

CULLMAN AREA HOUSING NEEDS ASSESSMENT



Commissioned by the Cullman Area Chamber
301 2nd Avenue SW, Cullman, Alabama 35055

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- ✚ **RESIDENTS OF CULLMAN COUNTY AND LOCAL JURISDICTIONS**
- ✚ **APARTMENT OWNERS, BUSINESS OWNERS, AND MERCHANTS**

CULLMAN AREA HOUSING NEEDS ASSESSMENT

Building a Future, Understanding the Past

SECTION 1: INTRODUCTION

Overview of the Housing Needs Assessment

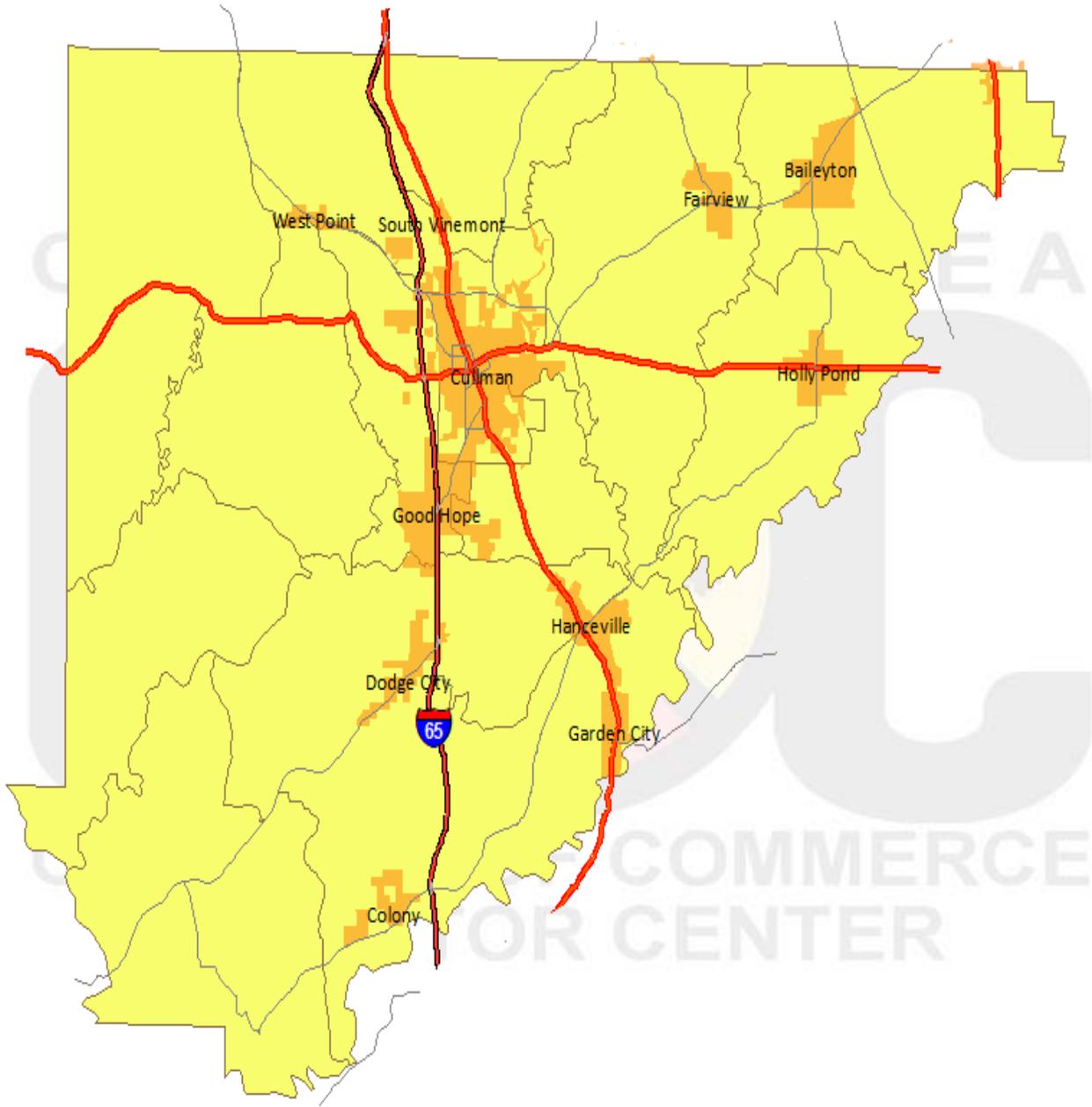
The Cullman Area Housing Needs Assessment combines an evaluation of housing and economic trends, market, socio-economic and demographic data, with an analysis of housing, commercial, and neighborhood conditions, used to forecast future housing needs. Community engagement and identification of key Issues and opportunities to address those needs are incorporated into the analysis. An analysis of Home Mortgage Disclosure Act lending data, financial resources available for supporting housing recommendations, and fair housing law, provide insight into solving issues and opportunities to improve social equity and quality of life.

The needs assessment has resulted in identification of future housing needs, and policy options to encourage implementation of strategies and solutions that support future housing and economic development goals. The needs assessment aligns future housing demand for current and future residents with economic trends and population growth. The planning process also yields outputs intended to guide investment and development decisions in housing and infrastructure needed to support housing development. Most important, the needs assessment serves as a data reference document for the development and reinvestment process; offers guidance to the development process in land acquisition, site clearance, product design, and financing options; recommends government policy and regulatory changes needed to implement goals; provides guidance in interpretation and compliance with existing city, county, state and federal regulations; and recommends strategies to encourage future housing and economic development needed to maintain neighborhood stability for current and future residents.

The Needs Assessment is guided by the following goals and principles:

1. To determine what are the existing and future housing needs for the Cullman Area;
2. To maintain existing housing, neighborhood, and commercial corridor stability and reverse trends toward neighborhood decline with a focus on sustainability;
3. To understand existing housing characteristics, population trends, priority needs, development opportunities and the constraints on meeting housing demands;
4. To encourage diverse housing types; and quality retail and commercial uses priced to meet diverse community needs;
5. To strategize where and how housing development and neighborhood reinvestment should take place to foster economic opportunity and job growth;
6. To guide public policy and community discussion about planning and revitalization;
7. To encourage the sustained involvement and interest of stakeholders in the future development of housing, in downtowns and main streets, commercial corridors, entertainment districts and surrounding neighborhoods;
8. To predict future housing needs and determine where and how housing development goals can best be implemented;
9. To identify necessary resources to achieve implementation;
10. To increase interest in development by private developers, investors, and financial institutions.
11. To assist local governments in targeting reinvestment and formulating public policy.

Cullman County Needs Assessment Area



KEY FINDINGS – DEMOGRAPHIC AND HOUSING CHARACTERISTICS

Population - Cullman County has experienced positive trends in population growth in recent years, adding nearly 1,800 new residents from 2010 to 2017. The total population of Cullman County according to the 2013 - 2017 American Community Survey was 81,703. This was an increase of 1 percent above the 2015 total population of 80,965 and approximately 2 percent over the 2010 total population of 79,941.

Households - Cullman County had 31,097 total households in 2017. Of the total households, 69.1 percent were family households and 54 percent were married-couple households. Approximately 19 percent were married-couple households with children under the age of 18. About 17 percent of households were female-headed and 10 percent of those female-headed households had children under the age of 18 present.

Race/Ethnicity - The largest racial/ethnic group in Cullman County according the 2017 American Community Survey were whites, which accounted for 96 percent of the population. The second largest group was Hispanic, which accounted for about 4 percent of the population.

Income - According to the 2013 - 2017 American Community Survey 5-Year Estimates, the median household income for Cullman County was \$40,997. The median income for Cullman County is \$40,997 and 18% of residents in Cullman County earn incomes between \$50,000 and \$74,000. This means that home ownership is affordable to large segments of the populations and 18% of the population can afford most housing offered in the county based on sales price data recorded since 2016.

Housing Units - The ACS estimated 37,524 total housing units, rental and homeownership combined, in Cullman County in 2017, with 69 percent single-family, 9 percent multifamily, and 22 percent mobile home and other types. It is estimated that 75 percent of housing is owner occupied and 25 percent renter occupied.

KEY FINDINGS – MARKET ANALYSIS AND HOUSING TRENDS

Type of units: Rental of single-family detached homes, duplex, townhome, and units in small multifamily developments 10 to 30 units, are considered most in demand. Although the needs analysis supports demand for larger multifamily unit developments, there appears to be a limited interest and developer strategies for accumulation or assembly of land to build the larger developments of multifamily units of 40 or more units.

Neighborhood and Housing Conditions: Neighborhood and housing conditions are least desirable in older areas of cities, towns, and in the County where there are concentrations of poorly maintained housing. Obsolete multifamily and public housing built in the 1950's and 1960's cannot be economically or ecstastically improved without increasing rents that would make housing unattainable for the populations needing lower cost housing the most.

Single Family Price Range: Single-family units should be priced (in current dollars) between \$85,000 and \$130,000. The average income required to qualify for a mortgage based on the home value of \$85,000 to \$130,000 is approximately \$25,000 to \$40,000 in total household income. Additional subsidy to reduce the purchase price and to provide down-payment and closing cost to increase affordability will be needed for LMI populations.

Single Family Unit Size: According to consumer surveys, housing units intended to address future needs should be between 1,250 and 1,500 square feet, 3 bedrooms - 2 bathrooms, based on the market preferences and to preserve affordability. Smaller units may be desired by elderly, younger demographics, and others including cluster housing, townhomes, and duplexes. Some larger units may be necessary to support larger families however, cost may be a factor given current incomes and affordability of LMI persons.

Rental Housing Price Range and Affordability: Rental markets reflect a median rent of \$640. The average income to qualify for a contract rent of \$644 is \$24,000 to \$31,000. Additional subsidy to reduce the cost and increase affordability is needed for LMI populations. In Cullman County, mobile homes are becoming an increased choice for lower cost housing. Surveys indicated apartments and other types of rental housing are needed due to perceived predatory rental practices of some mobile home landlords and owners.

Housing Preferences: The most underrepresented housing product in the market is rental units, especially in and around downtowns, main streets, along commercial corridors, and in or near entertainment districts and special points of interest. Younger populations, empty nesters and persons considering entering the market recently expressed interest in living in these settings. The major issue appears to be the cost-effective ability to produce this type of housing in such locations at a price affordable to those desiring the housing. Solutions include providing development subsidies, infrastructure and incentives to developers to supplement cost of land and development cost associated with loft conversions and vertical development of multifamily, while enhancing financially feasible for developers. Federal and state development and rental subsidies may be needed to make units more affordable to some renters.

Repurposed Development and Redevelopment in Existing Areas: The market analysis and community engagement process revealed two important considerations. Existing areas in the City of Cullman are experiencing decline and will require changes in development patterns in order to transition into areas where future housing needs can be realized. In Hanceville, collaboration of the private sector and Wallace State College in providing off campus student housing could provide an opportunity to increase the economic vitality of Hanceville's downtown and near downtown areas. This concept is being embraced in college communities that are home to Baylor University, the University of Mississippi, the University of Alabama, the University of Texas and others. This strategy also helps lessen the consumption of affordable housing by college students. In Cullman, the West Side area adjacent to downtown and Highway 278 has lost much of its fabric, with some areas proliferated with vacant land and obsolete housing units. Development concepts could include an emphasis on increasing vertical height to make multifamily development more feasible along with infrastructure improvement that support increased housing densities.

Economic Indicators and Population Growth – Economic indicators and population growth are not the only indicators of an increased need for housing. Industry leaders indicate challenges in finding housing for their workforce, including housing for temporary and specialized workforce. Some industries have taking steps to purchase housing to make available as rental housing to their workforce. Community engagement revealed a potential interest in employer assisted housing programs that are discussed in the strategies section.

HOUSING NEEDS – FUTURE GROWTH PROJECTIONS

Balanced Housing Model Projections

Based on increasing economic growth, steady job creation, decreasing unemployment and Cullman County's \$44,200 average wage, the Needs Assessment analysis project an increased demand for both rental and owner-occupied housing. The average income of \$44,200 will potential afford homes at a price point of \$160,000 to \$180,000 and provides on average approximately \$1,125 in income for monthly rent.

The balanced housing model projects an increase in housing units needed in Cullman County of 3,470 units, rental and home ownership housing combined by 2040. This includes 1,421 new homeownership housing units, all expected to be single family homes on standard lots and small lots. The need for new townhomes is estimated at 287 units; multifamily rental units at 1,218 units; and 544 additional mobile home and other units.

When comparing existing owner-occupied single-family housing to household incomes, the analysis concludes that most of the single-family home ownership demand will be consumed by households earning \$35K or greater in household income. This translates to homes at a likely sales price point of \$140,000 and above.

The disparity between single-family home supply and demand of some household income ranges is projected to continue through 2040 for households earning up to \$150,000. This translates into a potential need for units at a price point of \$250,000 to \$450,000. This need is also supported by recent home sales data provided by Cullman Realtors Association showing a December 2018 monthly home sales price average of \$174,111.

Rental housing is likely to exceed projections as well. The ACS 2013 – 2017 Five-Year Average shows multifamily housing, 5 units or more, represented 9% of the total housing stock in Cullman County with single-family comprising 69%. This means that renters are likely consuming a sizeable portion of single-family housing stock. The vacancy rate for multifamily housing is estimated at 2.8% based on the rental housing survey conducted in conjunction with the Needs Assessment. The remaining 32% of the housing stock is comprised of mobile homes, townhomes, duplex and other housing types. These types of

units could increase as well based on limited alternative products in the market, and increased consumer preference for downtown, main streets, mixed-use housing, and housing needed for college students. More jobs and increased incomes in Cullman County are expected to increase demand for housing, decrease household cost burdens, and provide funding for home improvements. University of Alabama Center for Business and Economic Research and CEDA forecast Cullman County will continue to support a diverse workforce both demographically and based on wages earned. Most agree that housing is needed for persons at all income levels. Antidotal comments from employers included industry buying housing and making it available to specialized workforce for rent due to limited supply of rental housing.

Younger demographics are an important consideration for Cullman County, especially as the County and local jurisdictions continue to lure workers for all sectors of industry in the area. Incomes for younger demographics reflect an average income of \$30,000 to \$35,000, meaning average home sales of \$100,000 to \$120,000 and average rents \$700 – to \$850 are expected. The average rental of a 2-bedroom apartment is currently \$623 but existing units are much older and not necessarily located in downtown-main street districts. Current multifamily housing has limited amenities or appeal.

On Campus Student Housing for college students including those attending Wallace State is severely limited, with most on campus housing dedicated to those participating in athletics. Off campus housing for students is also limited and sometime priced out of affordability for most students. One likely solution is the growing trend of private sector housing designed specifically for students.

The demand for alternative housing products such as modular housing, townhomes and smaller lot development could reduce price points for home ownership by 20% – to 30%. Townhome, multifamily, and loft housing is desired in downtown-main street districts as evidenced by consumers participating in the community engagement process. However, developers and land owners indicate that land holdings are generally expensive and not always available for sale by existing owners. Other developers indicate that development cost in these areas renders developments infeasible because of regulatory requirements and the need to go vertical to achieve the desired development cost.

Alternative Housing Projections

While the Balanced Housing Model is the more reliable in accurately projecting future housing needs, we have offered alternative projections that take into consideration the recent local data collected on the Cullman County’s housing market. Our alternatives projections are based on the following assumptions:

Single- Family Home Ownership Housing – currently the model shows the most increase in need for units affordable to households earning \$35,000 and above. The Cullman Association of Realtors shows an average monthly sales price of \$174,111 for December 2018. This trend includes households earning up to \$150,000 that can afford homes between \$250,000 and \$450,000. We therefore recommend a 10% increase over the 459 single family units projected, and a 5% increase for townhomes based on anticipated smaller unit consumption. Multifamily housing demand is projected to be 10% more based on a low average vacancy rate of 2.8%, changes in consumer preference, younger demographics with higher average earnings, demand for off-campus college student housing, and the need for more updated multifamily with more amenities. We recommended only a 2% increase for mobile homes and other types of units as the market currently shows an over-supply of housing for person with incomes \$0 to \$30,000.

Alternative Housing Projections based on local market data for Cullman County in 2040				
Unit Types	Occupied Housing Supply Cullman County (2017)	Future Total Units (includes new units, rehabbed vacant units, and vacancy (2017-2040))	Future Incremental Units (includes new units, rehabbed vacant units, and vacancy (2017-2040))	Alternative Demand when considering local data (2017 – 2040)
Single Family	22,046	22,431	1,421	1,817
Standard Large Lot SF	14,647	14,607	459	505
Small Lot SF	7,399	7,824	962	1,010
Townhome	238	366	287	302
Multifamily	2,801	3,562	1,218	2,340

KEY SOLUTIONS AND STRATEGIES FOR ADDRESSING HOUSING ISSUES AND OPPORTUNITIES

Strategies and solutions were developed for addressing key issues and opportunities, and housing and neighborhood needs recommended for creating housing, maintaining neighborhood stability, strengthening neighborhoods in transition. Other strategies explore development strategies, financing alternatives, potential resources, and housing products necessary to implement the planning goals. Some recommendations focus on integrating strategies developed in the Needs Assessment into Housing Policies applicable to all jurisdictions in Cullman County and / or specific to individual jurisdictions.

Restoring the “Basic Attributes” of the Communities is essential in meeting future housing needs, developing housing that is affordable to a wide range of consumers, and housing stimulating revitalization and reinvestment. Communities in Cullman County must address needed improvements to local basic attributes such as: public safety, street maintenance, clean streets, timely infrastructure improvements, trash collection, brush collection, well maintained buildings, vacant lots that are regularly mowed and kept free of debris, regular yard maintenance, and a general neighborhood appearance and level of community involvement that suggests that people care about their community.

Local public schools must demonstrate that academic programming and student achievement are comparable to that of surrounding jurisdictions and the public’s perception of the quality of their schools must validate that comparability. Although most residents currently feel safe in their homes and confident that they can conduct their daily routines without being victimized by crime, the current low crime rate and safety and security must continue to be a priority for Cullman County and all of the individual jurisdictions in the County.

Zoning and Development Regulations should be reviewed to identify ways to encourage the development of mix of housing types, affordable to persons with diverse incomes and needs. Recommendations include incentivized zoning, tax abatement, development subsidies and a variety of programs funding with federal – state.

