

## Chapter 4: Housing

### Introduction


Hamilton residents value their neighborhoods. Historic residential neighborhoods are located in the older section of the City, and have become some of the most valuable real estate in the City. More recent housing developments have been constructed primarily in the north and east sections of the City.


If a community is to prosper, it is essential to address residential issues. Business and industry that may consider locating in Hamilton will evaluate the availability of housing for their employees of all salary levels. Of primary importance is to ensure that current and future residents of Hamilton, who come from a diversity of socioeconomic backgrounds, have adequate and quality housing available to them.

In 2000, the City of Hamilton conducted a series of public meetings as part of a Community Needs Assessment. The lack of “**affordable housing to meet the economic needs of the City’s residents**” emerged as the highest priority need.


### What is a “Housing Plan”?


A Housing Plan will include an **assessment of housing needs** and an **inventory of resources and constraints** relevant to the meeting of these needs. The assessment and inventory shall include the following:


 *Analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.*

 *An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of*

zoning and public facilities and services to these sites.

 *Analysis of potential and actual governmental constraints* upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.

 *Analysis of potential and actual non-governmental constraints* upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

 *Analysis of any special housing needs*, such as those of people with disabilities, the elderly, large families, families with female heads of households, and families and persons in need of emergency shelter.

 *Analysis of opportunities for energy conservation* with respect to residential development.

Hamilton's 1997 Five-Year Housing Plan, contained in the 1998 Comprehensive Master Plan, is now due for an update. It is listed as Goal 6 in the "Goals and Policies" section of this chapter.

## Housing Characteristics

### Number of Housing Units

As of the 2000 Census, Hamilton had a housing stock comprised of 1,915 dwelling units, which represents a 31% increase from 1990. This substantial increase, along with other growth factors, has placed increased usage on local services.

<b>Housing Type</b>	<b>Number</b>	<b>% of all stock</b>
<b>All Dwelling Units</b>	<b>1,915</b>	<b>100%</b>
<b>Occupied Units</b>	<b>1,772</b>	<b>92%</b>
<i>Owner occupied</i>	904	47%
<i>Renter occupied</i>	868	45%
<b>Vacant Units</b>	<b>143</b>	<b>7%</b>
<i>For rent</i>	57	3%
<i>For sale</i>	36	2%
<i>Rented or sold,     not occupied</i>	9	<1%
<i>Seasonal, recreational,     occasional use</i>	14	<1%
<i>Other</i>	27	1%

### Permits Issued for New Dwelling Units: 2002, 2001, 2000

	<b>2002</b>		<b>2001</b>		<b>2000</b>
<b>NUMBER</b>	<b>39</b>		<b>32</b>		<b>29</b>
<b>Percent Increase</b>	<b>+</b>	<b>+22%</b>		<b>+10%</b>	
<b>VALUATION</b>	<b>\$3,576,900</b>		<b>\$2,370,589</b>		<b>\$2,229,605</b>
<b>Percent Increase</b>		<b>+51%</b>		<b>+ 6%</b>	
<b>AVG VALUE/PERMIT</b>	<b>\$91,715</b>	<b>+25%</b>	<b>\$74,081</b>	<b>- 5%</b>	<b>\$76,883</b>

## Housing Tenure in 2000.

Age of Householder	Owner Occupied	Renter Occupied
15-34	95	237
35-44	136	139
45-54	157	121
55-64	128	76
65-74	148	91
75-84	166	121
85 & older	74	83
<b>2000 TOTAL</b> (1,772 households responded)	<b>904</b>	<b>868</b>
<b>PERCENTAGE</b>	<b>51%</b>	<b>49%</b>

### COMPARED TO

<b>1990 TOTAL</b> (1,345 households responded)	<b>732</b>	<b>613</b>
<b>PERCENTAGE</b>	<b>54%</b>	<b>46%</b>

In Ravalli County as a whole, homeownership rates are much higher (76% homeownership, 24% rental) than those for Hamilton. Most likely this is attributable to the fact that multi-family development (which is primarily rental housing) must locate within the City limits to access municipal water and sewer.

As can be seen by comparing the 1990 Census with the 2000 Census data, homeownership rates have dropped slightly. This is attributable in part to an increase in the number of 75 years and older householders residing in rental housing (such as nursing homes and assisted living centers). In 1990, that number was 108 households; in 2000, it was 204. There also has been a dramatic increase in the number of middle-aged householders (45-54) who rent. In 1990, that number was 55 households; in 2000 it was 121.

## Housing Stock Condition

One aspect of the housing characteristics analysis is an evaluation of the condition of existing housing. Based on windshield surveys conducted by City staff, Hamilton's housing stock is judged to be primarily in good condition.

### definition

#### Housing Tenure:

a person's interest in his or her residence – either ownership or leasehold (renting).

