playground area for children. It is in the center of Edwarsport. This project would be a major lift to Edwarsport, and it would provide necessary housing for workers in Knox County. By using READI funds, American Rescue Plan Act (ARPA) funds, and a local TIF, a developer would be able to develop apartments that are kept at a price point around \$0.75/SF that Knox County workers can afford. Monthly rents would range from about \$500/month and not exceed \$850/month.



### MARKET SEGMENTS

01 HEARTLAND COMMUNITIES

02 ROOTED RURAL

03 HARDCRABBLE

04 DINERS & MINERS

05 SMALL TOWN SIMPLICITY



## FINANCIAL SCENARIO

The financial sources available for the project are diverse, but timely. By using READI funds and ARPA funds, the Town of Edwardsport can leverage these resources with its own TIF bond to support 73 new apartment units in the former Edwardsport School.

The financial scenario suggests using the state's new READI program and the ARPA funds to help to close the project financial gap. Also, TIF bond may work as well for the match with READI and to also layer in another form of funding to close the financial gap.

		Total Dev Cost	\$9,701,000
Financial Source	Amount	Percent	Balance
Developer Equity	\$1,306,007	13.5%	\$8,394,993
Construction Loan	\$3,047,350	31.4%	\$5,347,643
Fed HTC (20%HTC of 90% of TDC at \$0.80/credit)	-	0.0%	\$5,347,643
LIHTC 4% at 90% basis at \$0.80/credit	-	0.0%	\$5,347,643
READI-IRTC	\$1,000,000	10.3%	\$4,347,643
TIF Board	\$3,825,000	39.4%	\$522,643
Brownfield Remediation Funds	-	0.0%	\$522,643
ARPA Funds	\$522,643	5.4%	\$0.00
Balance of Capital Stack	0		
		\$9,701,000	

## NEXT STEPS

- 01 Knox County Indiana Economic Development should work with the Town of Edwardsport and Knox County to secure the school property that would be given to Knox County Indiana Economic Development only if they had a viable developer ready to redevelop the former school into new apartments that are affordable for Knox County workers.
- 02 Knox County Indiana Economic Development would then give the school to the developer once an agreement was made with all parties that new residential apartments could be financed and developed in the former Edwardsport school.

- 03 Identify potential housing developers who may be interested in phasing in 65-75 apartment units a year of market-rate housing between \$500 and \$900 per month in rent.
- 04 Town would support the project with a TIF bond that would inject cash into the construction of the project.
- 05 Knox County would use its ARPA funds to provide underwriting to the creation of new workforce housing and a revitalized Edwardsport school and property.
- 06 While the financial scenario suggest significant financial assistance is needed from the state, county and the town to make this project a reality.



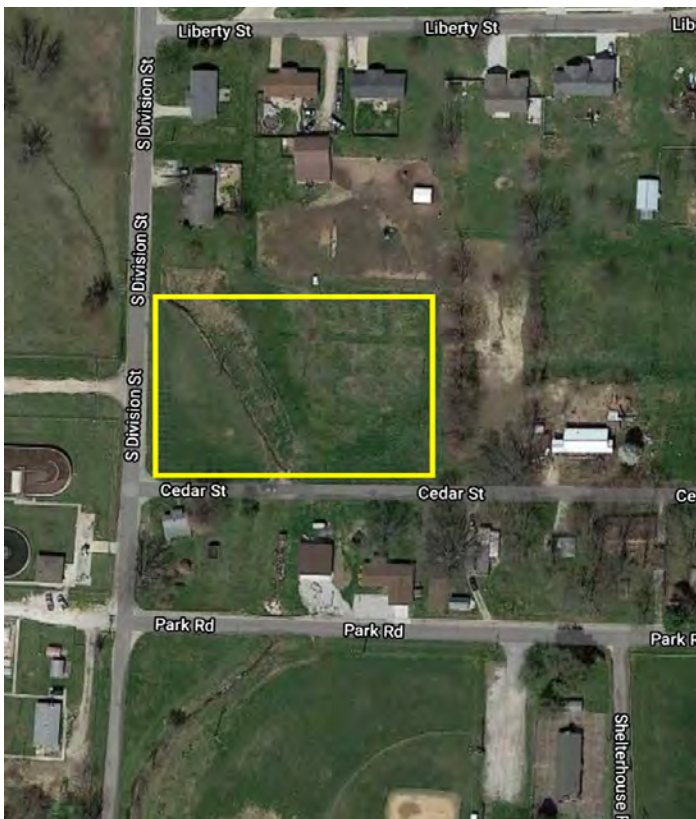
1 - 3 YEARS

# BICKNELL:

## CEDAR STREET AND DIVISION STREET SITE

### PROJECT DESCRIPTION

The City of Bicknell owns this property. It is anticipated that between 10-12 single-family or duplex units could be developed on the site over two or three years. The for-sale price would be \$175,000 to \$200,000 or so. The units would be more modest in size to keep them as affordable as possible at around 1,200 SF. While this location is across the street from the city wastewater treatment plant it is also a short walk to a park with many different amenities.



### MARKET SEGMENTS

- 01 GREEN ACRES
- 02 MIDDLEBURG
- 03 SALT OF THE EARTH
- 04 PRARIE LIVING
- 05 TRADITIONAL LIVING

## FINANCIAL SCENARIO

Because this is City owned property with utilities surrounding the site, it is anticipated that finished lot costs could be kept to a minimum below \$30,000 / finished lot to keep the for-sale price affordable for working families. This would likely keep the sale price between \$175,000 to \$200,000.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/Home	Ten Homes
Average Sale Price per Home	1200	\$150.00	\$180,000	\$1,800,000
NET Annual Revenue - Residential				\$1,800,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$33,300	\$333,000
Home Construction	61.1%	\$91.65	\$109,980	\$1,099,800
Financing Costs	1.7%	\$2.55	\$3,060	\$30,600
Overhead & General Expenses	4.9%	\$7.35	\$8,820	\$88,200
Marketing Costs	1.0%	\$1.50	\$1,800	\$18,000
Sales Commission	3.7%	\$5.55	\$6,660	466,600
Total Project Costs	90.9%	\$136.35	\$163,620	41,636,200
Profit	9.1%	13.65	\$16,380	\$163,800

## NEXT STEPS

City of Bicknell should put out a Request for Proposal to entertain for-sale single-family and duplex developers. If the City should not receive any viable developer interest, the City should work with Knox County Indiana Economic Development to identify potentially viable developers to negotiate terms with for the development of this site.

1 - 3 YEARS

# BICKNELL:

## DOWNTOWN SITE

### PROJECT DESCRIPTION

The City controls the two pieces of property for development. This allows this project to move fairly quickly if a development agreement could be reached with a developer to redevelop these sites. It is suggested that a mixed-use development be completed with mostly residential apartments and a modest amount of retail/commercial space on the ground level. The project should support about 24-30 apartments and about 3,000 SF of commercial space on the ground level.