Creating New Mixed Residential Development in areas designated for new housing development and encouraging reinvestment in areas containing a mixture of marginal and obsolete residential, commercial and retail structures, dilapidated houses and vacant lots, is an essential need. There is also a need to improve the quality of life in reinvestment area and to attract new residents with a range of residential development types that will complement existing reinvestment in the planning area. A broad range of residential types desired by renters and home owners, and supporting the needs of families, singles and elderly are needed. Existing residential must be improved and neighborhood rooftops increased to demonstrate levels of demand that support the retail establishments needed along the retail corridors. New residential development must also be affordable to existing and potential residents and designed in response to their desire for certain development alternatives offered in other parts of the County.

Increase Homeownership, Housing Finance, and Preservation of Affordable Housing

- Increased homeownership, utilization of vacant lots and underutilized properties, and decreased vacancy rate of commercial and residential properties is a high priority. The ACS estimates 37,524 total housing units, rental and homeownership combined, in Cullman County in 2017, with 83 percent occupied and 17 percent vacant. The Needs Assessment goals include a high priority on increasing homeownership opportunities for renters, so they can build equity in the property in which they currently reside or purchase, and among property owners losing their property due to tornado and flood damage. In addition, increasing the homeownership rate will contribute to the strength of the local tax base and reduce vacancy rates.

Housing Policies for the Cullman Area have been recommended as part of the development of the Cullman Area Housing Needs Assessment. It is important to note that these policies are recommendations of the JQUAD consultant team based on our analysis and does not represent acceptance or endorsement by the Cullman Area Chamber. Future analysis by the Chamber and its many stakeholders will follow to determine the course of action needed relative to changes, adoption or implementation of the recommendations for housing policies. Ultimately, recommendations should be evaluated and customized for individual jurisdictions in the County and consideration given by each jurisdiction for adoption of the Housing Needs Assessment and recommended strategies as appropriate.

IMPLEMENTATION

Implementation - The Needs Assessment recommendations are designed to guide implementation of actions and solutions identified in the Housing Needs Assessment. The recommendations should be divided into categories of short term, midterm and long term for purposes of estimating timeframes to carry out the implementation program. The categories and timeframes identified to guide implementation may vary depending upon resources required for implementation or public policy and regulatory changes that must be enacted before implementation can occur.

Short-term implementation actions should include evaluation of the recommendations contained in the report to determine fiscal impact, policy implications and to what extent recommendations and timeframes for implementation should be adjusted to meet the needs of individual jurisdictions. Formal adoption of the Needs Assessment by participating jurisdictions is recommended. Adoption of the Needs Assessment will underscore the importance of this effort to those who must carry out the implementation.

The individual jurisdictions participating in the needs assessment and the CAC will be responsible for post planning activities and determine the level of community involvement necessary for implementation. The strategies and recommendations of the report are intended to guide the implementation of the Plan. The stakeholders, including neighborhood residents, home buyers, business, industry, local school districts and colleges, and religious institutions should be encouraged to continue to provide leadership in refining the recommendations and transforming the planning area through implementation of the needs assessment and plan recommendations.

The initiatives and programs described in the Needs Assessment may require further study for implementation and in some instance, pilot programs can be used to further evaluate their potential application in individual jurisdictions. An Evaluation and Revision process should be considered providing for annual auditing of accomplishments and adjustments as needed, to be successful.

CULLMAN AREA HOUSING NEEDS ASSESSMENT

Vision and Transformation

SECTION 2: COMMUNITY ENGAGEMENT

Process – The Community Engagement process was designed to guide the planning team in refining the work plan for the Needs Assessment and used to create a vision for implementation. JQUAD initiated community engagement by gaining an understanding of the areas strengths, weaknesses, opportunities, and treats. The aim was a collaborative effort involving stakeholders in strategic planning and visioning exercises to determine from their perspective as to what are the housing needs for a future Cullman Area. This included analysis and problem solving relative to identified strengths, weaknesses, opportunities and threats that were perceived to be impacting housing needs.

Throughout the process the planning team solicited and received guidance for resolving issues and creating opportunities. Acting as a sounding board for resolving issues, CAC staff, Board of Directors, and stakeholders in work sessions were asked to help JQUAD further understand and refine the key issues and opportunities identified as part of the Needs Assessment, planning and development process and to identify preliminary strategies and policies for implementation. The community engagement process and strategic planning input provided a basis for the planning team to perform a Strengths / Weaknesses / Opportunities / Threats (SWOT).

Housing Needs Assessment Community Outreach and Planning



Overview - In August of 2018, JQUAD Planning Group began an assessment of the Cullman area housing needs. This included an analysis of current market conditions, collecting data on existing housing, current and future needs and the identification of key issues. To enhance the secondary data collected, significant outreach was conducted to gather primary information from stakeholders throughout the County. Sessions were held with representatives from various sectors of the community Countywide to gather feedback about the existing housing needs and the status of meeting those needs in Cullman County. Outreach sessions helped establish the priorities and preferences of current residents, elected and appointed government leaders and industry professionals.

Groups participating in the community engagement effort to date include:

- Housing Task Force
- Cullman County Realtors
- Industry Stakeholders, City and County Industrial Boards
- Developers, Contractors and Finance Representatives
- County and City School officials and County School Principals
- Cullman Mayors, Council Members; County Elected Officials
- Chamber Board of Directors
- Wallace State College

The purpose of the outreach exercise was to: 1) involve a diverse group of residents and stakeholders in the housing needs analysis; 2) acquire knowledge of current housing in the Cullman area; 3) learn more about what residents and stakeholders would like to see for the future. Each group was led through a series of questions using response card technology to collect answers. Those responses were collected and analyzed to provide an overview of the community's needs and priorities to address current housing issues and potential for the future housing. On November 15, 2018, an open forum was held to gather additional insight from the general public.

Surveys – Surveys were disseminated to residents and industry by CAC; to students at Wallace State Community College, and to City/County School Systems parents, administrators, teachers and principals. Demographic, housing characteristics, and

market analysis data combined with public feedback from the forum and surveys provided a foundation for the formulation of recommendations.

Note: The complete surveys and survey results are provided in Appendix C of the report.

Survey Results – The following summarizes the survey responses.

Current Conditions. The first series of questions focused on the state of housing in the Cullman area. It is clear that housing is a chief concern among stakeholder groups – not only the availability of new housing but the condition of existing housing as well.

- ❖ Overwhelmingly, participants believed that any housing effort should include the building of additional housing as well as the rehabilitation of existing units.
- ❖ Few people agreed that the regional market is currently meeting the need of residents. In fact, not one participant selected the “Strongly Agree” option when asked this question. Most either disagreed or strongly disagreed that the market is meeting demand.
- ❖ Most participants felt that housing availability was the significant challenge in the Cullman area. Interestingly, the school principals had a different perspective, as 65% of them felt affordability was the most critical factor.
- ❖ When considering what populations need housing the most, the collective response belonged to the young workers and families trying to settle in the region. With almost 63% of the responses, this group appears to struggle the most when it comes to finding housing that fits their needs.
- ❖ Additional public input and survey information that is targeted toward these population segments will augment the perspective in this case. However, younger demographics appear to have a more difficult time finding housing, according to community opinion.
- ❖ As with the previous question, school principals have a different perspective. Their group indicated that the neediest population when it comes to housing is the low- to moderate-income residents. In fact, 54% of the principals felt that this population group has the most need, with young workers and families a distant second at 27%.

- ❖ Respondents agree that the Cullman area has a substantial competitive advantage due to its location. Nestled between the growing metro areas of Birmingham and Huntsville, Cullman County is seeing moderate population increases.
- ❖ Respondents believed that economic development efforts in the community have successfully recruited numerous industries in the automotive and specialty manufacturing sectors. A retail attraction strategy has led to the development of the city of Cullman into a hub for retail and services. Strong school systems have made Cullman a desirable community for families. Yet all of these results started with the location, a factor which participants believe is still a competitive advantage for Cullman.
- ❖ Demand for new single-family housing is high throughout Cullman County. Even in the smaller communities there appears to be a lack of housing available for purchase or rent.
- ❖ Multifamily housing demand was viewed differently. The majority of respondents felt that the more urbanized areas of Cullman County could utilize multifamily options more than rural areas.

Desired Future. Questions about the future needs delved into the types and qualities desired in Cullman Area. Once again, patterns have emerged from the participants' responses, as highlighted below.

- ❖ A large majority of respondents believed that single-family homes that can be purchased are most needed in the Cullman region. Nearly 63% of participants chose this type of housing. Once again, school principals had a different viewpoint. They selected single-family rentals as a greater need than homeownership models by a margin of 48% to 32%.
- ❖ Entry level to mid-range cost housing is the preferred option according to survey and forum participants. By a large margin (88%), respondents felt that homes under \$200,000 would best fit the current demand.
- ❖ Affordability is the key factor when looking for housing, according to participants. Though other priorities were chosen, finding a house that is affordable ranked at the top of the list.
- ❖ When looking at other housing characteristics that are considered, respondents felt that access to shopping and the downtown areas, walkable neighborhoods and access to public transportation were all important. However, access to shopping

or a downtown district came in a close second on its own. This speaks to the importance of having vibrant downtowns, main streets, commercial corridors, and neighborhoods with diverse housing options.

- ❖ Younger demographic groups are an important consideration for Cullman, especially as it continues to try and lure workers for all sectors of industry in the area. Most think that the economic opportunities will be the main factor in attracting younger generations. Additional feedback from the surveys and public forum helped the community learn more about this segment of the population and what it sees as most important.
- ❖ When thinking about the challenges facing new homebuyers, the participants from the community believe that better technical assistance and services would be beneficial. This includes help with establishing and repairing credit, down-payment assistance, and goal-setting and budgeting services. Financial empowerment tools are powerful incentives to attract and keep new residents.
- ❖ Finally, when asked about specific options for affordable housing, a great majority of respondents indicated support and a potential market for modular homes. These can be a unique way to meet the needs of low- to moderate-income residents and set them on the path to financial stability and homeownership.

Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

The SWOT Analysis is a strategic planning method originally designed to evaluate the **Strengths, Weaknesses, Opportunities, and Threats** involved in a project or in a business venture. It involved specifying the objective of business venture or project and identifying the internal and external factors favorable and unfavorable to achieving that objective. The technique was credited by Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from Fortune 500 companies.

In conducting the Housing Needs Assessment, we challenged stakeholders with the major objective of creating a strategic plan for meeting future housing needs and improving and maintaining housing and neighborhood stability. The SWOT technique was modified to meet our objectives of identifying the internal and external factors that

are influencing the future housing needs and sustainability of current housing and neighborhoods. The SWOT components are defined as follows.

- ✚ STRENGTHS – Attributes of our current community that will be helpful to our achieving the objective. Strengths are internal attributes that are currently visible in communities. Generally, strengths can be defined by:
 - What characteristics of the community’s housing and neighborhoods give it a competitive advantage and account for its position as a preferred place to live given Cullman County’s place in the Alabama and Regional economy?
- ✚ WEAKNESSES - Attributes of our current community that are harmful to our achieving the objective. Weaknesses are internal attributes that are currently visible in communities. Generally, weaknesses can be defined by:
 - What features and factors limit the ability of the community to reach its potential? What attributes of the community adversely impacts the retention of current residents in their neighborhood or housing where they reside and new residents and businesses to the county and cities and its existing neighborhoods?
- ✚ OPPORTUNITIES - Attributes that are entering our current community, or we desire that they exist in our community that will be helpful to our achieving the objective. Opportunities are external attributes that may be at work but not yet be visibly influencing our community, or non-existent. Generally, opportunities can be defined by:
 - What are the opportunities and actions that, if pursued, will enhance the long-term viability, competitiveness and sustainability of Cullman County and the City’s and Town’s housing and neighborhoods?
- ✚ THREATS - Attributes that are evident, or we are concerned that they are beginning to influence our current community. We perceive these attributes as harmful to our achieving the objective. Threats generally began as external attributes that have a beginning origin outside the community or those somehow

transferred to the community and may or may not currently be at work and visibly influencing the community. Generally, threats can be defined by:

- What are the activities, public policies or events and issues that might adversely impact housing and neighborhoods? This could be in the form of a type of housing that the market is or is not yet creating or maintaining in the Cities, Towns or somewhere in the County.

SWOT Analysis Exercises were conducted during the Cullman Area Chamber August 29, 2018, Housing Needs Assessment Strategic Planning meeting with JQUAD, Chamber Staff, Board Members and Task Force Members were asked to participate in a work session to solicit their input on how the community's needs are currently being met relative to housing and neighborhoods and their vision for housing and neighborhoods in the future. We devoted a segment of the work session to the SWOT Analysis. During this process, participants were asked to summarize the **strengths, weaknesses, opportunities and threats** in Cullman County area relative to housing and neighborhoods as they view them.

SWOT Assignment instructions were provided to participants in advance of the session, requesting that each participant do the following.

1. Utilizing a digital camera, cell phone camera, or internet to provide three photographs that best represent their thoughts as to the Strengths, Weaknesses, Opportunities, and Threats relative to housing and neighborhoods in Cullman County. (A total of 12 photographs were requested, three for each of the four SWOT subject areas.)
2. Write a brief description of each photograph including what is depicted, the location, and thoughts as to why the photo(s) represents a strength, weakness, opportunity or threat.
3. In selecting photo sites and writing descriptions, participants were asked to consider the following.
 - How can we use and capitalize on each Strength?
 - How can we improve each Weakness?
 - How can we exploit and benefit from each Opportunity?

- How can we mitigate each Threat?

While there were some variations in what participants listed as Strengths, Weaknesses, Opportunities, and Treats, there were by far more similarities than differences. In some instances, different participants listed the same attributes, but in different categories. For example, some listed transportation as a Strength and another transportation as a Weakness.

PARTICIPANT COMMENTS

STRENGTHS

1. SAFE/LOW CRIME
2. CLEAN
3. PUBLIC SERVICES (PARKS, POLICE AND ETC.)
4. GREAT SCHOOLS
5. FAMILY FRIENDLY

WEAKNESSES

1. WALKABLE NEIGHBORHOODS
2. NOT BIKER/WALKER FRIENDLY
3. HOUSING CHOICES
4. NO GATHERING PLACES
5. NOTHING SPECIAL THAT SETS OUR NEIGHBORHOODS APART

OPPORTUNITIES

1. ARTS AND ENTERTAINMENT
2. THE LAKE
3. WALKABLE HOUSING OPTIONS/RETAIL SPACE
4. DEVELOPMENT OF BLIGHTED DOWNTOWN
5. RECRUITMENT OF YOUNG PROFESSIONALS

THREATS

1. LACK OF DIVERSITY
2. ZONING & CODES (TOO MUCH/TOO LITTLE)
3. LAND AVAILABILITY (CITY ESP)
4. TRANSPORTATION
5. WALKABILITY

Important Considerations:

Strengths and opportunities focused much on the strategic location of the Cullman Area between the Birmingham and Huntsville metropolitan areas, and the view that the Cullman area is a growing – healthy economy from a workforce, quality of life, and most important as having quality education at all levels from elementary to college and trades.

Weaknesses and treats primarily focused on the area’s ability to meet future housing needs and to keep pace with the growing demand of housing that keeps pace with economic and growth. Another important factor that must be addressed is housing affordability and housing choice for all populations and demographics.

The Cities, Towns, County, and private sector business and industry, with CAC support must provide leadership in creating and enhancing a “**Market Niche**” that serves to retain businesses and residents to live and invest in their community and attracts new persons to make the Cullman area their choice as a place to live, work and conduct business. Complete results of the SWOT Analysis are presented in Appendix C.

Note: The comments of the participants and responses presented in the SWOT analysis are not necessarily representative of the Cullman Area Chamber of Commerce.

CHAMBER OF COMMERCE
& VISITOR CENTER

CULLMAN AREA HOUSING NEEDS ASSESSMENT

Addressing Future Housing Needs

SECTION 3: MARKET DEMAND HOUSING TRENDS ANALYSIS

The Housing Market Analysis evaluated current demand for various types of housing and price points in the Cullman County housing market, and also provided a basis for developing projections for the future housing needs. Utilizing Census and Home Mortgage Disclosure Act data; population projections, economic trends, and data on home sales and rental housing; the Needs Analysis compared housing supply with the demands of householders. The analysis also includes current and future demand for different types of housing in Cullman County. The Housing Market Analysis evaluated optimal rental and purchase price levels, and the expected absorption rates for various categories and types of housing in the study area.

The Market Demand and Housing Trends Analyses focus primarily on Cullman County as a hold with some comparisons to data for the Cities of Cullman and Hanceville, Alabama as the largest jurisdictions in the County. This was important in determining if recommendations apply to all twelve (12) jurisdictions and the County or if recommendations should be applied to more populated or rural areas only. To make those determinations, the analysis evaluated data for Cullman County and comparison between the county and the twelve individual jurisdictions in Cullman County.

The Market Analysis is derived from the relational evaluation of four components, Market Demand, Population Projections, Housing Trends, and Economic Trends. The market analysis also focuses on the study area relationship to the broader region and considers the more universal implications of current national trends of the economy, the tightening of the credit markets, and the incomes of populations including the demand for rental and home buyer assistance to LMI populations and first time homebuyers.

MARKET DEMAND ANALYSIS

The Market Demand Analysis concentrates on housing needs of the County as the primary market, and comparisons of housing availability, cost, and future demand for persons of all incomes in sub-market areas. The correlation between housing trends and economic trends is an important factor in determining if the supply of housing will support economic and population growth. Both market rate housing and housing supported with public subsidies and public and private incentives are considered. A variety of housing needs for every income category will need to be addresses including rental and homeownership; workforce, seniors, families, younger demographics, temporary housing for workers, travelers and vacation owners; and reinvestment, renovation, and repurpose development of existing housing and neighborhoods.

The Market Demand Analysis for housing takes into consideration several factors that influence and measure the propensity to obtain housing in Cullman County and jurisdictions in the county. This includes a range of housing options affordable to diverse incomes, a supply of housing to meet the needs of a growing economy, and meeting the housing demands of the workforce, market rate consumers, and the special needs of seniors, low- and moderate-income households, and others. Recent economic trends in the study area, job growth, industry's projection of housing needs for its workforce, product value, housing renovation, development of new housing, and financing are all significant factors that impact the housing demand.