#### Windshield

##### Survey:

a visual survey conducted by driving around a community and recording observations

## Age of Housing Units

<i>Year Built</i>	<i>Number of Dwelling Units</i>	<i>% of DUs</i>
Earlier than 1939	495	26%
1940-1949	102	5%
1950-1959	291	15%
1960-1969	77	4%
1970-1979	302	16%
1980-1989	151	8%
1990-Mar2000	497	26%
TOTAL	1,915 DUs	100%

In 2002, the median age of Hamilton's housing stock was 33 years (built in 1969).

## Distribution of Hamilton Housing Stock

<i>Dwelling Units in Structure</i>	<i>Number</i>	<i>% of Total</i>
1 (single family)	1,118	59%
2 (duplex)	100	5%
3-4	128	7%
5-9	76	4%
10-19	76	4%
20-49	158	8%
50+	92	5%
mobile homes	165	8%
TOTAL	1,915 DUs	100%

⇒ Over half of the dwelling units in Hamilton are single-family homes.

⇒ Mobile homes account for 8% of the housing stock within the City limits.

⇒ Multi-family structures that contain more than 20 dwelling units comprise 13% of the dwelling units.

## Housing Affordability

	2000	vs. 1990
Median Value Housing:		
City of Hamilton	\$ 97,000	\$46,500
Ravalli County	\$133,400	\$61,700
Median Gross Rents		
City of Hamilton	\$437/mo	\$247/mo
Ravalli County	\$502/mo	\$313/mo

### definition

#### Affordable Housing

is defined as a dwelling unit for which the monthly housing payment (including all mortgage or rent, maintenance, utilities, and financing costs) does not exceed 30% of the income for households with income at or below 120% of the Ravalli County median family income (\$32,992 in 1999).

The cost of housing in Hamilton and Ravalli County (including housing sales values and monthly rent costs) has been steadily rising since 1990. The price of homes in both jurisdictions has more than doubled in one decade.

Renters in Hamilton and Ravalli County have also seen a steep rise in rents over the decade (+78% and 60%, respectively), although the rise is not quite as dramatic as home purchasers have experienced.

### Site Availability

Vacant sites are extremely limited within the existing City boundaries. In fact, the majority of new development has taken place as a result of annexation.

### Governmental Constraints

Governmental regulations affect the maintenance, improvement and development of housing for all income groups. These include:

- Land use controls;
- Building codes and their enforcement;
- Site improvements;
- Fees and other exactions; and
- Local processing and permit procedures.

## **Building Codes and Enforcement**

The International Building Code has been adopted by the City Council with no local amendments. Existing housing is governed by substandard housing subsection of the International Building Code. Housing code enforcement for existing housing is done on a “by-complaint” basis. City staff also conducts code enforcement activities by field surveys.

## **Non-Governmental Constraints**

There exist several potential and actual non-governmental constraints that affect Hamilton’s housing stock:

- Availability of financing;
- Price of land; and
- Cost of construction.

## **Availability of Financing**

The mortgage industry is experiencing historically low interest rates as of this writing (February 2003). At this time, the availability of financing does not constitute a barrier to housing affordability.

## **Price of Land**

Residential building lots within the City limits are scarce; the few that are listed on the Ravalli County Association of Realtors website range from \$39,000 to \$58,900 for a single-family lot.

## **Cost of New Construction (including profit)**

From 1990 to 2000, the median single-family home value increased a staggering **208%**. A home that sold for \$50,000 in 1990 could sell for \$104,000 in 2000.

New construction costs are the total cost to the housing developer of producing new housing, including fees, materials, labor, financing and profit. These costs vary depending on the size, roofing materials, carpeting and other features. Because of this, it is difficult to establish an absolute measure of construction costs.

Based on a survey of new construction prices, a moderately-priced new home's construction cost, built on a city lot, ranges from \$80 to \$106 per square foot. According to the Ravalli County Homebuilders Association, the greatest factor for the dramatic increase in construction costs is the rising price and falling supply of residential lots.

## **Special Needs Populations**

### **People with Disabilities**

Special consideration must be given to housing for people with disabilities living in the community. In 2000, an estimated **874 people** (24% of the total population) in Hamilton had a disability. The International Building Code already contains an extensive set of standards for accessible dwelling units.

There is a need for the development of more accessible housing, or the remodeling of existing housing to meet accessibility standards. Housing for the disabled is more convenient and accessible when developed near service centers within the city, such as medical facilities, the post office, and grocery stores. The State has adopted building regulations that require any privately funded development with five or more units of multi-family rental housing to include handicapped adaptability features for all accessible (ground floor) units.

### **Elderly**

2000 Census: **1,049 persons** who are 65 years and older  
(28% of all Hamilton citizens)

Special consideration must also be given to the needs of elderly residents of Hamilton. Many senior citizens have fixed incomes and experience financial difficulty in coping with rising housing costs. The financial capacity for coping with increased housing costs depends heavily on tenure; that is, the owner or renter status of the elderly households. With infrequent and small increases in income and potentially large increases in housing costs, the senior renter is at a continuing disadvantage compared to the senior owner.