### MARKET SEGMENTS

- 01 SMALL TOWN SIMPLICITY
- 02 HARDCRABBLE
- 03 TRADITIONAL LIVING
- 04 FRONT PORCHES
- 05 RETIREMENT COMMUNITIES

## FINANCIAL SCENARIO

Timing is right for this redevelopment project in downtown Bicknell. By using a variety of funds the City and its development partner will be able to leverage a variety of funding sources to support new downtown residential development to revitalize this site and begin the revitalization of downtown

Bicknell. This project can move quickly if funding is secured to fill the project gap. These funds may come from READI funding if City can get this project in a regional plan. Also, the City may be able to use ARPA funds and TIF funds to match the READI grant and close financial gap.

Total Dev Cost \$3,281.250			
Financial Source	Amount	Percent	Balance
Developer Equity	\$479,121	14.6%	\$2,802,129
Construction Loan	\$1,117,950	34.1%	\$1,684,179
Fed HTC (20%HTC of 90% of TDC at \$0.80/credit)	-	0.0%	\$1,684,179
LIHTC 4% at 90% basis at \$0.80/credit	-	0.0%	\$1,684,179
READI-IRTC	\$900,000	27.4%	\$784,179
TIF Board	\$350,000	10.7%	\$434,179
Brownfield Remediation Funds	-	0.0%	\$434,179
ARPA Funds	\$434,179	13.2%	\$0.00
Balance of Capital Stack	0		
\$3,281.250			

## NEXT STEPS

- 01 City should put out an RFP for a developer who would develop new residential apartments on these City properties but keep the rent per month affordable for Knox County workers.
- 02 As a significant financial gap exists, the City should participate in a the READI program through a regional entity to get this project nominated for funding. With the READI dollars, this project would require a Rental Housing Tax Credit underwriting which is very uncertain to be received in a timely manner for this project.

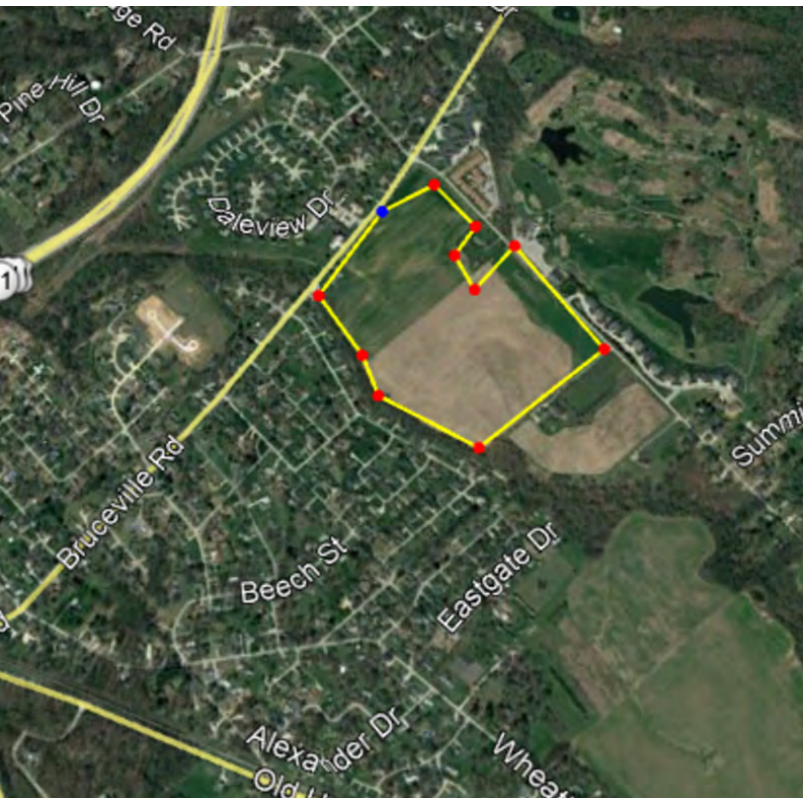


# VINCENNES:

## BRUCEVILLE ROAD SITE

### PROJECT DESCRIPTION

It is anticipated that the market could support new single-family homes between \$250,000 and \$350,000 in this development site. The City already has utilities adjacent to the site, and the developer only needs sign off on zoning entitlements to begin this project. This speaks to the health of the new home market above the \$250,00 price range in the Vincennes market. The site should easily support 40 to 60 units depending on final approved density for the site.



### MARKET SEGMENTS

01 SAVVY SUBURBANITES

02 SOCCER MOMS

03 COMFORTABLE  
EMPTY NESTERS

04 MIDLIFE CONSTANTS

## FINANCIAL SCENARIO

The market is healthy and ready as utilities are already adjacent to this development site while keeping the finished lot cost at or below \$62,000.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	2250	\$150.00	\$337,500	\$3,375,000
NET Annual Revenue - Residential				\$3,375,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$62,438	\$624,375
Home Construction	61.1%	\$91.65	\$206,213	\$2,062,125
Financing Costs	1.7%	\$2.55	\$5,738	\$57,375
Overhead & General Expenses	4.9%	\$7.35	\$16,538	\$165,375
Marketing Costs	1.0%	\$1.50	\$3,375	\$33,750
Sales Commission	3.7%	\$5.55	\$12,488	\$124,875
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$306,788</b>	<b>\$3,067,875</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$30,713</b>	<b>\$307,125</b>
Source: National Association of Home Builders and TPMA				

## NEXT STEPS

City and developer resolve final issue with the PUD and begin project!

1 - 3 YEARS

# VINCENNES:

## BIERHAUS BLVD. SITE

### PROJECT DESCRIPTION

This approximately 65-acre site is near many retail and restaurant amenities on Vincennes east side. It is also located close to Vincennes schools K-12. The site is an attractive location for new single-family homes and possibly some multi-family residential development as well. Price points for most of the single-family product should be above average for the market in the \$350,000 to \$450,000 market. Rents could be market rate with monthly rents ranging from \$800/month to \$1,000/month. The MFR development could be an assist to developing some of the necessary utilities and streets for the eventual SFR homes that may be developed deeper into the site from Bierhaus Blvd.



### MARKET SEGMENTS

01 SAVVY SUBURBANITES

02 SOCCER MOMS

03 EMPTY NESTERS

04 MIDLIFE CONSTANTS

05 GREEN ACRES

## FINANCIAL SCENARIO

The financial analysis suggests that if finished lots cannot be kept under \$70,000 per home, then it is likely very difficult financially for a developer to build only SFR units. The MFR option is to add more density and return to the project to support a TIF bond.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	2500	\$150.00	\$375,000	\$3,750,000
NET Annual Revenue - Residential				\$3,750,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$69,375	\$693,750
Home Construction	61.1%	\$91.65	\$229,125	\$2,291,250
Financing Costs	1.7%	\$2.55	\$6,375	\$63,750
Overhead & General Expenses	4.9%	\$7.35	\$18,375	\$183,750
Marketing Costs	1.0%	\$1.50	\$3,750	\$37,500
Sales Commission	3.7%	\$5.55	\$13,875	\$138,750
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$340,875</b>	<b>\$3,408,750</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$34,125</b>	<b>\$341,250</b>

Source: National Association of Home Builders and TPMA

## NEXT STEPS

**01** Developer may want to review how a multi-family project may generate TIF increment to address the need to extend streets, sanitary sewer, and water utilities through the site eventually serving not just the multi-family development but also extend them into the single-family homes areas as well.