Despite ongoing changes in the financial markets throughout the United States, as well as Cullman County, the local housing market has remained fairly constant. Sales of new single-family housing have increased or remained constant in most areas of the county despite financing tightening for both development and individual mortgage financing and the financing process being difficult to navigate by some. Countywide and in most of the twelve jurisdictions, home sales and building permits issued reveal steady growth, increases in number of units being built, and population increases. The community engagement and surveys reflect consumer enthusiasm for increases in new construction of single-family units being built for sale, especially in the larger cities.

Surveys also suggest that consumer preferences for certain types and price points of housing are important factors to be considered in forecasting housing demand, and may mean a higher demand for quality, affordable rental units. Market data and trends, the survey of rental housing in the county, and economic and workforce data collected as part of the analysis further supports the need for increased emphasis on rental housing.

The results of the analysis are presented in two segments. The first will focus on the demand for housing based on “normal” development patterns in the market areas. This analysis will focus on the following issues:

- The amount of housing that is being absorbed in the market area
- The type of housing product that would be best to offer
- Estimates of the target size of the units and bedroom and bathroom count
- Target price ranges for purchasing new single family and rental cost for rental housing

Second, the Housing Needs Analysis addresses obstacles faced by the housing market and the study areas, financial considerations, and the impact of mortgage financing, affordability, development regulations, funding for development and rental assistance, and how these factors will likely affect the housing market in the study area in the future. Modifications to the demand analysis (typically involving timing) was considered along with rationale for the impacts.

A. Market Area

1. Study Area

The study area boundaries for the Needs Assessment and Market Analysis are census tracts within Cullman County, reflecting areas where affordability can be achieved based on a persons’ earning in all ranges, including median income or higher, and persons with incomes designated as low and moderate (LMI), defined by HUD as persons and households earning eighty percent or below the median income, and paying no more than thirty percent of their household income for housing expenses.

2. Market Area

The needs assessment is based on the market area defined as Cullman County within which the rental, purchase or sale of housing affects the price or volume demanded of housing as a commodity. The market analysis considers the housing needs of persons likely to obtain housing within Cullman County including the County's individual incorporated and unincorporated jurisdictions. The Cullman County Market Area has a regional appeal and factors driving demand for housing is not limited to economic trends, cost, and availability influencing demand solely from within the boundaries of the study area. Some influences and considerations include, in and out commuters, housing availability in adjacent markets, home purchase and rental of vacation property, housing demands of seasonal and temporary workforce, and persons outside the region who consider Cullman County appealing relative to their housing needs. The Market Area is divided into two segments, a Primary Market Area of Cullman County including its twelve incorporated jurisdictions and unincorporated areas, and a Secondary Market Area that comprises a larger geography that includes potential demand from potential home buyers and renters living outside the boundaries of Cullman County. The boundaries are defined by a Primary Market Areas from 0 to 1 and 0 to 2 miles and Secondary Market Areas from 0 to 5 and 0 to 10 miles.

B. Market Demand

The demand for housing in the study area is based on the likelihood that residents will choose to move to the community, and will rent or purchase new and existing housing, as is, or will drive demand for new housing for rent and purchase, including the rehabilitation of existing homes already in homeownership. A number of variables were considered including population projections, economic trends, home values and rental housing sales, foreclosures, vacancy status, cost and affordability, and occupancy characteristics and overcrowding. Growth is also based on the construction of new housing units to meet purchase and rental demand. These trends provide a glimpse of consumer perception of the area as attractive to home buyers and renters, and their preferences for different housing products and locations. The analysis of demand is also based on development and redevelopment prospects in existing areas.

SINGLE FAMILY HOUSING DEMAND

According to the 2013 – 2017 American Communities Survey five-year average – U. S. Census – median home value increased substantially for Cullman County from \$102,200 in 2010 to \$121,900 in 2017. This increase trend in median home value was true for all county jurisdictions with the exception of East Point, Garden City, Hanceville and West Point. Some jurisdictions experienced a decrease in median home values between 2010 and 2014 as both the local and national housing markets suffered due to the mortgage crises and the after impact of the downturn in housing finance.

The market appears to have strengthened and is expected to continue its current trend of increasing median home values.

1. Median Home Values

Geography	2010	2014	2017
Cullman County	\$102,200	\$107,000	\$121,900
Baileyton	\$107,800	\$77,200	\$106,300
Colony	\$76,300	\$76,100	\$88,500
Cullman City	\$124,300	\$132,600	\$140,700
Dodge City	\$102,800	\$88,900	\$121,900
East Point	\$84,700	\$99,300	\$69,600
Fairview	\$94,200	\$105,000	\$118,300
Garden City	\$83,100	\$106,600	\$76,600
Good Hope	\$89,800	\$102,500	\$92,400
Hanceville	\$100,300	\$98,900	\$90,900
Holly Pond	\$111,400	\$117,100	\$130,300
South Vinemont	\$93,800	\$111,500	\$113,900
West Point	\$96,100	\$89,500	\$88,100

Table 1 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

2. Home Sales by Quarter

The Cullman County Realtors Association provided data for Home Sales from January 2016 to December 2018, reflecting a strong sales market based on total sales and sale prices. The County recorded some 4,967 homes sold in the three (3) year period with December, August and April home sales be the strongest months. Cullman City (1,457 or 29%) and Hanceville (572 11.5%) accounted for 40.8 percent of total sales for the County during the three-year period. Similar sales among the other jurisdictions were also strong and contributed to the healthy sales market in Cullman County.

2. Average Home Sales by Jurisdiction and Quarter January 2016 – December 2018

Geography	Cullman County,	Hanceville/Dodge City/Colony/Garden City	Cullman City/Eastpoint	Fairview	Good Hope	Holly Pond	South Vinemont	West Point
Jan '16	46	5	9	2	7	6	2	9
Apr '16	233	26	64	23	23	18	14	18
Aug '16	488	58	136	42	50	39	30	41
Dec '16	741	85	199	59	72	62	57	63
Jan '17	42	8	15	3	1	3	2	2
Apr '17	242	28	73	16	15	21	29	24
Aug '17	562	93	161	45	46	46	54	50
Dec '17	852	94	244	70	75	58	92	79
Jan '18	47	4	14	3	5	3	6	5
Apr '18	259	29	80	16	26	9	20	25
Aug '18	589	58	180	44	48	30	49	49
Dec '18	866	84	282	62	75	46	76	72

Table 2 Source: Cullman County Realtors Association

3. Home Sales Prices by Year

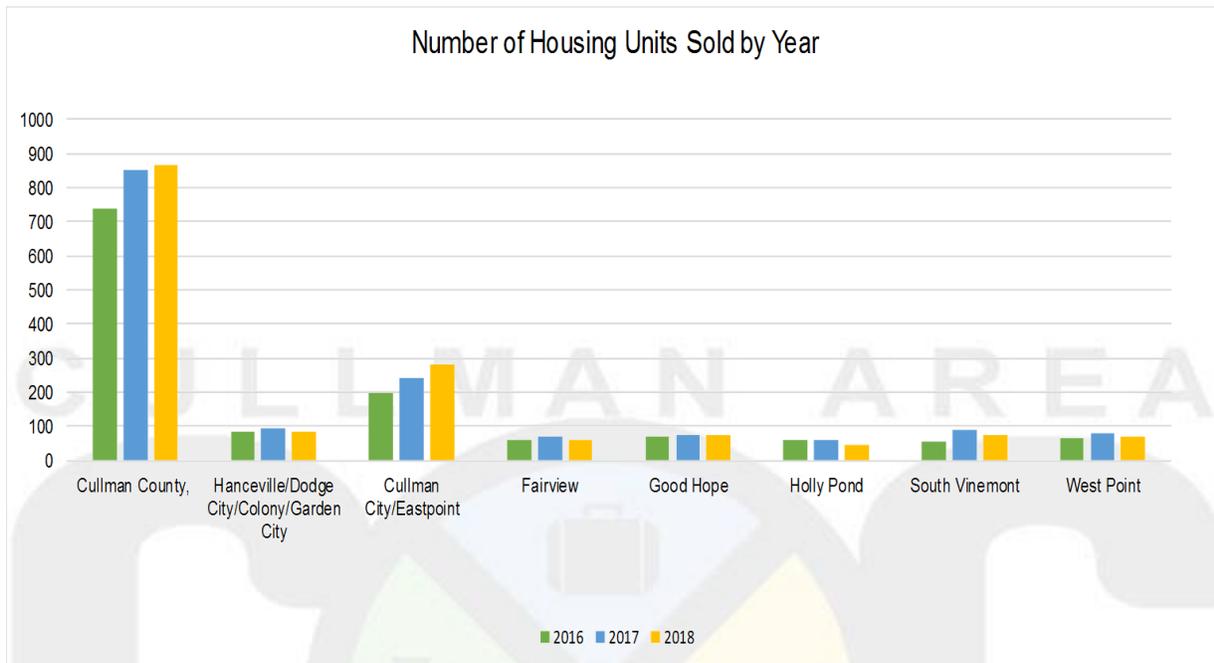


Table 3 Source: Cullman County Realtors Association

4. Average Housing Sales Price for Cullman County by Quarter

Quarter	Cullman County
Jan '16	\$142,367
Apr '16	\$146,551
Aug '16	\$151,823
Dec '16	\$155,814
Jan '17	\$133,944
Apr '17	\$158,010
Aug '17	\$169,103
Dec '17	\$161,839
Jan '18	\$159,510
Apr '18	\$173,740
Aug '18	\$177,753
Dec '18	\$174,111

Table 4 Source: Cullman County Realtors Association

5. Income Requirement for Value

According to ACS 2013 – 2017 5-year average, the median income for Cullman County was \$40,997 in 2017. Approximately 18% of residents in Cullman County earn incomes between \$50,000 and \$74,000. Table 5 below shows that for the 5-year average, home owners with homes valued between \$100,000 and \$240,000 required an annual income between \$32,334 and \$77,601 to meet the income requirements for home value and monthly cost. This means that home ownership is affordable to large segments of the populations and 18% of the population can afford most housing offered in the county based on sales price data recorded since 2016.

5. Housing Values, Monthly Cost, and Yearly Income Requirements

Housing Value	Monthly P&I	Monthly Tax	Monthly Insurance	Monthly Utilities	Monthly Total	Yearly Income Requirements
\$100,000	\$568	\$64	\$83	\$120	\$835	\$32,334
\$120,000	\$681	\$77	\$100	\$144	\$1,002	\$38,801
\$140,000	\$795	\$90	\$117	\$168	\$1,169	\$45,267
\$160,000	\$908	\$103	\$133	\$192	\$1,336	\$51,734
\$180,000	\$1,022	\$116	\$150	\$216	\$1,504	\$58,201
\$200,000	\$1,136	\$128	\$167	\$240	\$1,671	\$64,668
\$220,000	\$1,249	\$141	\$183	\$264	\$1,838	\$71,134
\$240,000	\$1,363	\$154	\$200	\$288	\$2,005	\$77,601

Table 5 Source: Interest rate used based on Mortgage Rate Survey by Mortgage News Daily, Cullman County Tax Assessor, Monthly Payment based on Conventional Mortgage Requirements

The median housing value according to 2017 American Community Survey (ACS) in Cullman County was 121,900. The average income required to qualify for a mortgage including monthly cost based on the Cullman County median home value of \$121,900 is approximately \$38,000 to \$45,000. The average income required to qualify for a mortgage based on the home value of \$240,000 including monthly cost in the Cullman County primary market is approximately \$78,000 in household income. Therefore, homeownership for households earning less than \$35,000 annually is most challenging. Approximately 1 percent of Cullman County's population earn \$35,000 or less.

6. Types of Loans Originated & Purpose

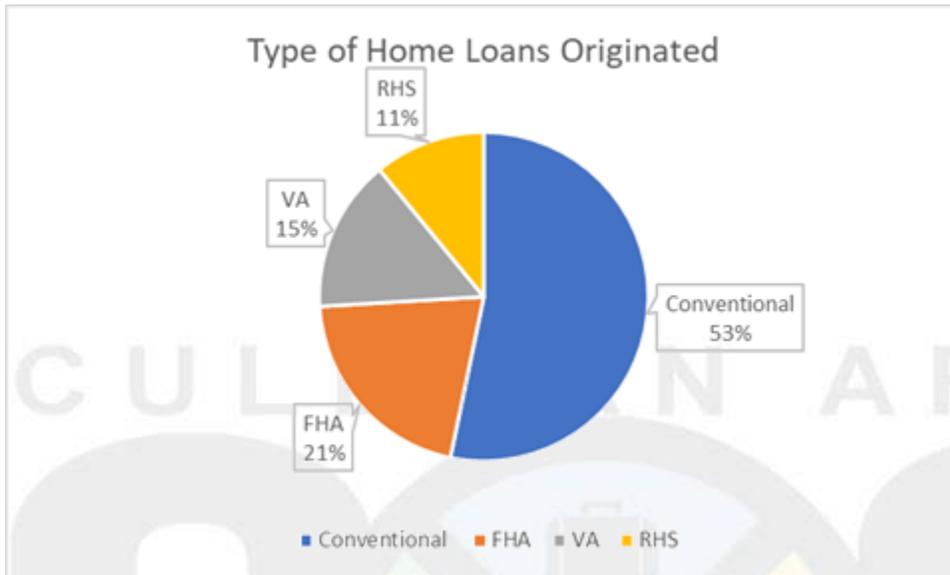


Table 6 Source: Home Mortgage Disclosure Act Data

7. Home Loans Originated

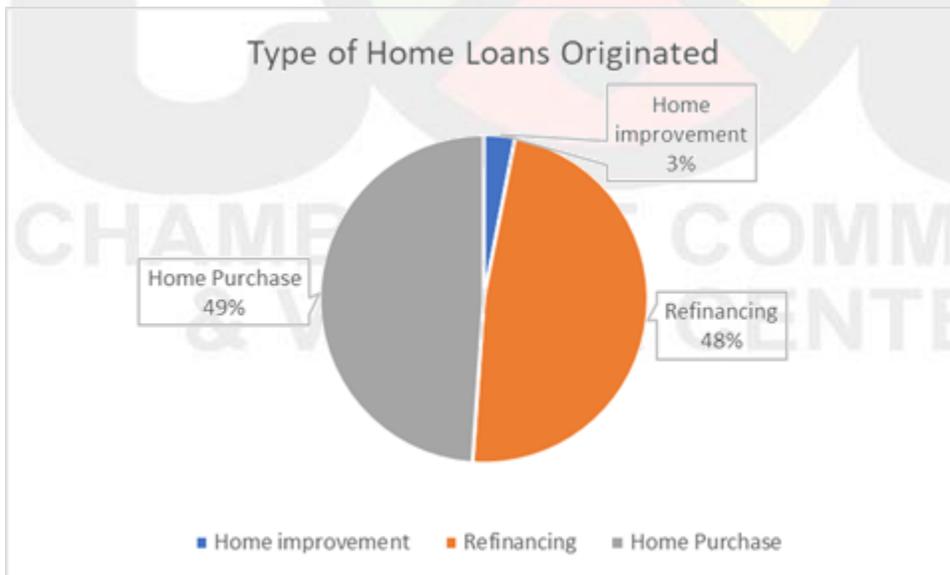


Table 7 Source: Home Mortgage Disclosure Act Data

8. Cost Burden Owner Occupied Housing

Cost burden is a growing concern as the gap between cost of housing and income to support housing increases for some in the market place. The federal government indicators show that households paying more than 30% of their household income for housing and housing related cost, mortgage principal and interest – taxes and insurance, rent and utility cost, in either category, are considered cost burdened and severely cost burdened if paying 50% or greater for the cost of housing.

8. Cost Burden

Geography	Total	30.0 Percent of More		50.0 Percent of More	
Cullman County	23,271	2,990	13%	1,974	8%
Baileyton town	221	33	15%	5	2%
Colony town	112	10	9%	5	4%
Cullman City	3,449	409	12%	212	6%
Dodge City	177	30	17%	21	12%
East Point	96	17	18%	0	0%
Fairview	132	24	18%	7	5%
Garden City	143	24	17%	11	8%
Good Hope	656	122	19%	33	5%
Hanceville	741	36	5%	87	12%
Holly Pond	250	42	17%	27	11%
South Vinemont	72	13	18%	5	7%
West Point	176	23	13%	12	7%

Table 8 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

9. Foreclosures

Foreclosures	
Cullman County	1 in 2838
Cullman City	1 in 2860
Hanceville	1 in 2828
South Vinemont	1 in 3963

Table 9 Source: Realtytrac.com Cullman County Real Estate Trends and Market info 2018

RENTAL HOUSING DEMAND

1. Rental Housing Supply

In 2016, rental housing was estimated at 7,498 units, approximately 24% of the total

31,081 household housing units in Cullman County. There were approximately 12,900 owner occupied units with mortgages and 10,683 estimated to be without mortgages. Apartments with 5 or more units were estimated to be approximately 2,179 of the total rental units. In order to understand more fully the characteristics of rental housing supply in the County, JQUAD conducted a telephone survey of rental housing developments, five (5) units or more, during the period of February 1 – February 11, 2019. Direct calls were made to apartment owners and managers to determine a wide range of variables including cost, unit size and number of bedrooms, condition and age of units, vacancy, and occupancy characteristics. The apartment development contact information and some data were compiled using information from the ACS Data, internet websites and apartment owner advertisements. The survey data is reflected in Tables 10 - 12.