As our population ages, this will increasingly become an issue that demands attention. Housing should be developed with an eye toward “age-in-place” housing, which is housing that can comfortably and safely accommodate a wide variety of age ranges and abilities. As the City’s population continues to age, the demand for smaller housing units that require less maintenance is expected to increase.

The City of Hamilton has an adequate supply of congregate care facilities, board and care homes, and convalescent centers. This is particularly crucial to the aging parents of adult disabled children or to newly disabled individuals who have not acquired the skills to maintain an independent lifestyle.

### **Overcrowded Households**

Overcrowding is defined as housing units with 1.01 or more persons per room. In 2000, there were **101 households** in Hamilton in overcrowded conditions; in 1990, there were only 26 such households. As a whole, though, overcrowding does not represent a significant problem in Hamilton.

### **Large Families**

The 2000 Census reports that **56 households** (3% of the total number of households) are comprised of large families. Of those families that own their residence, some might benefit from rehabilitation loans designed to increase home size and living space. Those that are lower-income large families will have a need for some form of rental assistance or subsidy.

### **Female Heads of Household**

Of the City's total 1,772 households, **169 households**, or 9.5% were headed by a female. The distribution of these households is:

<input type="checkbox"/> 1 person female head of household	45
<input type="checkbox"/> 2 person + female head of household	124

### **definition:**

#### **Large Families**

are defined as households with five (5) or more persons.

## **Farm Workers**

Farm workers are one of six special needs groups whose housing needs must be addressed in a Growth Policy. In 2000, there were **35 residents** employed in the "farming, forestry and fishing" occupations (3% of all the employed persons). Farm worker housing is not identified as a major area of concern in this Growth Policy.

## **Homelessness**

For a number of reasons, it is difficult to estimate the number of homeless individuals and families living within the Hamilton city limits. The Montana Department of Health and Human Services periodically conducts a survey of the homeless population in larger communities (Billings, Missoula, Bozeman, Great Falls, and Helena), but Hamilton and even Ravalli County are not included in the census.

In addition, homeless individuals and families often find shelter by "doubling up" with relatives, or moving frequently from couch to couch (or garage to garage) while they struggle to find affordable shelter.

## **Rental Vacancy Rate**

Even though the rental vacancy rate in 2000 was 6.2%, the vacancy rate for subsidized units is much lower – 2% according to surveys conducted by the District XI Human Resource Council. Lower cost units available for tenant-based rental assistance are still in short supply.

## Displacement

Housing markets with displacement are usually characterized by one of two situations:

- ① where housing costs within a short commuting distance to the City are LOWER than those within the City; or
- ② when an influx of outside money raises the prices of existing units, causing demolition of existing housing in order to build newer larger housing units.

Neither of these situations exists in the Hamilton/Ravalli County real estate market. The median housing cost in Ravalli County is actually higher than the median cost for Hamilton.

The second type of displacement – demolition and replacement - is not a common occurrence, although as land becomes scarcer within the City limits, it may emerge as an issue.

### defintion:

**Displacement** of current citizens occurs when real estate market forces entice or require citizens to re-locate outside of the City limits.

## **Housing Goals and Policies:**

### **Goal 1: Preserve the Existing Housing Stock**

**Policy 1:** Maintain existing affordable housing in the City through participation in housing assistance programs and regulatory powers.

**Policy 2:** Improve the quality of existing housing through code enforcement and residential rehabilitation and replacement of deteriorated housing where necessary.

### **Goal 2: Identify Adequate Housing Sites**

**Policy 1:** Provide housing sites to accommodate a full range of housing needs and types.

**Policy 2:** Through annexation, expand the City's inventory of residential land to more completely meet Hamilton's share of regional housing needs.

### **Goal 3: Assist in the Development of Affordable Housing**

**Policy 1:** Achieve the production of affordable housing on vacant, infill sites to the greatest degree possible.

**Policy 2:** Provide financial incentives to the private sector to build a variety of affordable housing in the City.

### **Goal 4: Remove Governmental Constraints**

**Policy 1:** Modify, as appropriate, some of the City's development standards to facilitate the construction of a variety of housing types, including new affordable development.

**Policy 2:** Expedite the review and approval process for affordable housing developments to the greatest extent practical.

The City of Hamilton's development standards are available from the City's Department of Public Works

**Goal 5:** Promote Equal Housing Opportunity

**Policy 1:** Encourage fair and equal housing throughout the City of Hamilton.

**Policy 2:** Achieve equal housing opportunities for all persons and families in housing programs supported by city actions.

**Goal 6:** Update Hamilton's 5-Year Housing Plan.