**02** The City should review how it can assist using TIF to support the multi-family development and how infrastructure could potentially be developed into the site.

**03** The development team will need to review costs and try to determine how to keep the price as low as possible for infrastructure and then negotiate with the City of Vincennes on a potential TIF package, but actual engineering estimates need to be made for the City to make a complete determination on financial feasibility of a TIF if these figures have not already been discussed.

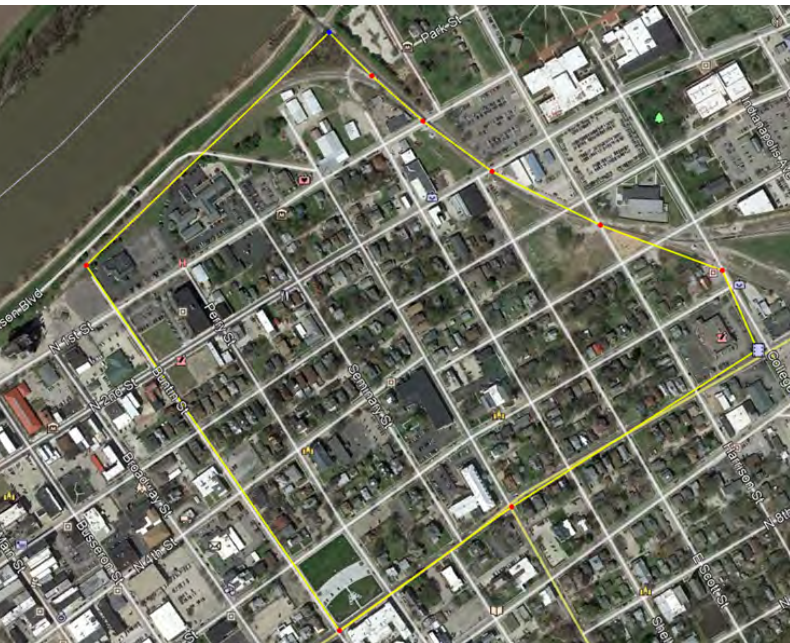


# VINCENNES:

## VINCENNES UNIVERSITY TO DT NEIGHBORHOOD INFILL

## PROJECT DESCRIPTION

Knox County Indiana Economic Development, City and Vincennes University will work to identify potential infill development projects similar to those of the French Village developed by Vincennes University, but development projects that could be completed within the neighborhood to strengthen its home values and diversify its housing typologies for single family duplex, townhomes and smaller multifamily projects.



## MARKET SEGMENTS

- 01 OLD AND NEWCOMERS
- 02 FRONT PORCHES
- 03 RETIREMENT COMMUNITIES
- 04 YOUNG RESTLESS
- 05 TRADITIONAL LIVING
- 06 SET TO IMPRESS
- 07 COMFORTABLE EMPTY NESTERS

## FINANCIAL SCENARIO

While no specific project development site has been reviewed, it is anticipated that the City and possibly other funding sources would need to assist development in and around Vincennes University's neighborhood. It is likely that on some projects there will be a financial gap, and the City, Vincennes University and IHCD may play a role in supporting a developer on smaller scale project to fit a MFR project into the footprint of the blocks. Also, this is an area, that the City and Knox County Indiana Economic Development should consider developing a preservation/renovation fund to stabilize existing owner-occupied housing.

## NEXT STEPS

- 01 Knox County Indiana Economic Development may wish to lead and organize an effort to identify properties and how to assemble properties so that private developers may provide new housing options within this neighborhood.
- 02 Also, identify owner-occupied housing that may need a "facelift", and the owners may need to be incentivized to make such improvements affordable for them to undertake.





1 - 3 YEARS

# VINCENNES:

## DOWNTOWN PRESERVATION & REDEVELOPMENT

### PROJECT DESCRIPTION

The City and Knox County Indiana Economic Development should consider developing an upper floor renovation and preservation grant/loan fund to assist building owners to redevelop their upper floors into residential apartments and lofts. This will not only maximize use of the buildings, but it will also continue to strengthen the downtown market for its restaurants and shops. It is projected that a \$1,200,000 fund could renovate 54 upper floor units for condos in a price range of \$150,000 to \$250,000 and for luxury apartments with monthly rents between \$800 to \$1,500. The fund could also raise an additional \$1.2 million from private financial institutions by lowering their risk to participate in these renovation projects. Also, READI dollars could be secured to match local ARPA or TIF funds.



### MARKET SEGMENTS

- 01 YOUNG RESTLESS
- 02 OLD AND NEWCOMERS
- 03 FRONT PORCHES
- 04 TRADITIONAL LIVING
- 05 SET TO IMPRESS
- 06 COMFORTABLE EMPTY NESTERS

## FINANCIAL SCENARIO

Financial structure to be determined on a project-by-project basis, but it is anticipated due to the higher cost per square foot for renovation and historic preservation that there may likely be a financial gap with most upper story renovation project.

## NEXT STEPS

- 01 Knox County Indiana Economic Development and City should put the upper story renovation project fund into their regional READI plan for funding.
- 02 Identify buildings and property owners who are ready and willing to participate working with Vincennes Main Street Program.
- 03 This program should be ready for grants and lending by early 2022 if READI funds are received, and even if READI funds are not received a scaled back version of the program would still make a significant difference in the redevelopment of downtown buildings and the downtown market.





1 - 3 YEARS

# VINCENNES:

## DOWNTOWN ONB SITE REDEVELOPMENT

### PROJECT DESCRIPTION

This project is a hybrid that supports the potential renovation of the soon to be former Old National Bank building into a boutique hotel with new apartments to be built on the adjacent parking lot near 2nd Street. It is anticipated that the boutique hotel may have 24-keys and there would be 48 new apartments on the quarter block section next to the hotel. The hotel would be full-service with nightly average rates of \$150-\$250/night, and the apartments would be upper end in the market from \$800 to \$1,500 per month rents.