10. Rental Housing Survey – All Jurisdictions in Cullman County Alabama

Survey Details	Survey Totals	Baileyton	Colony	Cullman	Dodge	East Point	Fairview	Garden	Good Hope	Hanceville	HollyPond	Vinemont	West Point
Total Units 5 or More	2,179	-	-	1,349	-	-	-	-	4	684	34	103	5
Total Survey	1,578	-	-	1,145	-	-	-	-	-	397	24	12	-
% Surveyed	72%	-	-	85%	-	-	-	-	-	58%	71%	-	-
Total 1 Bed	425	-	-	260	-	-	-	-	-	157	8	-	-
Total 2 Bed	771	-	-	599	-	-	-	-	-	144	16	12	-
Total 3 Bed	63	-	-	53	-	-	-	-	-	10	-	-	-
Total 4 Bed	19	-	-	19	-	-	-	-	-	-	-	-	-
1 Bed Rent Range	\$330 - \$775	-	-	\$330 - \$775	-	-	-	-	-	\$425 - \$775	-	-	-
1 Bed Average	\$513	-	-	\$502	-	-	-	-	-	\$525	-	-	-
2 Bed Rent Range	\$360 - \$860	-	-	\$360 - \$860	-	-	-	-	-	\$685 - \$850	-	-	-
2 Bed Average	\$623	-	-	\$639	-	-	-	-	-	\$607	-	\$435	-
3 Bed Rent Range	\$390 - \$1,100	-	-	\$390 - \$999	-	-	-	-	-	\$825 - \$1,100	-	-	-
3 Bed Average	\$865	-	-	\$768	-	-	-	-	-	\$963	-	-	-
% Vacancy	3%	-	-	3%	-	-	-	-	-	2%	-	-	-
1960's Construction		-	-	-	-	-	-	-	-	-	-	-	-
1970's Construction	405	-	-	365	-	-	-	-	-	40	-	-	-
1980's Construction	329	-	-	249	-	-	-	-	-	56	24	-	-
1990's Construction	164	-	-	52	-	-	-	-	-	112	-	-	-
2000's Construction	254	-	-	108	-	-	-	-	-	134	-	12	-
2010's Construction	56	-	-	56	-	-	-	-	-	-	-	-	-
% Student Residents	4%	-	-	5%	-	-	-	-	-	2%	-	-	-
% Elderly Residents	48%	-	-	50%	-	-	-	-	-	45%	-	-	-
% Families w Children	18%	-	-	25%	-	-	-	-	-	10%	-	-	-
% Residents w Subsidy	33%	-	-	30%	-	-	-	-	-	35%	-	-	-

Table 10 – 1 Source: Telephone Survey of Cullman County Apartment, 2013 - 2017 American Community Survey (ACS) - US Census. Apartment Listings, Internet Postings.

684 units and we were able to survey 397 of total units. The vacancy rate was only 2% to 3% of total units surveyed reflecting a strong rental market. Age of units reflected

distribution among all decades from 1960 to 2010. Fewer units were built from 2010 to 2018. Elderly or senior renters were almost 50% of all renters, 18% families with children, 8% students, and 33% reported some type of subsidy used to supplement a person's rent. All of the developments reported their units as privately owned and therefore Public Housing operated by housing authorities are not reflected in these numbers. Rental housing cost by bedroom size was fairly consistent across the County with rents being slightly higher in Hanceville, possible reflecting student housing consumption and more recently built rental housing units.

11. City of Hanceville, Alabama – Apartment Survey

Apartment Name	Maplewood	Hanceville Village	Tanglewood	The Pavilion Apt	Heart of Hanceville	Autumnwood	Keystone	Crestwood	Central Acres
# Units in Structure	54	24	40	88	60	34	14	32	51
# OF BEDROOMS									
1 Bed	54	12	12	34	25	16	4		0
2 Bed	-	12	25	44	35	18	10		0
3 Bed	-	-	-	10	-	-	-	-	-
4 Bed	-	-	-	-	-	-	-	-	-
Avg Rent by Bedroom Size & Range									
1 Bed Range	\$475	\$575	-	\$495	\$725	-	-	-	-
1 Bed Average	\$525	-	-	\$610	\$680	\$397	\$413	\$0	\$0
2 Bed Range	-	-	-	\$685	\$850	-	-	-	-
2 Bed Average	-	-	-	\$768	\$710	\$469	\$481	\$0	\$0
3 Bed Range	-	-	-	\$825	\$1,100	-	-	-	-
3 Bed Average	-	-	-	\$963	-	-	-	-	-
4 Bed Range	-	-	-	-	-	-	-	-	-
4 Average	-	-	-	-	-	-	-	-	-
Vacancy Rate	10%	-	-	0%	3%	2%	1%	-	0%
Age of									
1960's Construction	-	-	-	-	-	-	-	-	-
1970's Construction	-	-	40	-	-	-	-	-	-
1980's Construction	-	-	-	-	-	-	-	-	-
1990's Construction	-	24	-	88	-	-	-	-	-
2000's Construction	54	-	-	-	-	34	14	32	-
2010's Construction	-	-	-	-	-	-	-	-	-
Quality Units 1-10 rating	5	-	-	9	10	9	9	-	-
% of Units rented to									
Students	8%	-	-	-	-	-	-	-	-
Elderly	10%	-	-	-	5%	-	-	-	-
Families with Children	15%	-	-	-	-	100%	100%	-	-
% of residents receiving	0%	-	-	0%	-	50%	80%	-	-

Table 11 – 2 Source: Telephone Survey of Cullman County Apartment, 2013 - 2017 American Community Survey (ACS) - US Census. Apartment Listings, Internet Postings

Apartment Name	Musgrove Estates	Pine Grove	Kensington Station	Morgan Square	Covey Chase	Villas at cloverdale	Veigl Village	Cullman	Greentree Apart				
# Units in Structure	108	100	72	30	49	37	135	50	92				
# OF BEDROOMS													
1 Bed	3	32	0	30	16	-	45	50	24				
2 Bed	105	50	70	-	28	-	80	-	72				
3 Bed	-	18	2	-	5	18	10	-	-				
4 Bed	-	-	-	-	-	19	-	-	-				
Avg Rent by Bedroom Size & Range													
1 Bed Range	\$665	\$665	\$730	\$775		\$509	\$524	\$330	\$510	\$220	\$500	\$335	\$355
1 Bed Average	\$665		\$753		\$0		\$517		\$420		\$360		\$345
2 Bed Range	\$675	\$750	\$830	\$875	\$625	\$1,029	\$534	\$549	\$360	\$545		\$360	\$380
2 Bed Average	\$713		\$853		\$827		\$542		\$453				\$370
3 Bed Range	\$0	\$0	\$890	\$935	\$999	\$1,169	\$559	\$574	\$390	\$570			
3 Bed Average	\$0		\$913		\$1,084		\$567		\$480				
4 Bed Range	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Average													
Vacancy Rate	3%	20%	provided	-	0%	-	-	2%	-	10%			
Age of Development/Units													
1960's Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
1970's Construction	-	100	50	30	-	-	-	135	50	-	-	-	-
1980's Construction	-	-	7	-	49	-	-	-	-	-	-	92	-
1990's Construction	-	-	5	-	-	-	-	-	-	-	-	-	-
2000's Construction	108	-	-	-	-	-	-	-	-	-	-	-	-
2010's Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Quality Units 1-10 rating	10	10	10		10			7	9			5	
% of Units rented to													
Students	-	50%	0%		0%	0%	0%	0%	0%	0%		0	
Elderly	-	20%	-	-	15%	-	-	70%	50%	-	-	-	-
Familites with Children	-	30%	-	-	23%	-	-	30%	50%	-	-	-	-
% of residents receiving	0%	0%	0%		20%	70%	0%	50%	-	-		-	

City of Cullman, Alabama – Apartment Survey continued

Apartment Name	Oak Ridge	Gold Mark	Cullman Village	Saras Ridge	Krout	Park Manor	Hight	Nesmith Park
# Units in Structure	101	96	40	56	8	47	20	5
# OF BEDROOMS								
1 Bed	8	-	-	-	11	41	-	-
2 Bed	5	-	-	56.00	27	6	19.00	-
Bed	-	-	-	-	-	-	1.00	-
4 Bed	-	-	-	-	-	-	-	-
Avg Rent by Bedroom Size & Range								
1 Bed Range	\$510	\$55	-	-	-	\$525	\$750	-
1 Bed Average	-	-	-	\$410	\$75	\$638	-	-
2 Bed Range	\$650	\$680	-	-	-	\$540	\$750	-
2 Bed Average	-	-	-	-	\$515	\$645	-	-
Bed Range	-	-	-	-	-	-	-	-
Bed Average	-	-	-	-	-	-	-	-
4 Bed Range	-	-	-	-	-	-	-	-
4 Average	-	-	-	-	-	-	-	-
Vacancy Rate	6%	-	-	-	50%	0%	-	-
Age of Development/Units								
1960's Construction	-	-	-	-	-	-	-	-
1970's Construction	-	-	-	-	-	-	-	-
1980's Construction	101.00	-	-	-	-	-	-	-
1990's Construction	-	-	-	-	-	47.00	-	-
2000's Construction	-	-	-	-	-	-	-	-
2010's Construction	-	-	-	56.00	-	-	-	-
Quality Units 1-10 rating	6	-	-	10	8	-	-	-
% of Units rented to								
Students	25%	-	-	0%	-	0%	-	0%
Elderly	5%	-	-	100%	50%	100%	-	100%
Familites with Children	70%	-	-	-	20%	0%	-	-
% of residents receiving	0%	-	-	50%	0%	100%	-	100%

Table 12 – 3 Source: Telephone Survey of Cullman County Apartment, 2013 - 2017 American Community Survey (ACS) - US Census. Apartment Listings, Internet Postings

concern for quality rental housing alternatives and an adequate supply of rental housing

that can keep pace with economic trends, employment growth, and reflective of the housing preferences of the changing lifestyles and demographics in the County.

13. Median Gross Rent



Table 13 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

14. Vacancy Status

Geography	Vacant	Total Units	Vacancy Rate
Cullman County	6427	37524	17.13%
Baileyton town	31	340	9.12%
Colony town	41	189	21.69%
Cullman City	740	6736	10.99%
Dodge City	40	273	14.65%
East Point	25	121	20.66%
Fairview	21	200	10.50%
Garden City	34	221	15.38%
Good Hope	105	961	10.93%
Hanceville	340	1621	20.97%
Holly Pond	40	409	9.78%
South Vinemont	83	353	23.51%
West Point	25	236	10.59%

Table 14 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

15. Overcrowding

Geography	Total Owner-Occupied	Overcrowded Units	Percent Overcrowded in Owner-Occupied Units	Total Renter-Occupied	Overcrowded Units	Percent Overcrowded in Renter-Occupied Units	Total Units	Overcrowded Units	Percent Overcrowded Units
Cullman County	23,271	328	1.41%	7,826	207	2.65%	31,097	535	1.72%
Baileyton	221	9	4.07%	88	11	12.50%	309	20	6.47%
Colony	112	0	0.00%	36	0	0.00%	148	0	0.00%
Cullman City	3,449	64	1.86%	2,547	80	3.14%	5,996	144	2.40%
Dodge City	177	0	0.00%	56	0	0.00%	233	0	0.00%
East Point	96	0	0.00%	0	0	0.00%	96	0	0.00%
Fairview	132	6	4.55%	47	0	0.00%	179	6	3.35%
Garden City	143	6	4.20%	44	6	13.64%	187	12	6.42%
Good Hope	656	0	0.00%	200	22	11.00%	856	22	2.57%
Hanceville	741	10	1.35%	540	0	0.00%	1,281	10	0.78%
Holly Pond	250	2	0.80%	119	0	0.00%	369	2	0.54%
South Vinemont	72	2	2.78%	198	6	3.03%	270	8	2.96%
West Point	176	4	2.27%	35	5	14.29%	211	9	4.27%

Table 15 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

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HOUSING TRENDS ANALYSIS

Household Units

The table below compares the total household units for Cullman County and Cullman City. In 2011, total household units for Cullman County were at its highest with 31,364 total units. This amount decreased to 31,081 by 2016 which was the lowest total since 2010.

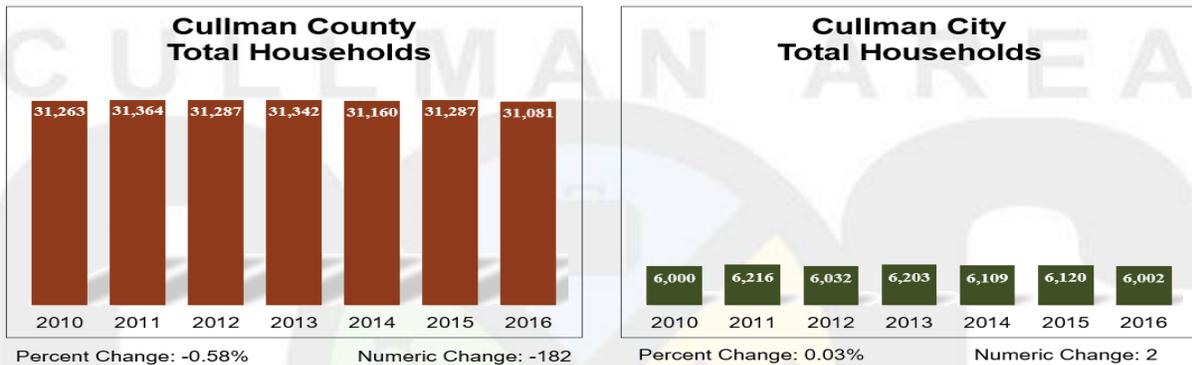


Table 16 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Housing Units with and without a Mortgage

Household units with a mortgage decreased to 12,900 in 2016 for an overall percent change of -5.83 percent from 2010. It should be noted; nationally household units with a mortgage also reached its lowest value within the same period. Conversely household units without a mortgage increased to its highest total in 2016 with 10,683 units.

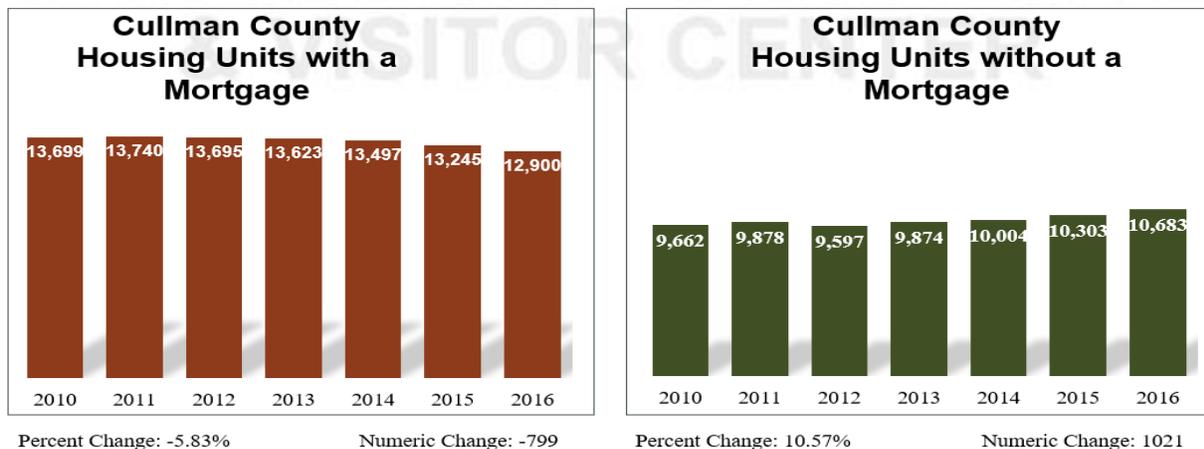
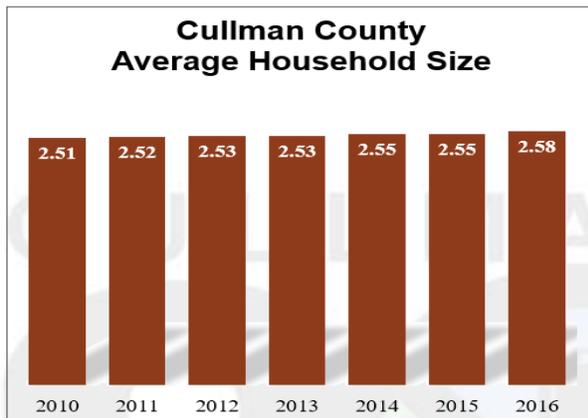


Table 17 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

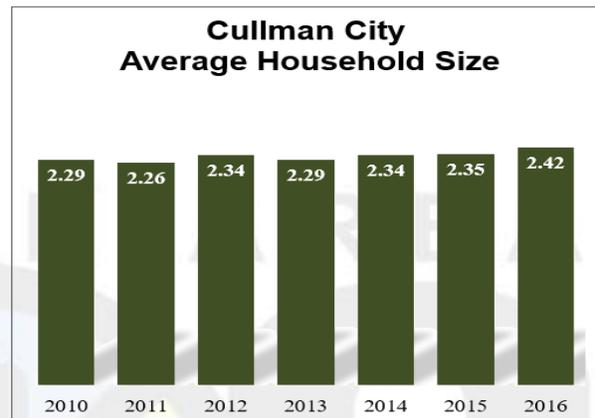
Average Household Size

Cullman County and Cullman City's average household size peaked in 2016 to 2.58 and 2.42 respectively. The total population for Cullman County was 81,316 in 2016 suggesting the household size is correlated to population growth.



Percent Change: 2.79%

Numeric Change: 0.07



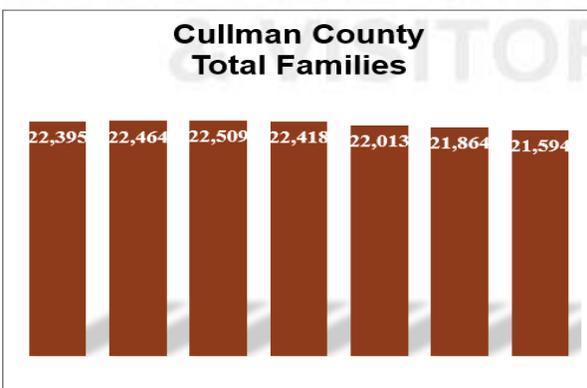
Percent Change: 5.68%

Numeric Change: 0.13

Table 18 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

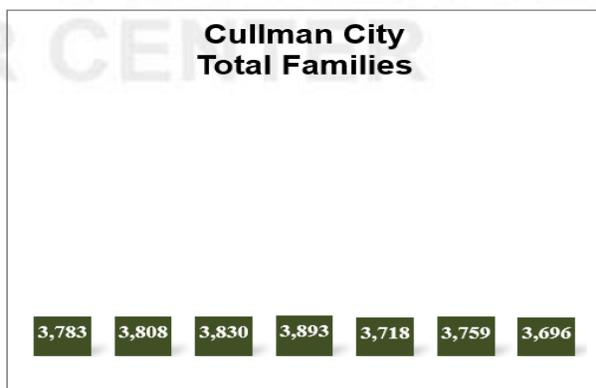
Total Families

The total families for Cullman County decreased from 21,864 in 2015 to 21,594 in 2016. Although a marginal decrease, the more significant decreased of -3.58 percent occurred from 2010 to 2016. Cullman City total families decreased at lesser rate than Cullman County in the same period at -2.30 percent.



Percent Change: -3.58%

Numeric Change: -801



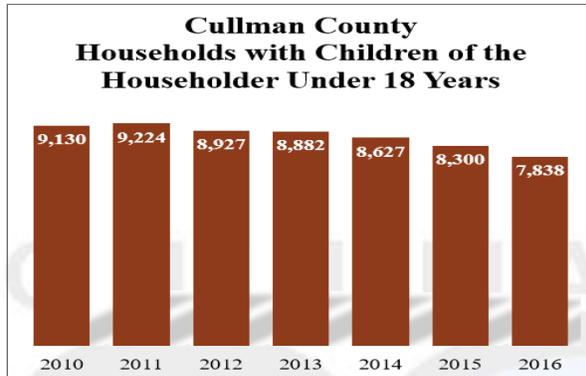
Percent Change: -2.30%

Numeric Change: -87

Table 19 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

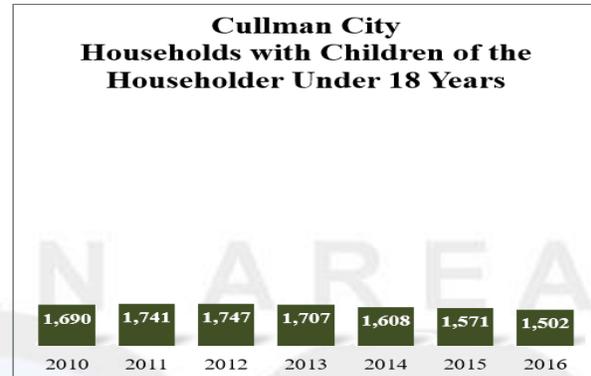
Households with Children under 18 year

The number of households with children under the age of 18 significantly decreased from 9,130 in 2010 to 7,838 in 2016, a 14 percent change.



Percent Change: -14.15%

Numeric Change: -1292



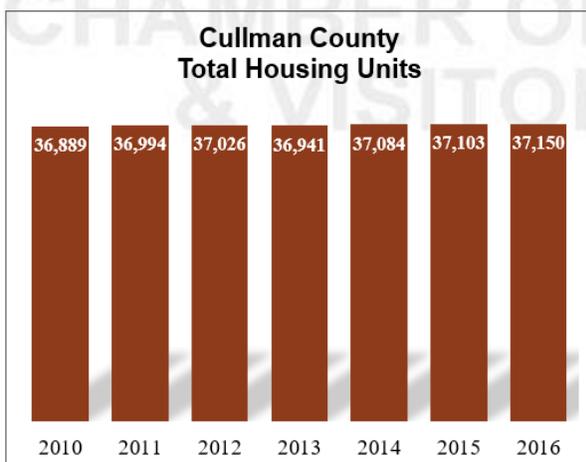
Percent Change: -11.12%

Numeric Change: -188

Table 20 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

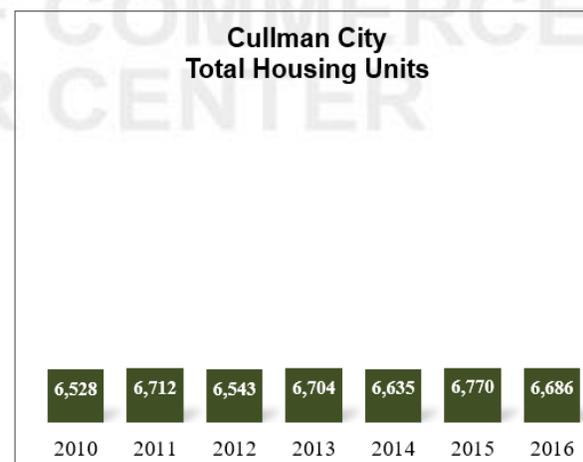
Total Housing Units

Since 2010, total units for Cullman County has been steady with a marginal change of less than 1 percent. Cullman City had a more significant increase in total housing units compared to Cullman County.



Percent Change: 0.71%

Numeric Change: 261



Percent Change: 2.42%

Numeric Change: 158

Table Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Occupied Housing Units & Vacant Housing Units

A housing unit is classified as occupied if it is the current place of residence of the person or group of people living in it at the time of interview, or if the occupants are only temporarily absent from the residence for two months or less. If all the people staying in the unit at the time of the interview are staying there for two months or less, unit is considered to be temporarily occupied and classified as “vacant.” The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living quarters. A housing unit is vacant if no one is living in it at the time of interview. Units occupied at the time of interview entirely by persons who are staying two months or less and who have a more permanent residence elsewhere are considered to be temporarily occupied and are classified as “vacant.” Vacancy excludes units with a sign stating to be condemned or demolished.

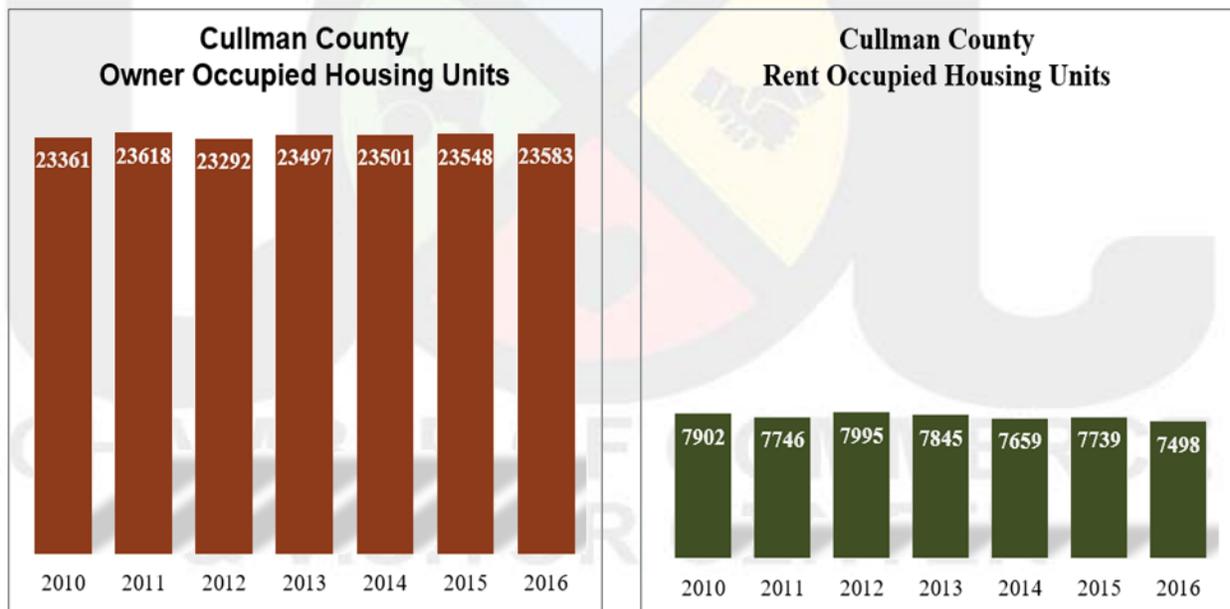


Table 22 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Specified owner-occupied and vacant-for-sale units include only 1 single-family house on less than 10 acres. The data for “specified units” excludes mobile homes, houses on 10 or more acres, and housing units in multiunit buildings.

Owner Occupied Housing Units & Rent Occupied Housing Units

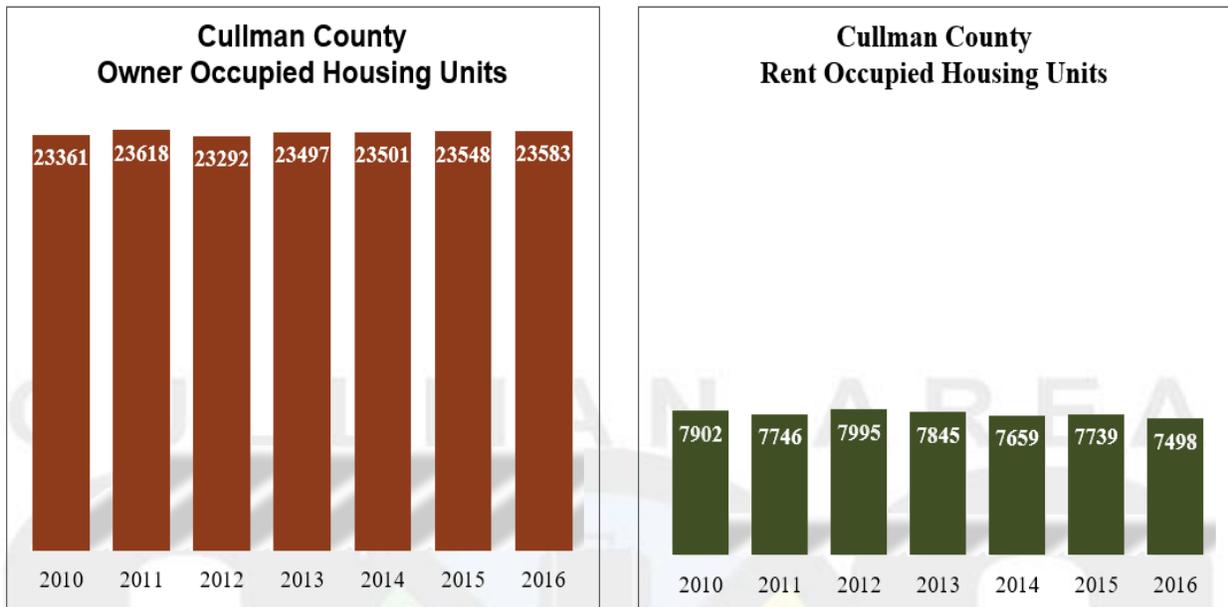


Table 23 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

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Cullman County Monthly Owner Costs as Percentage of Household Income: Housing Units with a Mortgage

Monthly Owner Cost

Selected monthly owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgages, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (personal property taxes, site rent, registration fees, and license fees).

Cullman County and Cullman City Monthly Owner Costs as Percentage of Household Income for Housing Units *with* a Mortgage

From 2010 to 2016, the majority of selected monthly owner costs as a percentage of household income, with a mortgage, in the county and city remained at less than 20%.

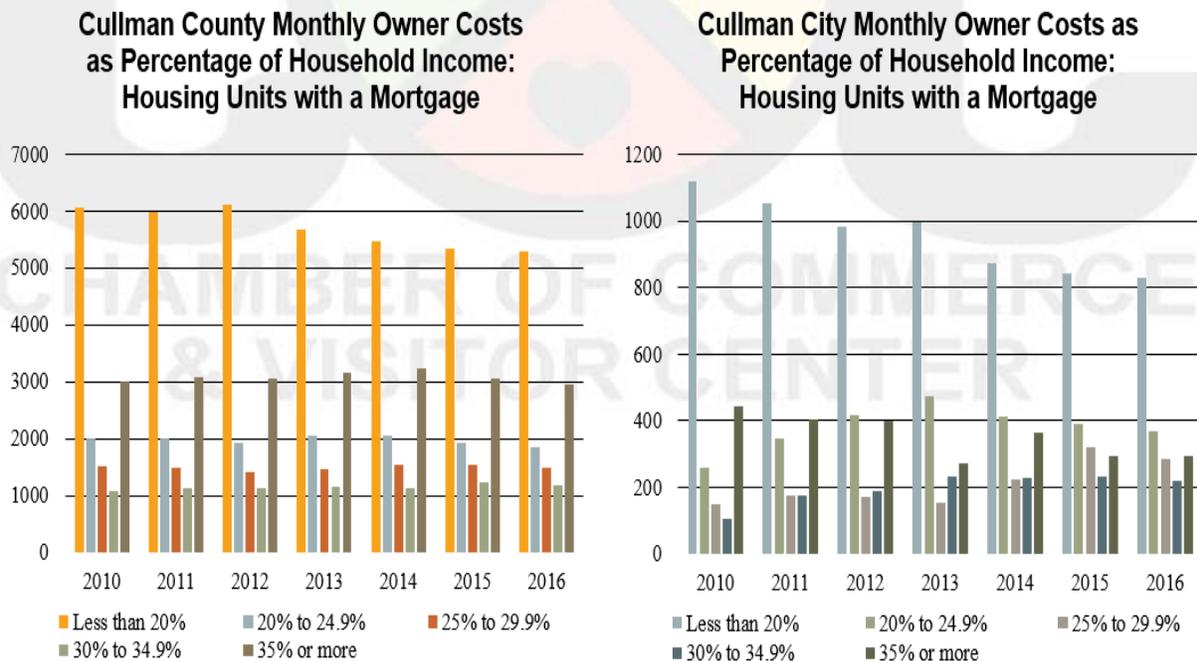


Table 24 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

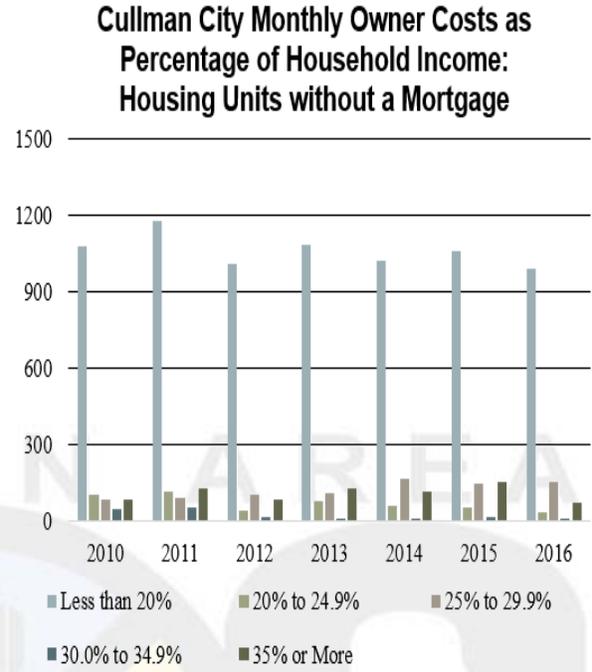
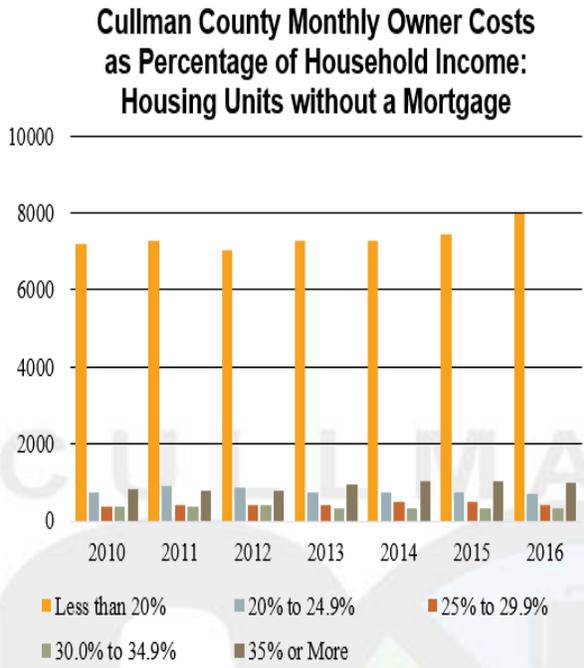


Table 25 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

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Cullman County Monthly Owner Costs Housing Units *with a Mortgage*

From 2010 to 2016, the majority of selected monthly owner costs, with a mortgage, in the county and city remained from \$500 to \$1,499.

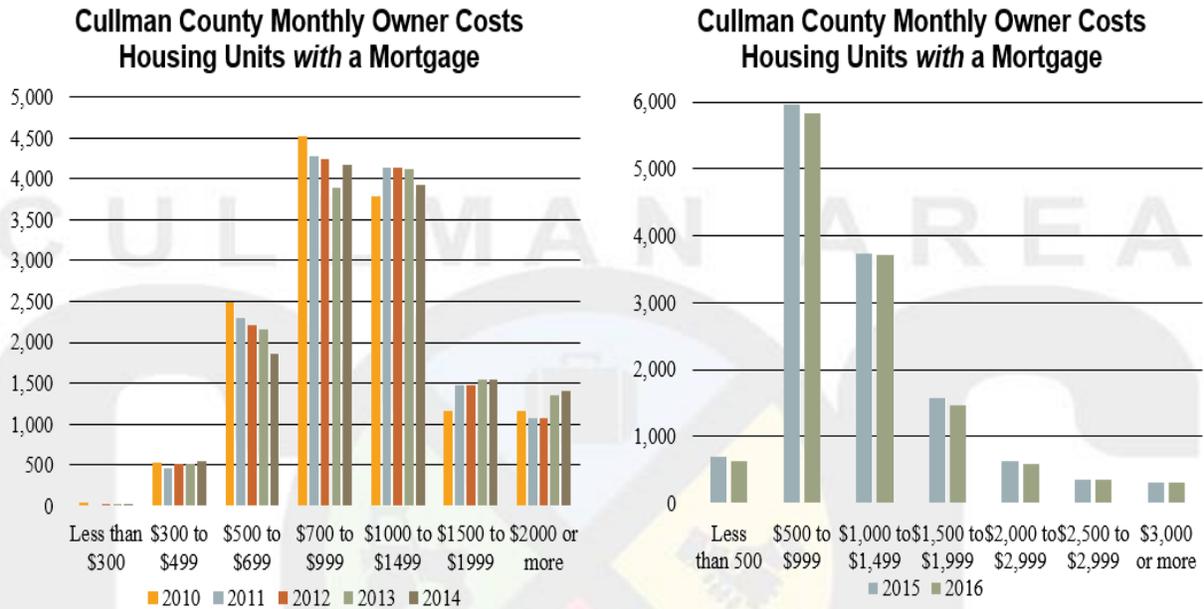


Table 26 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

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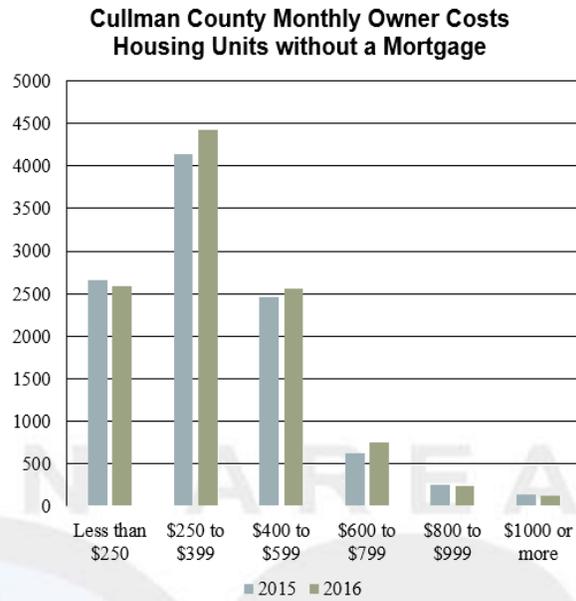
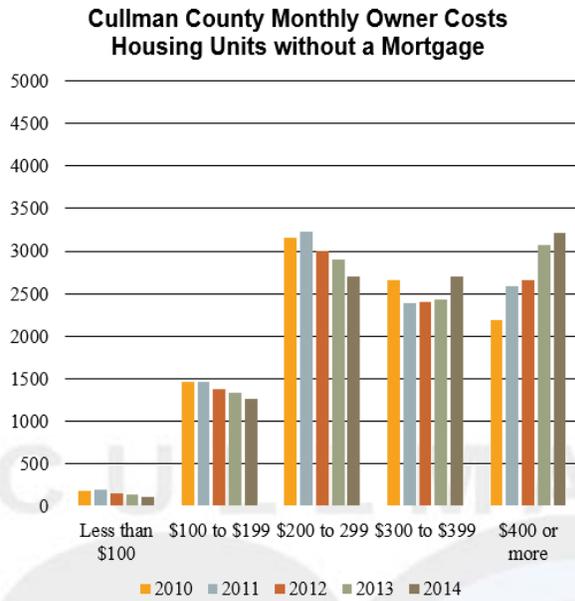


Table 27 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Cullman County Monthly Gross Rent Costs

Gross rent is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, water, and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).