### MARKET SEGMENTS

- 01 YOUNG RESTLESS
- 02 OLD AND NEWCOMERS
- 03 FRONT PORCHES
- 04 TRADITIONAL LIVING
- 05 SET TO IMPRESS
- 06 COMFORTABLE EMPTY NESTERS

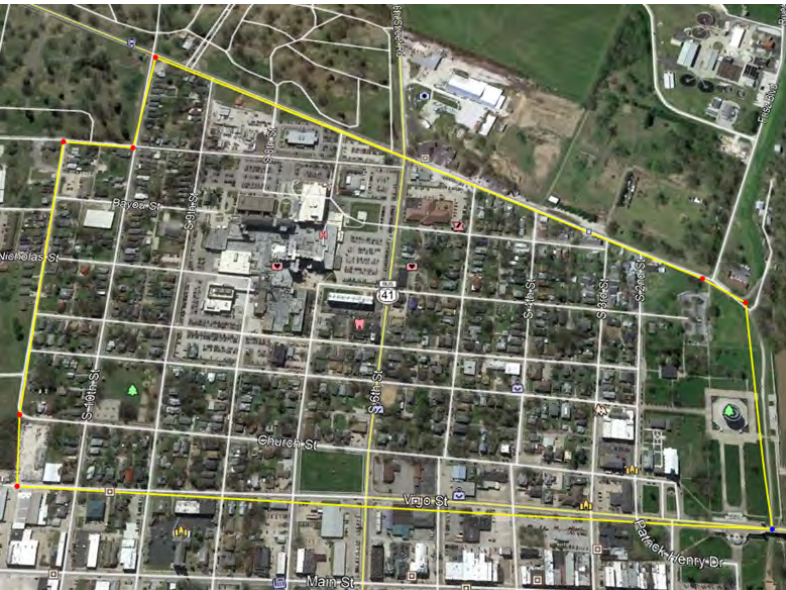
This hybrid project relies on using a variety of funding sources. It is anticipated the hotel may qualify for federal historic tax credits and should be preserved as a mid-century designed building. Also, it is anticipated that READI funds, ARPA funds and local TIF funds could be used to fill an anticipated financial gap for this project.

	Total Dev Cost	\$8,470,000	
Financial Source	Amount	Percent	Balance
Developer Equity	\$1,178,625	13.(%)	\$7,291,375
Construction Loan	\$2,750,125	32.5%	\$4,541,250
Fed HTC (90% of TDC at \$0.80/credit)	\$288,000	3.4%	\$4,253,250
Public/Institutional	\$1,750,000	20.7%	\$2,791,250
READI-IRTC	\$1,750,000	20.7%	\$1,041,250
TIF Board			
Brownfield Remediation Funds			
ARPA Funds	\$1,041,250	12.3%	\$0.00
Balance of Capital Stack	0		
	\$8,470,000		

## NEXT STEPS

- 01 Knox County Indiana Economic Development and the City need to work with ONB and determine if the bank would like to participate in the underwriting.
  - 02 Knox County Indiana Economic Development and the City work to place this project into a regional plan for READI funding.
  - 03 City could use some of its ARPA funding to support the public infrastructure and parking improvements that would be required to assist the project.
  - 04 If READI funds are secured, then a hotel market study would need to be completed to determine the actual number and hotel rates for the boutique hotel.
  - 05 Knox County Indiana Economic Development should work with a hotel developer and possible a developer who could complete both the hotel redevelopment of the OND building and the new residential units on the adjacent parking lot as well.

Knox County Indiana Economic Development, City and Good Samaritan Hospital will work to identify potential infill development projects similar to those of the French Village developed by Vincennes University, but development projects that could be completed within the neighborhood to strengthen its home values and diversify its housing typologies for single family duplex, townhomes and smaller multifamily projects.



## 07 COMFORTABLE EMPTY NESTERS

## FINANCIAL SCENARIO

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While no specific project development site has been reviewed, it is anticipated that the City and possibly other funding sources would need to assist development in and around Vincennes University's neighborhood. It is likely that on some projects there will be a financial gap, and the City of Vincennes, Vincennes University, and IHCD may play a role in supporting a developer on smaller scale project to fit a MFR project into the footprint of the blocks. Also, this is an area, that the City of Vincennes and Knox County Indiana Economic Development should consider developing a preservation/renovation fund to stabilize existing owner-occupied housing.

## NEXT STEPS

- 01 Knox County Indiana Economic Development may wish to lead and organize an effort to identify properties and how to assemble properties so that private developers may provide new housing options within this neighborhood.
- 02 Also, identify owner-occupied housing that may need a "facelift", and the owners may need to be incentivized to make such improvements affordable for them to undertake.



1 - 3 YEARS

# BICKNELL:

**SR 67 SITE**

## PROJECT DESCRIPTION

Due to the property being under private ownership, the City will need to determine owner interest in selling and a price point that would still allow development to occur. Also, a preliminary engineering estimate should be completed on the cost to extending sewer and water lines to the property and through the development to the home building lots as well. It is anticipated that home for-sale prices should be between \$150,000 and \$250,000 for this development. Therefore, it may require some form of assistance to keep the cost of the finished lots in line with the price point for the homes to allow a developer to build the homes.

## MARKET SEGMENTS

- 01 GREEN ACRES
- 02 MIDDLEBURG
- 03 SALT OF THE EARTH
- 04 PRARIE LIVING
- 05 SOUTHERN SATELITES



## FINANCIAL SCENARIO

This financial scenario illustrates that 1500 SF homes could be built on the Oaktown site if parcel finished lot costs can be kept near \$41,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	1500	\$150.00	\$225,000	\$2,250,000
NET Annual Revenue - Residential				\$2,250,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$41,625	\$416,250
Home Construction	61.1%	\$91.65	\$137,475	\$1,374,750
Financing Costs	1.7%	\$2.55	\$3,825	\$38,250
Overhead & General Expenses	4.9%	\$7.35	\$11,025	\$110,250
Marketing Costs	1.0%	\$1.50	\$2,250	\$22,500
Sales Commission	3.7%	\$5.55	\$8,325	\$83,250
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$204,525</b>	<b>\$2,045,250</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$20,475</b>	<b>\$204,750</b>

Source: National Association of Home Builders and TPMA

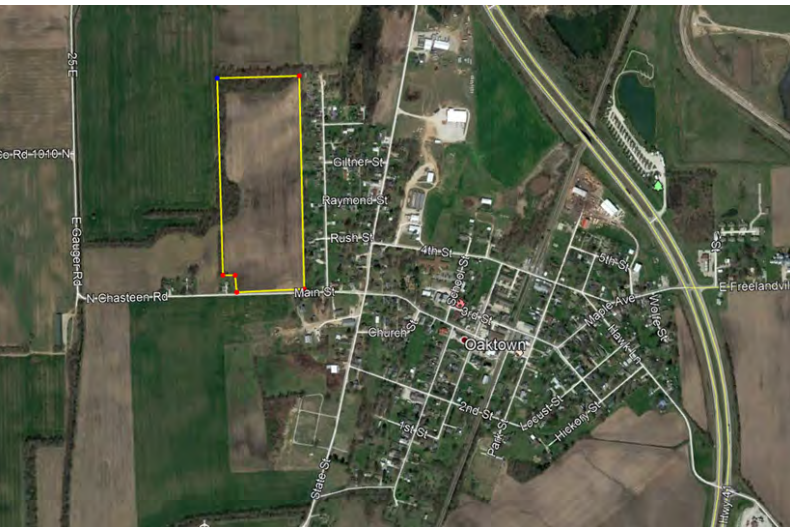
## NEXT STEPS

**01** City work with property owner to determine interest and potential price point.

**02** City and Knox County Indiana Economic Development work with potential home developer on the financial needs to make the project a reality.

**03** This project may take several years to prepare, but it is a nice location for future for-sale home development in Bicknell.

There may be a willing property owner with interest in providing market rate single-family residential development. The site is on West Main Street just outside of Oaktown. It should be relatively easy to extend utilities to this site to support housing development. This approximately 33-acre site could potentially support 10-12 new SFR units of 1,500 SF to 2,000 SF. It is anticipated that the for-sale price point would range between \$175,000 and \$225,000.