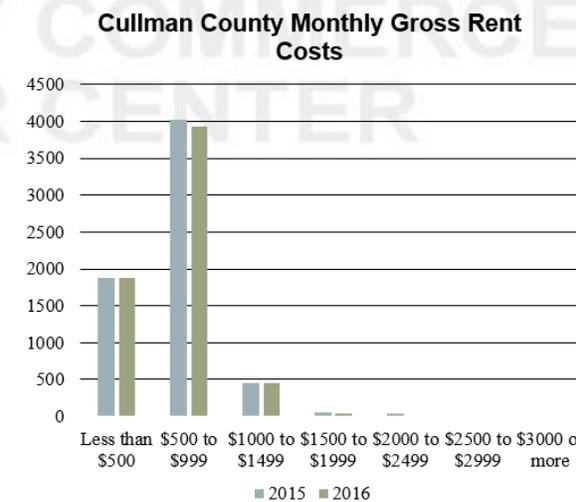
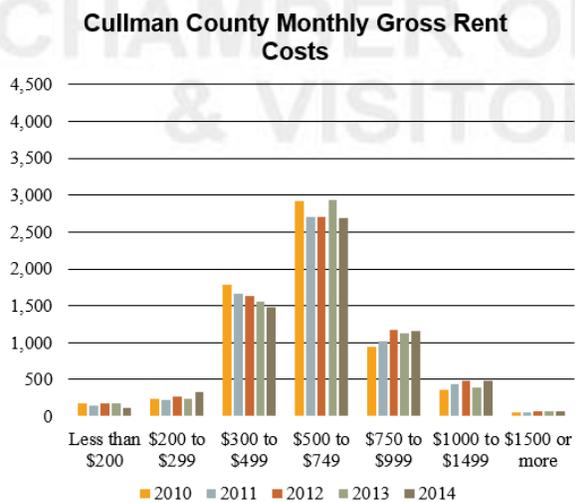


Table 28 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Table 29 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Cullman County Educational Attainment

As of 2017, over 34 percent of Cullman County’s population between the ages of 18 to 24 have graduated from high school. Of the total population over the age of 25, approximately 36 percent have graduated from high school. The table below focuses on education attainment over the age of 25 for the cities and towns within Cullman County.

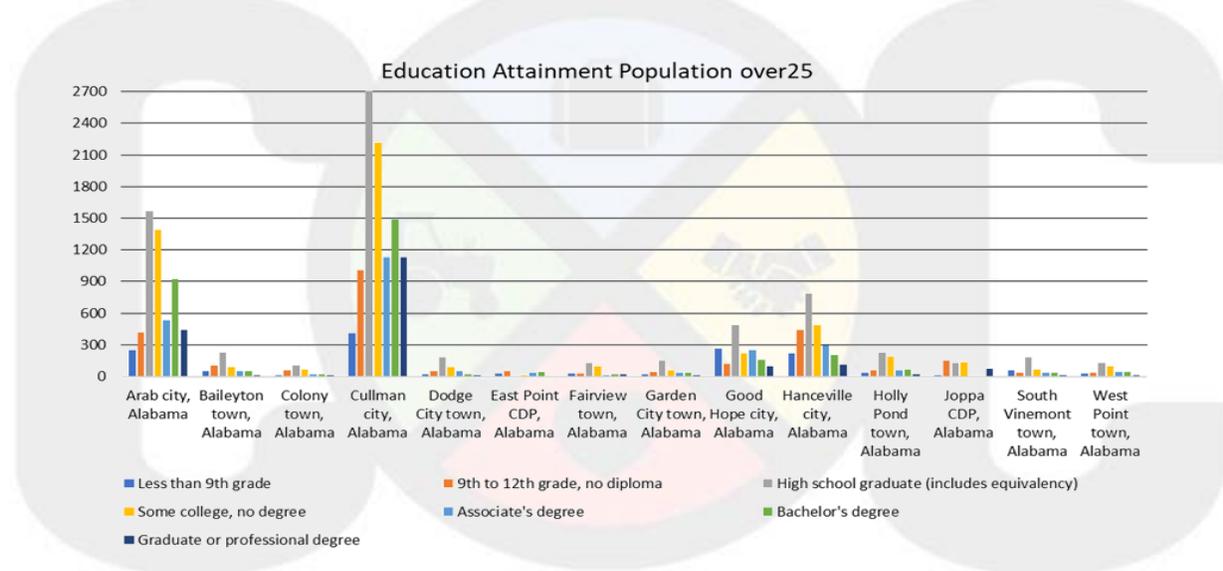


Table 30 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

CULLMAN AREA HOUSING NEEDS ASSESSMENT

Addressing Future Housing Needs

SECTION 4: DEMOGRAPHICS AND SOCIO-ECONOMIC CHARACTERISTICS

Cullman County is located within the Birmingham-Hoover-Talladega Combined Statistical Area of Alabama. Cullman County is adjacent to other Alabama counties including Morgan, Marshall, Blount, Walker, Winston and Lawrence. The county seat of Cullman County is the City of Cullman, Alabama. The population was 81,703 in 2017 based on data from the American Community Survey. In 2017 there were 31,097 households in Cullman County, with an average size of 2.6 people per household. The ACS estimates 37,524 total housing units, rental and homeownership combined, in Cullman County in 2017, with 69 percent single-family, 9 percent multifamily and 22 percent other housing types. The ACS estimated that 75 percent of housing is owner occupied and 25 percent renter occupied. The average house had 5.6 rooms and a value of \$121,900. The median income for Cullman County was \$40,997.

DEMOGRAPHIC CHARACTERISTICS

Population - Cullman County has experienced positive trends in population in recent years, adding nearly 1,800 new residents from 2010 to 2017. The total population of Cullman County according to the 2017 American Community Survey was 81,703. This was an increase of slightly 1 percent over the 2010 to 2015 total population of 80,965 and approximately 2 percent increase over the 2010 total population of 79,941. A comparison of the Cullman County sub-markets reveals the City of Cullman, Alabama experienced a slight population increase in line with Cullman County's 1 percent growth since 2015.

- The populations of Dodge City, East Point, Garden City and West Point decreased between 2010 and 2017 and the rest of the cities and towns in the Cullman County sub-market experienced an increase in population.

Population Change

Table 31 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Geography	2010	2015	% Change (2010-2015)	2017	%Change (2015-2017)
Cullman County	79,941	80,965	1%	81,703	1%
Baileyton	543	909	40%	872	-4%
Colony	282	345	18%	437	21%
Cullman	14,685	15,014	2%	15,111	1%
Dodge	622	714	13%	569	-25%
East Point CDP	238	151	-58%	175	14%
Fairview	440	483	9%	522	7%
Garden	694	374	-86%	498	25%
Good Hope	2,279	2,232	-2%	2,578	13%
Hanceville	2,995	3,195	6%	3,297	3%
Holly Pond	949	1,084	12%	947	-14%
South Vinemont	540	545	1%	643	15%
West Point	729	626	-16%	561	-12%

Households

Cullman County had 31,097 total households 2017. Of the total households, 69.1 percent were family households and 54 percent were married-couple households. Approximately 19 percent were married-couple households with children under the age of 18. About 17 percent of households were female-headed and 10 percent of those female-headed households had children under the age of 18 present.

Household Characteristics

Table 32 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

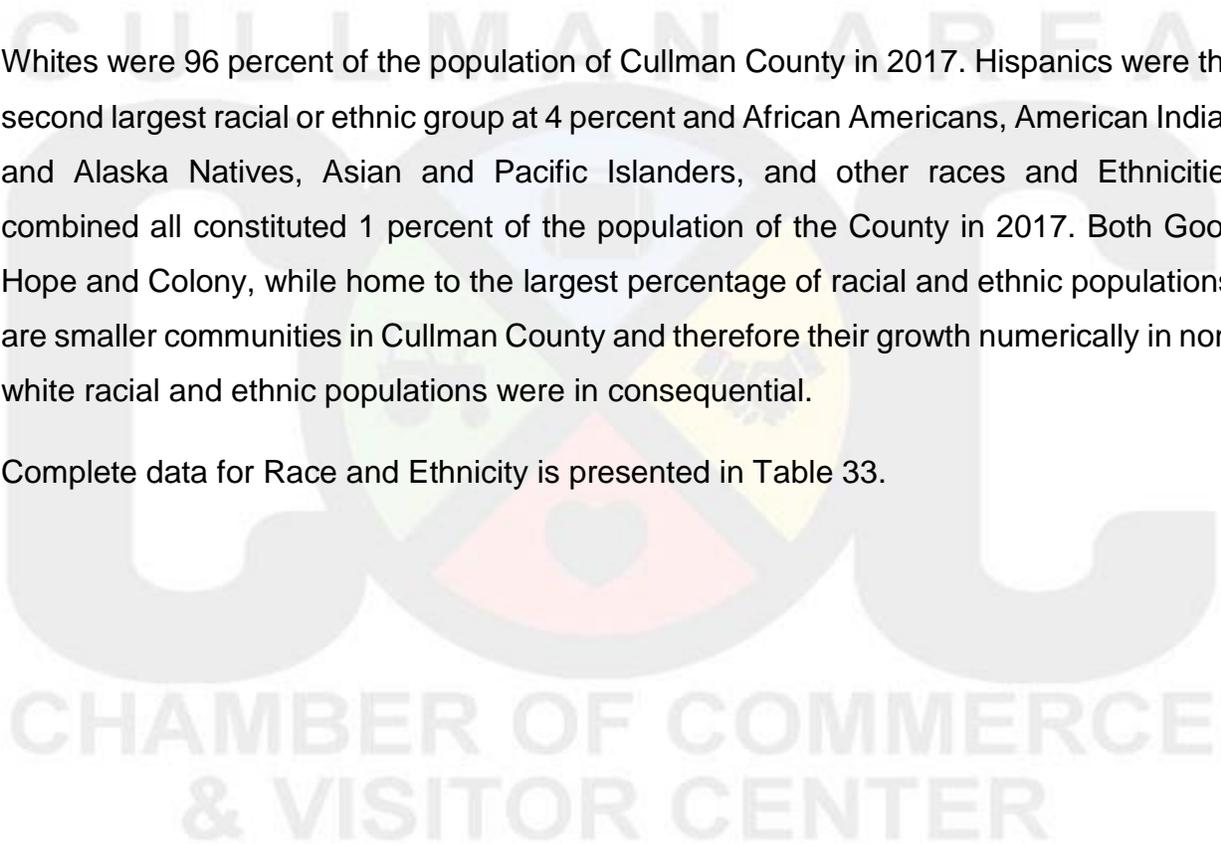
Geography	Family Households	Married-Couple Family	Other Family	Male Householder, no wife	Female householder, no husband	Nonfamily households	Householder living alone
Cullman County	21,549	16,948	4,601	1,243	3,358	9,548	8,561
Baileyton	205	172	33	18	15	104	89
Colony	109	44	65	5	60	39	34
Cullman	3,730	2,686	1,044	234	810	2,266	2,090
Dodge City	163	131	32	6	26	70	63
East Point	63	46	17	0	17	33	33
Fairview	130	107	23	0	23	49	48
Garden City	140	77	63	22	41	47	47
Good Hope	637	576	61	9	52	219	195
Hanceville	728	492	236	0	236	553	482
Holly Pond	230	191	39	6	33	139	112
South Vinemont	139	76	63	17	46	131	101
West Point	168	139	29	4	25	43	43

Race/Ethnicity

The largest racial/ethnic group in Cullman County according to the 2013-2017 American Community Survey was Whites, which accounted for 96 percent of the population. The second largest group was Hispanic, which accounted for about 4 percent of the population. Since 2010 these percentages have remained steady. Racial/ethnic groups' comparison within Cullman County reveal Good Hope has the largest Hispanic population percentage of 25 percent. Colony has the largest percentage of Black or African Americans with 89 percent.

Whites were 96 percent of the population of Cullman County in 2017. Hispanics were the second largest racial or ethnic group at 4 percent and African Americans, American Indian and Alaska Natives, Asian and Pacific Islanders, and other races and Ethnicities combined all constituted 1 percent of the population of the County in 2017. Both Good Hope and Colony, while home to the largest percentage of racial and ethnic populations, are smaller communities in Cullman County and therefore their growth numerically in non-white racial and ethnic populations were in consequential.

Complete data for Race and Ethnicity is presented in Table 33.



Race	Year		Cullman County	Baileyton	Colony	Cullman	Dodge City	East Point	Fairview	Garden City	Good Hope	Hanceville	Holly Pond	South Vinemont	West Point	
White	2010	#	76,819	528	52	13,987	618	230	421	694	2,174	2,841	927	505	714	
		%	96%	97%	18%	95%	99%	97%	96%	100%	95%	95%	98%	94%	98%	
	2017	#	78,056	863	22	14,300	558	175	496	474	2,289	3,035	917	564	526	
		%	96%	99%	5%	95%	98%	100%	95%	95%	89%	92%	97%	88%	94%	
Black or African American	2010	#	729	0	226	109	0	0	3	0	0	72	0	3	3	
		%	1%	0%	80%	1%	0%	0%	1%	0%	0%	2%	0%	1%	0%	
	2017	#	948	0	389	128	0	0	0	0	0	186	5	56	0	
		%	1%	0%	89%	1%	0%	0%	0%	0%	0%	6%	1%	9%	0%	
American Indian and Alaska Native	2010	#	1,162	15	4	198	4	0	1	0	36	41	9	14	11	
		%	1%	3%	1%	1%	1%	0%	0%	0%	2%	1%	1%	3%	2%	
	2017	#	350	0	0	69	0	0	0	0	0	27	0	24	0	0
		%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	3%	0%	0%
Asian and Pacific Islander	2010	#	355	0	0	131	0	8	1	0	0	12	11	0	4	
		%	0%	0%	0%	1%	0%	3%	0%	0%	0%	0%	1%	0%	1%	
	2017	#	528	0	0	151	0	0	10	0	63	0	0	11	21	
		%	1%	0%	0%	1%	0%	0%	2%	0%	2%	0%	0%	2%	4%	
Hispanic	2010	#	3,170	0	0	1,191	0	0	36	0	83	63	179	69	2	
		%	4%	0%	0%	8%	0%	0%	8%	0%	4%	2%	19%	13%	0%	
	2017	#	3,466	55	0	1,025	8	0	107	0	633	166	0	133	16	
		%	4%	6%	0%	7%	1%	0%	20%	0%	25%	5%	0%	21%	3%	
Other Race	2010	#	465	0	0	206	0	0	14	0	10	29	0	18	0	
		%	1%	0%	0%	1%	0%	0%	3%	0%	0%	1%	0%	3%	0%	
	2017	#	723	0	0	228	0	0	0	0	152	12	0	12	5	
		%	1%	0%	0%	2%	0%	0%	0%	0%	6%	0%	0%	2%	1%	
Total Population	2010	#	79,941	543	282	14,685	622	238	440	694	2,279	2,995	949	540	729	
	2017	#	81,703	872	437	15,111	569	175	522	498	2,578	3,297	947	643	561	

Race and Ethnicity by Jurisdiction

Table 33 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Age Distribution

According to the 2017 American Community Survey the median age in Cullman County was 40.6 years compared to 38.7 for the State. The largest age group in Cullman County was the 40 to 59 group, representing about 29 percent of the population. This group will likely become the largest elderly population within the next 10 - 20 years. Colony, Fairview and Good Hope had greater percentages of children under age of 18 than other cities and towns within Cullman County. In Cullman County the over 65 population is 18 percent. The highest over 65 population within Cullman County is found in East Point and Hanceville. As with other communities across the country, the median age of the population is expected to rise in the coming years as the baby boom generation continues moving up the age distribution.

In the next two decades the baby boomers will move entirely into the over 65 age categories, creating the largest group in the over 65 category in U.S. history. These trends are expected to have an impact on housing needs in Cullman County as well as the rest of the country.

Median Income

Income

According to the 2013-2017 American Community Survey 5-Year Estimates, the median household income for Cullman County was \$40,997. Table 34 illustrates the Median Household Income for Cullman County and the cities and towns within Cullman County.

Geography	Median Income
Cullman County, Alabama	40,997
Baileyton town, Alabama	32,989
Colony town, Alabama	36,500
Cullman city, Alabama	42,885
Dodge City town, Alabama	36,406
East Point CDP, Alabama	39,848
Fairview town, Alabama	35,625
Garden City town, Alabama	34,375
Good Hope city, Alabama	50,962
Hanceville city, Alabama	31,424
Holly Pond town, Alabama	32,212
South Vinemont town, Alabama	27,500
West Point town, Alabama	53,438

Table 34 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

West Point and Good Hope sub-markets had higher median incomes than other cities and towns within Cullman County at \$53,438 and \$50,962 respectively. Household income earnings of \$50,000 - \$74,000 are the largest percentage in Cullman County at 18 percent. Median incomes for Cullman City (42,885), East Point (39,848), Dodge City (36,406), and Fairview town (35,625) were also significant all over 35,000 in median income.

Poverty

According to the 2017 American Community Survey, about 16.4 percent of the population of Cullman County lives below poverty level. By comparison this percent is slightly above the United States average of 14 percent. About 19 percent of all children under the age of 18 lived in poverty, which is less than the statewide rate of 26 percent. The over 65 population poverty rate was 10.6 percent, which is in line with the statewide rate of 10 percent. Within Cullman County, the city with the highest poverty rate was Garden City which was 33.7. However, it should be noted Garden City has a very small population of 498. Cullman City's, the largest jurisdiction in the county, poverty rate is in line with the county at 16 percent. South Vinemont Town had the second highest overall poverty rate at 32.80 percent and the highest over 65 population poverty rate at 35 percent.

Geography	Poverty	Total Population	Under 18	18 to 64	65 over
Cullman County	Total	80,455	18,038	48,291	14,126
	% below poverty level	16.4%	19.6%	16.8%	10.6%
Baileyton	Total	872	251	474	147
	% below poverty level	24.8%	33.1%	21.3%	21.8%
Colony	Total	437	128	236	73
	% below poverty level	19.5%	31.3%	17.4%	5.5%
Cullman City	Total	14,583	3,402	8,555	2,626
	% below poverty level	16.7%	23.1%	15.3%	13.0%
Dodge City	Total	569	126	348	95
	% below poverty level	11.8%	11.1%	12.9%	8.4%
East Point	Total	175	0	84	91
	% below poverty level	0.0%	-	0.0%	0.0%
Fairview	Total	522	156	266	100
	% below poverty level	27.8%	42.3%	28.2%	4.0%
Garden City	Total	498	114	304	80
	% below poverty level	33.7%	74.6%	26.3%	3.8%
Good Hope	Total	2,563	847	1,343	373
	% below poverty level	10.3%	12.6%	9.9%	6.7%
Hanceville	Total	2,893	308	1,820	765
	% below poverty level	14.4%	19.2%	15.3%	10.3%
Holly Pond	Total	947	242	546	159
	% below poverty level	21.2%	18.6%	22.9%	19.5%
South Vinemont	Total	643	144	400	99
	% below poverty level	32.8%	24.3%	35.3%	35.4%
West Point	Total	561	156	335	70
	% below poverty level	18.4%	23.7%	18.5%	5.7%

Table 35 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Housing Characteristics

The housing supply in Cullman County was analyzed under three frameworks. First, the analysis examines the characteristics of the overall housing supply. Second, the housing supply was analyzed by tenure (owner-occupied and renter-occupied housing). Third, the housing supply was analyzed by housing type, including single-family, duplex, multifamily, mobile home and other types of housing. The analysis is based on data collected from the U.S. Census Bureau.

The ACS estimates 37,524 total housing units, rental and homeownership combined, in Cullman County in 2017, with 69 percent single-family, 9 percent multifamily and 22 percent other types. The ACS estimated that 75 percent of housing is owner occupied and 25 percent renter occupied. A telephone and internet survey of rental housing 5 units or more by JQUAD indicates a vacancy rate of 1 - 2 % for most developments. Surveys of vacancy for owner-occupied single-family housing were not conducted.

An examination of households revealed 31,097 households living in Cullman County in 2017. Approximately 62 percent were family households and 29.4 percent of all households were families with children under the age of 18. Approximately 11 percent of households were female headed families, and 5 percent female headed families with children. Almost 30 percent of households were non-family, 90 percent of households were persons living alone and 40 percent were households over the age of 65.

Housing Types and Tenure of Housing

According to the 2017 American Community Survey 5-Year Estimates, 72 percent of all housing units in Cullman County were single-family homes. Approximately 9 percent were multifamily units with the remaining 19 percent other types, which include mobile/manufactured homes. These numbers have remained consistent since 2010.

According to the 2017 ACS, about 26 percent of South Vinemont's housing units were single-family homes, by far the lowest within Cullman County. The highest percentage of single-family units was in Baileyton with 87 percent.

Housing Types

Geography	Single		Multifamily		Other		Total
	Count	Percentage	Count	Percentage	Count	Percentage	
Cullman County	25832	69%	3263	9%	8393	22%	37524
Baileyton	289	85%	6	2%	45	13%	340
Colony	101	53%	0	0%	88	47%	189
Cullman city	4581	68%	2029	30%	126	2%	6736
Dodge City	228	84%	0	0%	45	16%	273
East Point CDP	104	86%	0	0%	17	14%	121
Fairview	138	69%	10	5%	52	26%	200
Garden City	176	80%	7	3%	38	17%	221
Good Hope	685	71%	9	1%	267	28%	961
Hanceville	1068	66%	502	31%	51	3%	1621
Holly Pond	315	77%	64	16%	30	7%	409
South Vinemont	104	29%	114	32%	135	38%	353
West Point	176	75%	7	3%	53	22%	236

Table 36 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Age of Housing Stock

About 22 percent of housing stock in Cullman County was built between 1990 and 1999. It appears during this time, home building in Cullman County was at its peak evident by the homebuilding increase from 1939 and the significant decrease subsequently starting in 2010. Homebuilding since 2014 is extremely low at 1.3 percent. With a higher number of homes built prior to 1990, it is reasonable to assume housing stock is more likely in need of repair and updates given its age. Newer housing stock less than 30 years old has had a longer period for the effects of neglect and deferment of routine maintenance to negatively impact condition. While age does not always indicate diminished housing condition, correlations exist.

Age of Housing Stock and Year Built

Geography		Built 2014 or later	Built 2010 to 2013	Built 2000 to 2009	Built 1990 to 1999	Built 1980 to 1989	Built 1970 to 1979	Built 1960 to 1969	Built 1950 to 1959	Built 1940 to 1949	Built 1939 or earlier
Cullman County	Tot Units	474	844	6,018	8,280	5,425	5,976	4,550	2,452	1,605	1,900
	%	1.30%	2.20%	16.00%	22.10%	14.50%	15.90%	12.10%	6.50%	4.30%	5.10%
Baileyton	Tot Units	0	0	40	77	49	65	46	30	14	19
	%	0.00%	0.00%	11.80%	22.60%	14.40%	19.10%	13.50%	8.80%	4.10%	5.60%
Colony	Tot Units	1	14	14	57	23	37	29	8	0	6
	%	0.50%	7.40%	7.40%	30.20%	12.20%	19.60%	15.30%	4.20%	0.00%	3.20%
Cullman	Tot Units	71	90	714	1,112	825	1,483	1,007	670	442	322
	%	1.10%	1.30%	10.60%	16.50%	12.20%	22.00%	14.90%	9.90%	6.60%	4.80%
Dodge City	Tot Units	0	7	49	33	34	50	44	21	28	7
	%	0.00%	2.60%	17.90%	12.10%	12.50%	18.30%	16.10%	7.70%	10.30%	2.60%
East Point CDP	Tot Units	0	0	17	0	0	17	0	62	25	0
	%	0.00%	0.00%	14.00%	0.00%	0.00%	14.00%	0.00%	51.20%	20.70%	0.00%
Fairview	Tot Units	2	5	27	42	26	30	27	10	15	16
	%	1.00%	2.50%	13.50%	21.00%	13.00%	15.00%	13.50%	5.00%	7.50%	8.00%
Garden City	Tot Units	0	0	6	33	7	50	62	25	7	31
	%	0.00%	0.00%	2.70%	14.90%	3.20%	22.60%	28.10%	11.30%	3.20%	14.00%
Good Hope	Tot Units	0	25	152	208	146	216	102	78	15	19
	%	0.00%	2.60%	15.80%	21.60%	15.20%	22.50%	10.60%	8.10%	1.60%	2.00%
Hanceville	Tot Units	0	84	159	370	145	246	293	115	108	101
	%	0.00%	5.20%	9.80%	22.80%	8.90%	15.20%	18.10%	7.10%	6.70%	6.20%
Holly Pond	Tot Units	0	12	76	70	61	103	54	4	11	18
	%	0.00%	2.90%	18.60%	17.10%	14.90%	25.20%	13.20%	1.00%	2.70%	4.40%
South Vinemont	Tot Units	0	3	62	138	59	40	29	16	0	6
	%	0.00%	0.80%	17.60%	39.10%	16.70%	11.30%	8.20%	4.50%	0.00%	1.70%
West Point	Tot Units	0	6	38	56	26	37	11	17	26	19
	%	0.00%	2.50%	16.10%	23.70%	11.00%	15.70%	4.70%	7.20%	11.00%	8.10%

Table 37 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Homeownership

Owner Occupied homes in Cullman County was approximately 75 percent in 2017. The cities and towns within Cullman County with higher owner occupancy rates were Garden City at 76 percent, Good Hope at 76 percent and West Point at 83 percent. South Vinemont is the city with the lowest owner occupancy rate at 26 percent.

Holly Pond and East Point have the highest concentration of owner-occupied housing with a mortgage at 68 percent and 69 percent each.

Geography	Occupancy	Tot Units	White	Black or African American	Hispanic Latino
Cullman County	Owner	23,271	22,742	156	393
	Renter	7,826	7,266	105	375
Baileyton	Owner	221	212	0	0
	Renter	88	88	0	4
Colony	Owner	112	0	110	0
	Renter	36	0	36	0
Cullman	Owner	3,449	3,402	0	84
	Renter	2,547	2,354	0	207
Dodge City	Owner	177	177	0	0
	Renter	56	56	0	0
East Point CDP	Owner	96	96	0	0
	Renter	0	0	0	0
Fairview	Owner	132	129	0	12
	Renter	47	45	0	4
Garden City	Owner	143	136	0	0
	Renter	44	37	0	0
Good Hope	Owner	656	621	0	60
	Renter	200	193	0	51
Hanceville	Owner	741	713	28	34
	Renter	540	500	40	0
Holly Pond	Owner	250	250	0	0
	Renter	119	110	0	0
South Vinemont	Owner	72	72	0	0
	Renter	198	166	21	18
West Point	Owner	176	173	0	3
	Renter	35	35	0	0

Home Ownership by Jurisdiction, Race and Ethnicity
Table 38 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Rental Housing

According to 2017 American Community Survey estimates, 23,271 or 75 percent of housing units were owner occupied, compared to 7,826 or 25 percent renter occupied units. Renter occupied units in the City of Cullman, Alabama were more evenly distributed than in Cullman County. Rental housing found in apartment buildings is approximately 19 percent in the City of Cullman, 17 percent in Hanceville, and 31 percent in South Vinemont. The development of more multifamily housing for use as rental housing could potentially replace some of the consumption of single-family for rental housing stock making more existing single-family units available for homeownership. We were unable to determine the need or consumption of offsite housing for student population in cities like Hanceville due to limited data, or to determine their impact on the housing market. However, surveys and data from college administrators and students indicate a growing need for increased housing for students.

SOCIO ECONOMIC CHARACTERISTICS

Income, Poverty, Home Value, Rents

Table 39, presents cost burden data, showing changes between 2012 and 2017 in a variety of economic and housing variables, representing relative conditions concerning a household's ability to afford housing within Cullman County. The column designated " $\Delta\%$ " shows the percentage change from the previous reporting period.

Median household income between 2012 and 2015 increased by 2.8 percent from \$46,844 to \$48,200. The median home value increased by 10 percent in the same time period and median contract rents increased by 4 percent. However, median household incomes changed significantly between 2015 and 2017, decreasing 14.9 percent from \$48,200 to \$40,997. Median home values increased by 5.81 percent and rents increased by 4.01 percent between 2015 and 2017.

The table also shows changes in the poverty rate over the same periods, with a significant decline of 11.3 percent between 2015 and 2017. The income seems to be uncorrelated to the pace of home values and rents. It is noteworthy the possible correlation between home value increasing significantly between 2012 and 2015 (10.2%) and 2015 and 2017 (5.8%), as interest rates dropped dramatically to records lows, making home buying more affordable. Median household income also increased between 2012 and 2015 increase in 2015, reaching a high of \$48,200 and then decreased by 14.9 percent in 2017 to \$40,997.

Median home values increased from \$104,700 in 2012 to \$115,200 in 2015. As of 2017, the median home value was \$121,900, demonstrating the housing market was still trending upward while median household income is decreasing.

The following discussion shows that affordability impacts persons at all incomes and is not a necessarily a concern limited to low- and moderate-income households and their ability to support mortgage costs or to accumulate money for down-payment and closing cost. Cost burden, median household income, poverty, and median housing values presented in Table 40 are important consideration for most segments of the market.

Affordability and Cost Burden

Housing Affordability

Lack of housing affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in the study area. The correlation between median home values and household income underscores this issue. The median housing value according to 2017 American Community Survey (ACS) in Cullman County was estimated at \$121,900 and the median gross rent was \$644. The average income required to qualify for a mortgage based on the Cullman County median home value of \$121,900 is approximately \$30,000 to \$49,000 in household income and the average income to qualify for a contract rent of \$644 is \$24,000 to \$31,000. The average income required to qualify for a mortgage based on the home value of \$194,000 or less in the primary market is approximately \$51,000 in household income. Approximately 41 percent of Cullman County's population earn \$35,000 or less. As a reference, \$35,000 per year is approximately \$17.00 per hour for a forty-hour work week, 52 weeks a year for a single wage earner. When you factor in housing related expenses other than mortgage or rent payments such as taxes, insurance, and utilities, home ownership and rental housing is not attainable without cost burden to many in the County, especially persons at 80% and below the median income, without some form of home buyer subsidy or rental assistance.

Cost Burden

Cost Burden among renters was most significant reflecting 37.1 percent of renters in Cullman County's Cost Burdened in 2017. While significant, the Cost Burden numbers for renters do reflect a slight decrease over 2012 and 2015. In 2012 over 23 percent of homeowners were cost burdened (paying more than 30 percent of their income on selected mortgage costs). By 2015 it increased to 24.4 percent. Cost Burden significantly decreased in 2017 to 15.5 percent.

Cost Burden is defined by the U.S. Department of Housing and Urban Development as paying more than 30% of a household income on housing expenses. As shown in Table 39, cost burden in Cullman County has decreased since 2015 for home owners and to a smaller degree for renters.

Cost Burden

Year	Owner	Renter
2012	23.1%	40.4%
2015	24.4%	39.3%
2017	15.5%	37.1%

Table 39 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Changes in Income, Poverty, Values, and Rents

Year	Median HH Inc.	Δ%	Poverty	Δ%	Median Value	Δ%	Median Rent	Δ%
2012	46844	-	0.186	-	104,700	-	401	-
2015	48200	2.8	0.185	-0.01	115,200	10.02	423	5.48
2017	40997	14.9	0.164	--11.3	121,900	5.81	440	4.01

Table 40 Source: 2013-2017 American Community Survey (ACS) – U.S. Census

Economic Variables

According to the 2013 - 2017 Annual Community Survey 5-Year ACS estimates, over 18 percent of the population over the age of 18 have less than a high school degree. Approximately 5.8 percent of the population 16 or older considered to be in the labor force were unemployed. Of the total population in the civilian labor force, 8.8 percent were unemployed. Of those in the labor force, occupations were spread evenly across the five categories: management, business, science, and arts (29.3%); service (14.6%); sales and office (23.4%); natural resources, construction, and maintenance (14.0%); and production, transportation, and material moving (18.6%).

The largest industry in Cullman County was educational services and health care and social assistance (20.6%), followed by retail trade (14.7%), manufacturing (17.4%), and Arts, entertainment, and recreation, and accommodation and food services (6%). The average commute time to work was 26.5 minutes. All of these variables tend to impact housing needs and consumer preferences.

Income Equality

The 2017 ACS reports a measure of income equality within specific geographies called the GINI Index of Income Inequality. The results of the calculation show the extent to which incomes within the geography are equitably distributed. An index value of zero represents a perfectly equitable distribution. A value of one represents maximal inequality (where a single person has all the income). The index for the Cullman County reported in 2017 was 0.4517. The lower values are represented primarily in areas within the cities and towns where the incomes of the tracts for residents are relatively similar. These are areas where populations sometimes face higher cost for housing.

The GINI Index includes consideration of the lower median household income, concentrations of poverty, low rates of owner-occupied housing, lower home values, older housing stock shown in high percentages of cost burden owner-occupied housing, high percentage of vacant housing, and a high percentage of vacant home that are for sale. The ACS estimates that 16.4% of individuals were at or below poverty during the 2013 – 2017 ACS 5-year estimate.

Senior Population and Cost Burdens

According to the 2017 ACS estimates, over 17 percent of the population of Cullman County was over the age of 65. Approximately 56 percent of that group were female. Over 43 percent of those over the age of 65 live alone, with just under 47 percent in married households. Almost 5 percent live with parents or other relatives. About 1 percent live with a non-relative, including an unmarried partner. Approximately 86 percent of seniors live in owner-occupied housing.

The mean (average) earnings for the senior population was \$35,735, compared to \$61,314 for the whole population. Despite the gap in earnings, in 2017, less than 10 percent of seniors lived below the poverty level, compared to about 16 percent of the general population of Cullman County. Approximately 11 percent of seniors are in the labor force and of those who are in the labor force, less than 1 percent are unemployed.

Cost Burden for seniors is a significant concern. Among senior home owners, about 27 percent pay more than 30% of their income on housing expenses. Among senior renters, over 50 percent pay more than 30% of their income on housing expenses. The median gross rent paid by seniors was \$606, compared to \$644 for the general population. The Housing Authority of Cullman's data indicates that senior demand for housing assistance is high, with seniors constituting higher percentages of both the public housing and Section 8 Voucher program waiting list.

When considering homeownership among seniors, it is important to note that generally speaking, elderly populations tend to live in homes they have owned for many years or decades. Many are now empty nesters due to loss of spouses and children aging and moving away leaving seniors with more square footage than necessary for one person or a couple. Cost of taxes and maintenance are no longer manageable, and some are experiencing difficulty of limited resources to pay for routine maintenance or their inability to do the work themselves. This is in large part due to seniors more likely to have less disposable income compared to their pre-retirement income, even when their homes are located in thriving middle-class communities.

Seniors are more likely to consider alternative housing products such as smaller cottage or cluster units, senior care and independent living, or rental housing as a means of "right

sizing” their housing to align with their circumstances and needs. This means increased demands on the market to supply alternative housing and housing choices for this growing segment of the population. Seniors who are not adversely impacted by affordability are also choosing alternative housing types not because of cost but for lifestyle reasons. A wide range of senior living alternatives emphasize social connections, amenities, location and accessibility that mirror the way seniors want to live. Senior living, one limited primarily to nursing homes and assisted living, now focus on mobile senior populations that can live independently.