- 01 GREEN ACRES
- 02 MIDDLEBURG
- 03 SALT OF THE EARTH
- 04 HEARTHLAND COMMUNITIES
- 05 ROOTED RURAL
- 06 DINERS AND MINERS

## FINANCIAL SCENARIO

This financial scenario illustrates that 1500 SF homes could be built on the Bicknell site if parcel finished lot costs can be kept near \$41,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	1500	\$150.00	\$225,000	\$2,250,000
NET Annual Revenue - Residential				\$2,250,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$41,625	\$416,250
Home Construction	61.1%	\$91.65	\$137,475	\$1,374,750
Financing Costs	1.7%	\$2.55	\$3,825	\$38,250
Overhead & General Expenses	4.9%	\$7.35	\$11,025	\$110,250
Marketing Costs	1.0%	\$1.50	\$2,250	\$22,500
Sales Commission	3.7%	\$5.55	\$8,325	\$83,250
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$204,525</b>	<b>\$2,045,250</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$20,475</b>	<b>\$204,750</b>

Source: National Association of Home Builders and TPMA

## NEXT STEPS

- 01 Knox County Indiana Economic Development and the City of Bicknell should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer.
- 02 Identify potential housing developers who may be interested in phasing in 10 to 12 homes priced between \$150,000 and \$225,000.
- 03 Work with property owner to determine who would be interested and experienced with this level of build out.
- 04 Calculate financial gap between what costs are associated with developing the site including on-site infrastructure and new housing construction.
- 05 If a financial gap exists, which may be likely, the City should be prepared to assist with the public infrastructure that it would be owning such as streets, sidewalks, sewer lines and water lines. These improvements would be in the City's right-of-way dedicated to the City of Bicknell to own and maintain, as necessary.



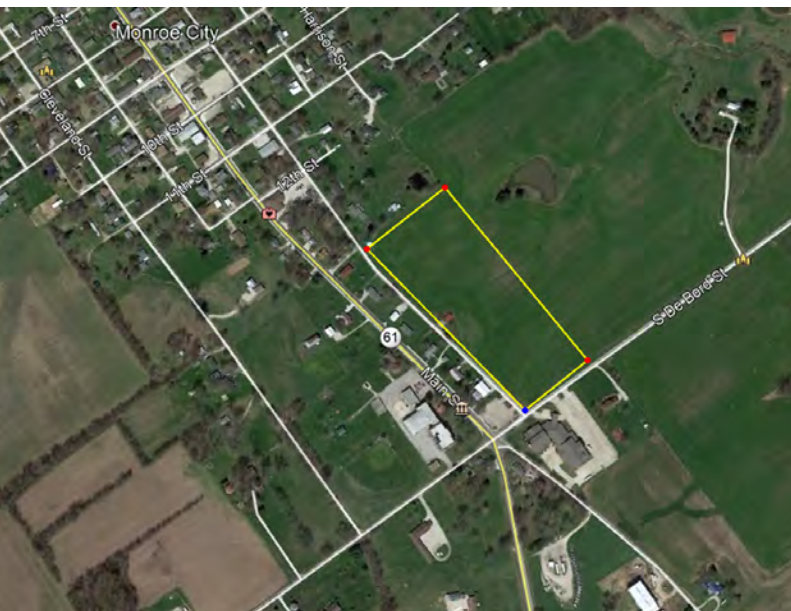
1 - 3 YEARS

# MONROE CITY:

SITE NEAR SR 61 AND  
SOUTH DEBORD STREET

## PROJECT DESCRIPTION

The identified property is owned privately, and a discussion needs to occur to determine the willingness and interest in the owner to potentially sell and if interested, then at what price per acre. It may take a year or two to work through terms if there is interest in selling. The project would include 10-12 new homes priced between \$175,000 and \$250,000.



## MARKET SEGMENTS

- 01 GREEN ACRES
- 02 MIDDLEBURG
- 03 SALT OF THE EARTH
- 04 HEARTHLAND COMMUNITIES
- 05 ROOTED RURAL
- 06 DINERS AND MINERS

## FINANCIAL SCENARIO

This financial scenario illustrates that 1500 SF homes could be built on the Monroe City site if parcel finished lot costs can be kept near \$41,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	1500	\$150.00	\$225,000	\$2,250,000
NET Annual Revenue - Residential				\$2,250,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$41,625	\$416,250
Home Construction	61.1%	\$91.65	\$137,475	\$1,374,750
Financing Costs	1.7%	\$2.55	\$3,825	\$38,250
Overhead & General Expenses	4.9%	\$7.35	\$11,025	\$110,250
Marketing Costs	1.0%	\$1.50	\$2,250	\$22,500
Sales Commission	3.7%	\$5.55	\$8,325	\$83,250
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$204,525</b>	<b>\$2,045,250</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$20,475</b>	<b>\$204,750</b>

Source: National Association of Home Builders and TPMA

## NEXT STEPS

- 01 Knox County Indiana Economic Development and the Town of Monroe City should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer.
- 02 Identify potential housing developers who may be interested in phasing in 10 to 12 homes priced between \$150,000 and \$225,000.
- 03 Work with property owner to determine who would be interested and experienced with this level of build out.
- 04 Calculate financial gap between what costs are associated with developing the site including on-site infrastructure and new housing construction.
- 05 If a financial gap exists, which may be likely, the Town should be prepared to assist with the public infrastructure that it would be owning such as streets, sidewalks, sewer lines and water lines. These improvements would be in the Town's right-of-way dedicated to the Town of Monroe City to own and maintain, as necessary.

1 - 3 YEARS

# BICKNELL:

## ALEXANDER STREET BLOCK BETWEEN 6TH & 7TH STREETS

### PROJECT DESCRIPTION

There may be a willing property owner with interest in providing market rate single-family residential development. It should be relatively easy to service this site as utilities are already near this site to support housing development. This site could potentially support 6-12 new SFR units of 1,200 SF to 1,500 SF. It is anticipated that the for-sale price point would range between \$150,000 and \$200,000.



### MARKET SEGMENTS

- 01 GREEN ACRES
- 02 MIDDLEBURG
- 03 SALT OF THE EARTH
- 04 HEARTLAND COMMUNITIES
- 05 ROOTED RURAL
- 06 DINERS AND MINERS

## FINANCIAL SCENARIO

This financial scenario illustrates that 1200 SF homes could be built on the Bicknell site if parcel finished lot costs can be kept near \$33,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	1500	\$150.00	\$180,000	\$1,800,000
NET Annual Revenue - Residential				\$1,800,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$33,300	\$333,000
Home Construction	61.1%	\$91.65	\$109,980	\$1,099,800
Financing Costs	1.7%	\$2.55	\$3,060	\$30,600
Overhead & General Expenses	4.9%	\$7.35	\$8,820	\$88,200
Marketing Costs	1.0%	\$1.50	\$1,800	\$18,000
Sales Commission	3.7%	\$5.55	\$6,660	\$66,600
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$163,620</b>	<b>\$1,636,200</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$16,380</b>	<b>\$163,800</b>

Source: National Association of Home Builders and TPMA

### NEXT STEPS

**01** Knox County Indiana Economic Development and the City of Bicknell should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer. This should be relatively low cost since the site is already served by City sewer and water services.

**02** Identify potential housing developers who may be interested in phasing in 6 to 12 homes priced between \$150,000 and \$200,000.

**03** Work with property owner to determine who would be interested and experienced with this level of build out.

**04** Calculate financial gap between what costs are associated with developing the site including on-site infrastructure and new housing construction, even though City has existing services make sure any upgrades etc. are considered in the pre-development planning phase.

**05** If a financial gap exists, which may be likely, the City should be prepared to assist with the public infrastructure that it would be owning such as streets, sidewalks, sewer lines and water lines. Possibly waiving hookup and tap-in fees to keep the finished lot costs affordable for the developer who would in turn keep the sale price in the \$150,00 to \$200,000 range.



1 - 3 YEARS

# VINCENNES:

## OLD HWY 41 SITE

### PROJECT DESCRIPTION

This housing site could support about 50-75 units depending on the eventual layout and density of the development. This is privately owned property so it may take some time to determine owner interest and sale price if interested in selling. Price points should be in the \$200,000 to \$300,00 range per home.



### MARKET SEGMENTS

01 SAVVY SUBURBANITES

02 SOCCER MOMS

03 COMFORTABLE  
EMPTY NESTERS

04 MIDLIFE CONSTANTS

## FINANCIAL SCENARIO

This financial scenario illustrates that 1200 SF homes could be built on the Vincennes site if parcel finished lot costs can be kept near \$48,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	1750	\$150.00	\$262,500	\$2,625,000
NET Annual Revenue - Residential				\$2,625,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$48,563	\$485,625
Home Construction	61.1%	\$91.65	\$160,388	\$1,603,875
Financing Costs	1.7%	\$2.55	\$4,463	\$44,625
Overhead & General Expenses	4.9%	\$7.35	\$12,863	\$128,625
Marketing Costs	1.0%	\$1.50	\$2,625	\$26,250
Sales Commission	3.7%	\$5.55	\$9,713	\$97,125
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$238,613</b>	<b>\$2,386,125</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$23,888</b>	<b>\$182,000</b>

Source: National Association of Home Builders and TPMA

### NEXT STEPS

- 01 Knox County Indiana Economic Development and the City of Vincennes should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer. This should be low cost since the site is served by nearby City sewer and water services.
- 02 Identify potential housing developers who may be interested in phasing in 50 to 75 homes priced between \$200,000 and \$300,000 of about 1,500 SF to 2,000 SF.
- 03 Work with property owner to determine who would be interested and experienced with this level of build out.
- 04 Calculate financial gap between what costs are associated with developing the site including on-site infrastructure and new housing construction, even though City has existing services make sure any upgrades etc. are considered in the pre-development planning phase.
- 05 If a financial gap exists, which may be likely, the City should be prepared to assist with the public infrastructure that it would be owning such as streets, sidewalks, sewer lines and water lines. Possibly waiving hookup and tap-in fees to keep the finished lot costs affordable for the developer who would in turn keep the sale price in the \$200,00 to \$300,000 range.

1 - 3 YEARS

# BICKNELL:

## EAST OF OHIO STREET SITE

### PROJECT DESCRIPTION

This site in Bicknell is a longer play as negotiations need to take place to determine private property owner interest in selling and how access to the site works best for the neighborhood and potential future residents of the development. If terms could be made with the existing property owner, then this project could development about 30-40 homes over about 5-6 year build out phase. It is anticipated that the homes would have a for-sale price of between \$150,000 and \$250,000 and be about 1,200 SF to 1,750 SF.



### MARKET SEGMENTS

- 01 GREEN ACRES
- 02 MIDDLEBURG
- 03 SALT OF THE EARTH
- 04 HEARTHLAND COMMUNITIES
- 05 ROOTED RURAL
- 06 DINERS AND MINERS

## FINANCIAL SCENARIO

This financial scenario illustrates that 1500 SF homes could be built on the Bicknell site if parcel finished lot costs can be kept near \$41,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/Home	Ten Homes
Average Sale Price per Home	1500	\$150.00	\$225,000	\$2,250,000
NET Annual Revenue - Residential				\$2,250,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$41,625	\$416,250
Home Construction	61.1%	\$91.65	\$137,475	\$1,374,750
Financing Costs	1.7%	\$2.55	\$3,825	\$38,250
Overhead & General Expenses	4.9%	\$7.35	\$11,025	\$110,250
Marketing Costs	1.0%	\$1.50	\$2,250	\$22,500
Sales Commission	3.7%	\$5.55	\$8,325	\$83,250
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$204,525</b>	<b>\$2,045,250</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$20,475</b>	<b>\$204,750</b>

Source: National Association of Home Builders and TPMA

### NEXT STEPS

- 01 Knox County Indiana Economic Development and the City of Bicknell should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer. This should be low cost since the site is already served by nearby City sewer and water services.
- 02 Identify potential housing developers who may be interested in phasing in 50 to 75 homes priced between \$150,000 and \$250,000 of about 1,200 SF to 1,750 SF.
- 03 Work with property owner to determine who would be interested and experienced with this level of build out.

- 04 Calculate financial gap between what costs are associated with developing the site including on-site infrastructure and new housing construction, even though City has existing services make sure any upgrades etc. are considered in the pre-development planning phase.

- 05 If a financial gap exists, which may be likely, the City should be prepared to assist with the public infrastructure that it would be owning such as streets, sidewalks, sewer lines and water lines. Possibly waiving hookup and tap-in fees to keep the finished lot costs affordable for the developer who would in turn keep the sale price in the \$150,00 to \$250,000 range.



# VINCENNES:

## WHEATLAND ROAD SITE

### PROJECT DESCRIPTION

This housing site could support about 60-80 units depending on the eventual layout and density of the development. This is privately owned property so it may take some time to determine owner interest and sale price if interested in selling. Price points should be in the \$300,000 to \$500,000 range per home of about 2000 SF to 3500 SF. The build out may take 5-10 years depending on market velocity for upper end SFR homes in the Vincennes market. Under the current market in 2021, this appears to be a reasonable assumption.

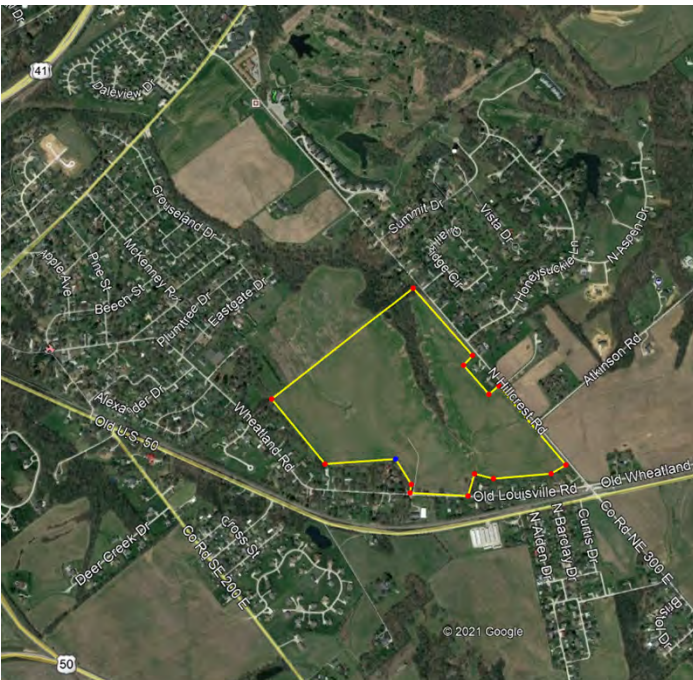
### MARKET SEGMENTS

01 SAVVY SUBURBANITES

02 SOCCER MOMS

03 COMFORTABLE  
EMPTY NESTERS

04 MIDLIFE CONSTANTS



## FINANCIAL SCENARIO

This financial scenario illustrates that 2500 SF homes could be built on the Vincennes site if parcel finished lot costs can be kept near \$69,000 which would include extended sanitary sewer and water utilities.

For Sale Homes	UNIT SF	Sale Price/SF	Sale Price/ Home	Ten Homes
Average Sale Price per Home	2500	\$150.00	\$375,000	\$3,750,000
NET Annual Revenue - Residential				\$3,750,000
Construction Costs per Unit	% Share of Sale Price	Cost/SF	Cost per Home	Total Costs
Finished Lot	18.5%	\$27.75	\$69,375	\$693,750
Home Construction	61.1%	\$91.65	\$229,125	\$2,291,250
Financing Costs	1.7%	\$2.55	\$6,375	\$63,750
Overhead & General Expenses	4.9%	\$7.35	\$18,375	\$183,750
Marketing Costs	1.0%	\$1.50	\$3,750	\$37,500
Sales Commission	3.7%	\$5.55	\$13,875	\$138,750
<b>Total Project Costs</b>	<b>90.9%</b>	<b>\$136.35</b>	<b>\$340,875</b>	<b>\$3,408,750</b>
<b>Profit</b>	<b>9.1%</b>	<b>13.65</b>	<b>\$34,125</b>	<b>\$341,250</b>

Source: National Association of Home Builders and TPMA

### NEXT STEPS

- 01** Knox County Indiana Economic Development and the City of Vincennes should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer. This should be low cost since the site is served by nearby City sewer and water services.
- 02** Identify potential housing developers who may be interested in phasing in 50 to 80 homes priced between \$300,000 and \$500,000 of about 2,000 SF to 3,500 SF.
- 03** Work with property owner to determine who would be interested and experienced with this level of build out.

- 04** Calculate financial gap between what costs are associated with developing the site including on-site infrastructure and new housing construction, even though City has existing services make sure any upgrades etc. are considered in the pre-development planning phase.

- 05** If a financial gap exists, which may be likely, the City should be prepared to assist with the public infrastructure that it would be owning such as streets, sidewalks, sewer lines and water lines. Possibly waiving hookup and tap-in fees to keep the finished lot costs affordable for the developer who would in turn keep the sale price in the \$300,00 to \$500,000 range.

Location	Timeline	Housing Type	Price Range	Units	Square Feet	Incentives
Vincennes-Bruceville Rd	<b>Pending</b>	SFR	\$175K-\$300K	30-40	2000-2500	Infrastructure
Vincennes-Bierhaus Blvd	<b>Pending</b>	SFR/TH/DP/ QD/MFR	\$150K-\$350K \$800-\$1,200/ mo.	30-40 SFR 80-120 MFR	1200-2500 750-1150	Infrastructure Financial Gap/ Site-specific TIF
Bicknell - Downtown	<b>1-3 yrs.</b>	MFR	\$650-\$850/mo.	24-30	650-850	IRTC/RHTC READI/TIF Financial Gap
Edwardsport- school reuse	<b>1-3 yrs.</b>	MFR	\$650-\$850/mo.	60-80	650-850	IRTC/RHTC/ READI/TIF Financial Gap
Monroe City	<b>3-5 yrs.</b>	SFR	\$175K-\$225K	10-12	1500-2000	Infrastructure
Oaktown- W. Main St.	<b>3-5 yrs.</b>	SFR	\$175K-\$225K	10-12	1500-2000	Infrastructure
Sanborn- 3-acre site	<b>3-5 yrs.</b>	SFR	\$150K-\$175K	10-12	1250-1500	Infrastructure
Vincennes- N. Old 41	<b>5-10 yrs.</b>	SFR	\$180K-\$225K	50-75	1500-2000	Infrastructure
Vincennes- Wheatland Rd.	<b>5-10 yrs.</b>	SFR	\$250-\$400K	20-30	2500-3000	Infrastructure
Vincennes- VU to DT	<b>1-10 yrs.</b>	SFR/TH/DP QD/MFR	\$250K-\$400K	20-30 renovation	1200-2000 650-950	IHCDA Financial Gap
Vincennes- Downtown ONB Site	<b>1-10 yrs./ 1-3 yrs.</b>	Upper Floor Renovation/ Hotel/Apts	Hotel: \$150/ night Apts. \$800- \$1,500/mo.	24-key boutique hotel 36-48 Apt	1000-1200 700-1000	Site Specific TIF/IRTC/ READI Financial Gap Upper Floor Renov - OCRA
Vincennes- Good Sam. to St. Xavier	<b>1-10 yrs.</b>	SFR/TH/DP QD/MFR	\$150K-\$250K \$850-\$1,250/ mo.	20-30 60-80	1200-2000 650-950	Infrastructure Financial Gap
Bicknell- SFR Opportunities	<b>1-10 yrs.</b>	SFR	\$150K-\$225K	30-50	1500-2000	IHCDA/ Infrastructure

# STRATEGIES

**01** Knox County Indiana Economic Development and the City of Vincennes should prepare preliminary engineering cost estimates of providing infrastructure to the site for water and sanitary sewer. This should be low cost since the site is served by nearby City sewer and water services.

**02** Anchor Institution Neighborhood Program (Good Samaritan Hospital/ Vincennes University areas)  
**Goal:** Anchor Institutions Program to strengthen neighborhoods and workforce around the institutions. These are mature neighborhoods with limited space for new development, and the existing housing stock in many cases needs renovation due to age and deferred maintenance of homes.

## FUNDING SOURCES

- A.** Local Fixed Utility Fee - Developer can recoup costs on the sale, instead of that cost up front on water/sewer, pass it through the monthly cost on the utility rates.
- B.** TIF to be used for multi-family residential (commercial development) as appropriate i.e. Hart Street/Bierhaus Blvd area to these housing sites, think aggressively on how to use TIF. Housing TIF not big enough to underwrite so return isn't very good.
- C.** OCRA grant would serve at least those households who may qualify for low to moderate income levels.
- D.** ARPA (American Recovery Plan Act 2021) funds may be targeted to extend or upgrade infrastructure in support of workforce housing development either single-family or multi-family developments.

## FUNDING SOURCES

- A.** TIF underwriting could be used for gap financing on larger scale projects or for specific in public improvements such as storm water or sidewalk upgrades.
- B.** IHCD funding could support tax credits for scattered site housing development. This has been done recently in Vincennes and Bicknell, but it should be expanded and focused in these Anchor Institution neighborhoods where the impact would be significant on improving the entire neighborhood.
- C.** ARPA funds may be able to match local funding TIF or private developer funding for public infrastructure upgrades in these older neighborhoods.
- D.** OCRA grant funds could complement IHCD targeted scattered site investments for housing renovation to low- and moderate-income households.



# INFRASTRUCTURE IN SUPPORT OF NEW RESIDENTIAL DEVELOPMENT

**Goal:** Support of affordable new single-family residential development to off-set costs of public infrastructure to allow the sale price of new homes to be reduced by \$30,000 to \$75,000 per home. This will keep prices more reasonable for home buyers, and it will allow developers to absorb more new homes per year in their developments.

## Funding Sources:

### Local Fixed Utility Fee

Developer can recoup costs on the sale, instead of that cost up front on water/sewer, pass it through the monthly cost on the utility rates. TIF to be used for multi-family residential (commercial development) as appropriate i.e. Hart Street/Bierhaus Blvd area to these housing sites. Think aggressively on how to use TIF. Housing TIF is not big enough to underwrite so return isn't very good.

OCRA grant would serve at least those households who may qualify for low to moderate income levels.

ARPA (American Recovery Plan Act 2021) funds may be targeted to extend or upgrade infrastructure in support of workforce housing development either single-family or multi-family developments.

# ANCHOR INSTITUTION NEIGHBORHOOD PROGRAM (GOOD SAMARITAN/VINCENNES UNIVERSITY AREAS)

**Goal:** Anchor Institutions Program to strengthen neighborhoods and workforce around the institutions. These are mature neighborhoods with limited space for new development, and the existing housing stock in many cases needs renovation due to age and deferred maintenance of homes.

## Funding Sources:

TIF underwriting could be used for gap financing on larger scale projects or for specific in public improvements such as storm water or sidewalk upgrades.

IHCDA funding could support tax credits for scattered site housing development. This has been done recently in Vincennes and Bicknell, but it should be expanded and focused in these Anchor Institution neighborhoods where the impact would be significant on improving the entire neighborhood.

ARPA funds may be able to match local funding TIF or private developer funding for public infrastructure upgrades in these older neighborhoods.

OCRA grant funds could complement IHCDA targeted scattered site investments for housing renovation to low- and moderate-income households.

Opportunity Zone investors may be drawn to support larger scale projects within Vincennes, but it would be difficult to attract such investors to smaller scattered site redevelopment efforts.

## Case Study:

In his article, *Anchor Institutions: The Economic Benefits of Putting Community First*, Brian Clarke of the Federal Reserve Bank of Boston explains how nonprofit institutional pillars like hospitals and universities can use their influence to drive economic growth. Clarke says that anchor institutions should prioritize and incentivize consistent use of community businesses for procurement.

“Boston-based organization Interise is convening a collaborative working group to do a ‘system mapping’ exercise with the goal of expanding the number and size of contracts awarded to local women- and minority-owned businesses.”

This may mean changing policies and systems within the anchor institutions and a shifting of local business products and services to meet anticipated needs. This shortening of the supply chain contributes to sustainability, resiliency, and stronger local economies. The full article is available in the appendices.

## DOWNTOWN UPPER FLOOR / LOFT RENOVATION PROGRAM

**Goal:** Develop additional downtown residential units and renovate historic properties where possible. By focusing on the upper floor areas of downtown buildings, the fund would allow existing property owners to renovate these floors into loft style new apartment units to increase their income from the properties while also expanding unique apartment living options for the Vincennes rental market.

### Funding Sources:

LOCAL UPPER STORY RENOVATION FGRANT FUND in Vincennes a partnership of the City of Vincennes, Vincennes Main Street, and Knox County Development Corporation of Knox County Indiana Economic Development could be created to pull together funding to underwrite a grant program that would act as Gap Financing for downtown property owners who would renovate their upper floors for loft-style residential apartments. This fund could be used to match READI funds from IEDC that require a level of match as well.

TIF underwriting may be critical to assist downtown property owners because the cost to renovate their upper floor space is normally much more expensive than non-historic properties.

HTC (federal Historic Tax Credit) may be used to assist developers and property owners by attracting equity into their project for historic preservation rehabilitation. While this process does take additional time, it may allow significant amounts of equity to be raised that would otherwise not be invested into the project. Vincennes with its historic downtown has many buildings of varying sizes that may be very good fit to use the HTC for historic preservation purposes.

IEDC-READI grant program requires a 1:1 match by local public sources and the READI portion of a project may not exceed 20% of the total development cost of the project.

# DOWNTOWN UPPER FLOOR / LOFT RENOVATION PROGRAM

## Funding Sources Continued:

ARPA funds may assist downtown development by allowing the City of Vincennes to make infrastructure improvements necessary to support new private development projects that create more residential housing units in downtown.

IEDC-IRTC provides tax credits of up to 25% of the total development costs of a project not to exceed in most cases \$5,000,000. This program should be focused on major projects in the downtown such as the Oliphant Building renovation and similar larger scale historic preservation and renovation housing development projects.

IHCDA-RHTC tax credits will allow a developer to build affordable apartments at monthly rent points that are affordable to a cross section of workers in Knox County. These tax credits may be essential to couple with HTC credits to preserve downtown historic buildings and create new housing units in larger scale projects in downtown.

Opportunity Zone investors often target housing projects because of their stability as an investment, and the Opportunity Zone provides them a means to invest in residential housing development. Usually, larger scale projects will attract these investors, and it may be possible for Knox County or Vincennes to create its own LOCAL Opportunity Fund to make these investments as national Opportunity Funds and investors often have specific returns and development terms that may not make using them reasonable for developers on all housing development projects.



# SMALL COMMUNITY HOUSING DEVELOPMENT PROGRAM

**Goal:** Use funding programs to support new housing development in small communities across Knox County. Infrastructure underwriting will be critical where necessary to support new housing to keep prices within a range that is affordable for most families seeking home ownership.

## Funding Sources:

TIF funding where there may be existing TIF Districts to support workforce housing development for either new single-family homes or new multi-family apartments.

ARPA funds may be able to match local funding from TIF or private developer funding for public infrastructure upgrades in these older neighborhoods.

OCRA will help support low to moderate income families to buy down costs for the sale price of new homes or support infrastructure to allow new housing developments to be built.

USDA Rural Development Services provides grants and loans in support of new housing developments in smaller communities. Like OCRA, they will be focused on income-eligible families which means coordination with USDA will be important for successful implementation.

IHCDA Project Site specific or Scattered Site Housing Development by using the rental housing tax credit program for 9% or 4% tax credit program. Renters who may be more attracted to rental options for their young families may qualify for housing units that are rented at price points they can afford. The RHTC program at IHCDA provides developers equity from investors who purchase the tax credits, and therefore, the developer can afford to build the units for a rent point that is affordable and allow a reasonable return to the developer as well.