Housing Conditions and Housing Needs

A primary concern in Cullman County related to housing conditions of older housing stock found in older neighborhoods and alternative lower cost housing, primarily limited to mobile homes and housing in poor condition. Areas which were once stable middle-class communities have experienced limited reinvestment in existing homes and apartments or development of new units. Existing homes are becoming less desirable due to deteriorating conditions and a preference for newer homes utilizing up-to-date construction technologies with respect to finish-out, amenities and energy efficiency. In the neighborhoods experiencing decline, households have the least housing options. Rental housing conditions tend to deteriorate over time as well, with lack of maintenance, either because of rental income not keeping pace with needed improvements and maintenance or through landlords unwilling to spend rental income or investment dollars on their properties. Whatever the cause, poor maintenance eventually leads to issues with major systems such as roofs and foundations, water infiltration and more rapid deterioration from that point forward. Over time, the conditions of the units cause some units to be uninhabitable, difficult to sell, and become blights on the community. Demolition removes the blight of the dilapidated structure, but often leaves vacant lots. The construction of a new home on the vacant lot provides a positive new influence in the community. As shown by the GINI Index, the incomes of households tend to be correlate to census tracts where housing is older and homes less likely to be maintained. New housing development and infill housing on vacant lots in older areas may need to be should be accompanied by upgrades in infrastructure, improved access to retail services and transportation.

KEY FINDINGS - HOUSING MARKET, DEMOGRAPHIC, SOCIO ECONOMIC ANALYSIS

Type of Units: Rental of single-family detached homes, duplex and townhome, and small multifamily development, 5 to 30 units, are considered most in demand. Although the analysis may also support demand at this time for larger multifamily unit developments, there is little interest or identified strategy for accumulation or assembly of land to build the larger developments of multifamily units of 40 or more units. Current vacancy among rental housing developments of 5 units or more is less than 2%.

Neighborhood and Housing Conditions: Neighborhood and housing conditions are least desirable in older areas and where there are concentrations of poorly maintained housing. Obsolete multifamily, mobile homes, and public housing built in the 1950's and 1960's cannot be economically or ecstastically improved without increasing rents that would make housing unattainable for the populations needing housing most.

Single Family Price Range: There is significant housing demand for single-family units in all price ranges. The median income for Cullman County is \$40,997 and 18% of residents in Cullman County earn incomes between \$50,000 and \$74,000. The average home sales price from January 2016 to December 2018 ranged from \$142,000 to \$174,000, demonstrating a strong correlation between home sales and a significant portion of the population that can afford most housing offered in the county based on sales price data.

Single Family Affordability Price Range: Based on both income and community input, focus on affordable single-family housing for home ownership should be priced (in current dollars) at between \$85,000 and \$130,000. The average income required to qualify for a mortgage based on home values of \$85,000 to \$130,000 is \$25,000 to \$40,000 in household income. Additional subsidy to reduce the purchase price and to provide down-payment and closing cost to increase affordability will be needed for LMI populations.

Single Family Unit Size: Units between 1,250 and 1,500 square feet are needed. Units most desired are 3 bedrooms - 2 bathrooms based on market preferences and affordability. Smaller units, 2-bedroom 2-bathroom units, are desired by seniors, students and empty nester seeking or maintaining home ownership. Housing types desired include

cluster housing, townhomes, and duplexes. Units are desired in downtown and mixed-use areas.

Rental Housing Price Range and Affordability: Rental markets reflect a median rent of \$640. The average income to qualify for a contract rent of \$644 is \$24,000 to \$31,000. Additional subsidy to reduce the cost and increase affordability is needed for LMI populations. In the county, mobile homes are becoming an increased choice for lower cost housing. Affordable apartments and other types of rental housing are needed due to perceived predatory rental practices of some mobile home landlords and owners. Vacancy rates for multifamily 5 units or more is less than 2%. An Increase in rental housing demand is expected based on limited supply and changes in housing preferences.

Housing Preferences: The most underrepresented housing product in the market are multifamily rental units 5 units or more, and rental units in and around downtowns, along commercial corridors, and in or near entertainment districts and special points of interest. Both younger populations, empty nesters and persons considering the market recently expressed interest in living in these settings. The issue appears to be the cost-effective ability to produce this type of housing in such locations at a price affordable to those desiring the housing. Developers indicate concerns with escalating development cost and feasibility due to regulations. Solutions for bridging the gap between development cost and rents necessary to pay for development include government incentives, infrastructure to developers to supplement the development cost and the cost of loft conversions and vertical development of multifamily financially feasibility. Federal and state development and rental incentives and subsidies may be needed to make units feasible and more affordable.

Repurposed Development and Redevelopment in Existing Areas: The market analysis and community engagement process revealed two important considerations. Existing areas that are experiencing decline may require a change in development patterns in order to transition into areas where future housing needs can be realized. In Hanceville collaboration of the private sector and College in providing off campus student housing for Wallace State could provide an opportunity to increase the economic vitality of Hanceville's downtown and near downtown areas. This concept is being embraced in

college communities that are home to Baylor University, The University of Mississippi, The University of Alabama, The University of Texas and others. This strategy also helps lessen the consumption of affordable housing by college students.

In Cullman, the West Side area adjacent to downtown and Highway 278 has lost much of its fabric and is proliferated with vacant land and demolished housing units. Development concepts could include a greater emphasis on increasing vertical height to make multifamily development more feasible along with infrastructure improvement that support increased densities. Public and assisted housing predominately built between 1950 and 1970 is largely obsolete and in need of replacement. While some reinvestment is occurring, zoning and subdivision regulations limit the predictability of what type of development will occur next to your investment due to regulations permitting multifamily and single-family adjacency without buffering, screening and other provisions.

Economic Indicators and Population Growth: Economic indicators and population growth support increased future demand for rental and home ownership housing and increased demand for alternative housing types among a diverse mixture of demographics. While there has been steady population growth in the County and among the larger municipalities such as Cullman and Hanceville, economic and population growth in some smaller jurisdictions has been minimal. Developable land is available but there are some existing limitations to accessing those land holding that have been held by families not interested in developing their properties or sale of their property for development.

Industry leaders indicate challenges in securing and identifying housing for their workforce and housing affordable to their workforce, including housing for expanding jobs and temporary specialized workforce. Some industries have taking steps to purchase housing to make available as rental housing to their workforce. This supports a demand for a diverse range of housing types and price points affordable to a wider range of the workforce. The solution may include further involvement of industry in supporting their workforce in addressing their housing needs. One potential opportunity is employer assisted housing programs that are discussed in the strategies section.

Job growth has been steady and is expected to increase over the next 10 years. The

number of employers and available jobs affect how many people will potentially make Cullman their home and helps to define the future housing needs of the area. According to the employment estimates provided by Cullman Economic Development Agency (CEDA), the total number of employed persons in the Cullman County market will increase by 0.4% percent, a total of 43,543 jobs between 2016 and 2026.

Build New Housing in Downtowns and Main Streets: A majority of residents participated in County wide surveys indicated they would consider housing in Downtown/Main Street locations if they were to move. Amenities such as trails, sidewalks and proximity to entertainment, restaurants and retail were among the highest amenities requested. While not all housing options are appropriate or scalable to downtown, multi-family, townhome, small lot, and rehabbed or re-repurposes housing options are suitable for downtowns, particularly Hanceville and Cullman.

Update Zoning Procedures and Prepare for Future Housing: While a review of municipal zoning and subdivision ordinances suggested the larger communities currently promote most housing types, the reality is that some housing types, including new multi-family rental housing, mixed housing types, housing as part of mixed-use development, and housing in downtowns, is not being built for various reasons. Developers are concerned that current subdivision regulations and building codes, in some situations, do not support current and future housing needs and densities. If market demand and consumer preferences for specific housing recommended in this report are not realized, it could potentially stunt economic development efforts and promote out migration of current residents.

Provide Incentives for Market Rate Housing: Infrastructure grants, tax incentives, and development incentives should be considered to promote new construction and rehabilitation in existing neighborhoods and downtowns. The return on investment to build new and rehabilitate existing housing units is low or negative.

MARKET ANALYSIS BALANCED HOUSING MODEL PROJECTIONS

The Housing Market Analysis evaluated the market for various types of housing and price points in the current Cullman County Housing Market and provided projections for the future housing market. Utilizing U.S. Bureau of the Census data, American Community Survey, Comprehensive Housing Affordability Strategy (CHAS) as well as Envision Tomorrow software, the market analysis compared existing rental and owner housing unit supply with the demand of householders in 2017 and 2040 by income. Cullman County Population projections were provided by The University of Alabama, Center for Business and Economic Research (CBER). The charts, tables and graphs found in the analysis present the data using the Balanced Housing Model created by Envision Tomorrow.

The Balanced Housing Model was used to analyze Cullman County's existing housing supply, including the matches and mismatches by age, household income and tenure (rental or owner-occupied). It was also used to conduct a capacity analysis of development potential and to develop a forecast of future age and income cohorts. Using this information, the model was then used to create a series of policy and strategic recommendations for a balanced, sustainable future housing supply along with targeted goals that can be used to determine Cullman County's future progress in implementing its plan.

Current and future housing needs of Cullman County depends very much on the underlying economic conditions. This section examines population, occupations, wages, and employment data provided by Cullman Economic Development Agency (CEDA), American Community Survey, Center for Business and Economic Research Culverhouse College of Commerce and Business Administration (CBER). Future housing needs were partially determined utilizing the 2040 population projections completed by the CBRE which factors demographic change, mortality, fertility and migration under the Cohort Component Population Projection Method.

The tables and graphs that follow provide additional data used in the analysis, supporting documentation and conclusions based on that analysis.

UNEMPLOYMENT AND EMPLOYMENT

Cullman County Annual Unemployment Rate: 2013 - 2017

The dots on the graph represent the annual unemployment rate decrease from 2013 to 2017. Cullman County's unemployment rate has remained lower than the Alabama statewide unemployment rate by at least 1 percent in the same period.

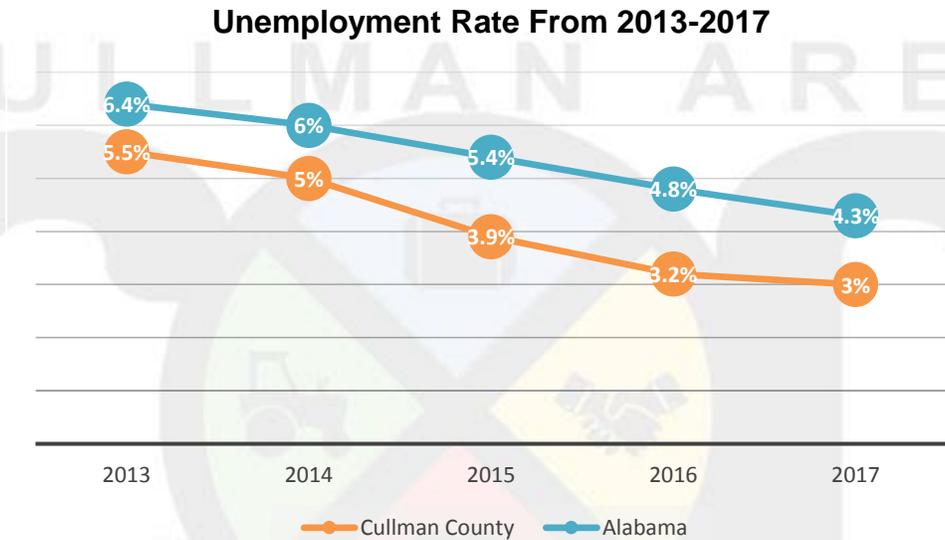


Table 42 Source 2013-2017 American Community Survey (ACS) – U.S. Census

Employment Projections & Wages

Office and Administrative Support Occupations, Sales and Related Occupations, Production Occupations and Food Preparation and Serving Related Occupations dominate Cullman County's employment by industry with over 100,000 jobs. By 2026 the total number of jobs in Cullman County is expected to grow by 0.4 percent according to Cullman Economic Development Agency (CEDA).

Healthcare Support Occupations, Healthcare Practitioners and Technical Occupations, Computer and Mathematical Occupations, and Personal Care and Service Occupations are expected to top all other industries in growth by year 2026. All of these industries are projected by CEDA to increase by over 1 percent.

Industry	2016 Estimated Employment	2026 Projected Employment	Total Change in Employment	Percent Change in Employment	Avg. Annual Wages
Management Occupations	70,311	71,749	1,438	0.2%	\$113,000
Business and Financial Operations Occupations	53,693	56,190	2,497	0.5%	\$70,000
Computer and Mathematical Occupations	29,485	32,859	3,374	1.1%	\$79,100
Architecture and Engineering Occupations	27,948	28,691	743	0.3%	\$82,600
Life, Physical, and Social Science Occupations	10,004	10,477	473	0.5%	\$63,900
Community and Social Service Occupations	18,089	19,318	1,229	0.7%	\$42,400
Legal Occupations	8,911	9,114	203	0.2%	\$88,100
Education, Training, and Library Occupations	65,680	68,445	2,765	0.4%	\$44,800
Arts, Design, Entertainment, Sports, and Media Occupations	16,068	16,061	(7)	0.0%	\$45,400
Healthcare Practitioners and Technical Occupations	74,842	84,194	9,352	1.2%	\$72,200
Healthcare Support Occupations	34,261	40,609	6,348	1.7%	\$25,600
Protective Service Occupations	21,997	22,228	231	0.1%	\$35,800
Food Preparation and Serving Related Occupations	103,481	107,475	3,994	0.4%	\$20,100
Building and Grounds Cleaning and Maintenance Occupations	41,238	43,034	1,796	0.4%	\$23,100
Personal Care and Service Occupations	34,316	38,251	3,935	1.1%	\$22,300
Sales and Related Occupations	126,739	131,874	5,135	0.4%	\$35,200
Office and Administrative Support Occupations	177,418	177,264	(154)	0.0%	\$33,500
Farming, Fishing, and Forestry Occupations	3,690	3,462	(228)	-0.6%	\$26,800
Construction and Extraction Occupations	51,403	56,391	4,988	0.9%	\$39,200
Installation, Maintenance, and Repair Occupations	52,557	54,276	1,719	0.3%	\$44,700
Production Occupations	114,902	107,393	(7,509)	-0.7%	\$34,800
Transportation and Material Moving Occupations	81,432	82,655	1,223	0.1%	\$30,900
Total - All Occupations	1,218,466	1,262,009	43,543	0.4%	\$44,200

Cullman County Employment Projections - Industry by Occupation

Table 43 Source: Cullman Economic Development Agency (CEDA)

Cullman County at Place of Employment in Top 10 Industries and Projected Growth

All of the top 10 industries, as determined by number of jobs, should experience growth by 2026 except for Production Occupations.

Projected Job Growth in Top 10 Industries

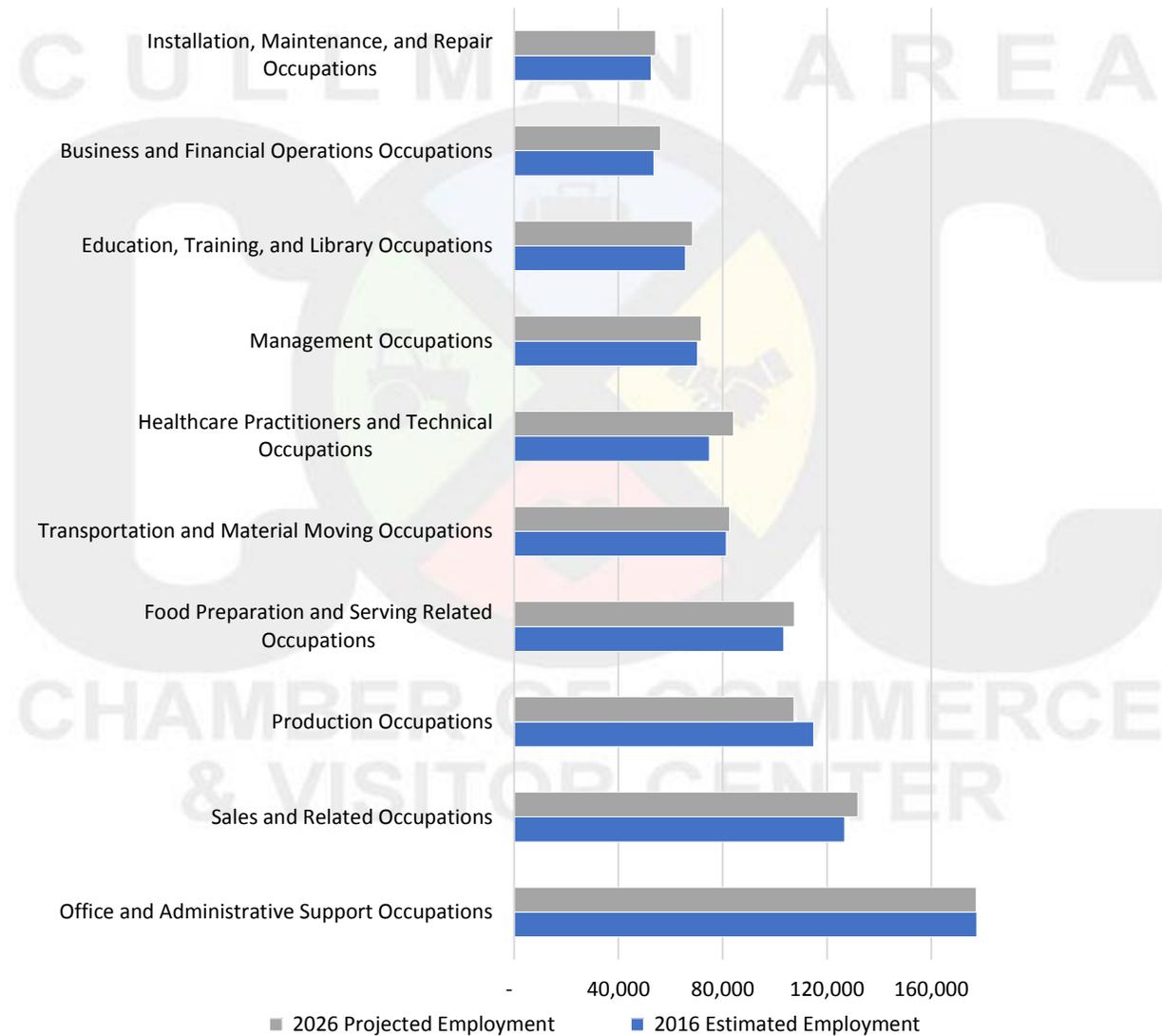


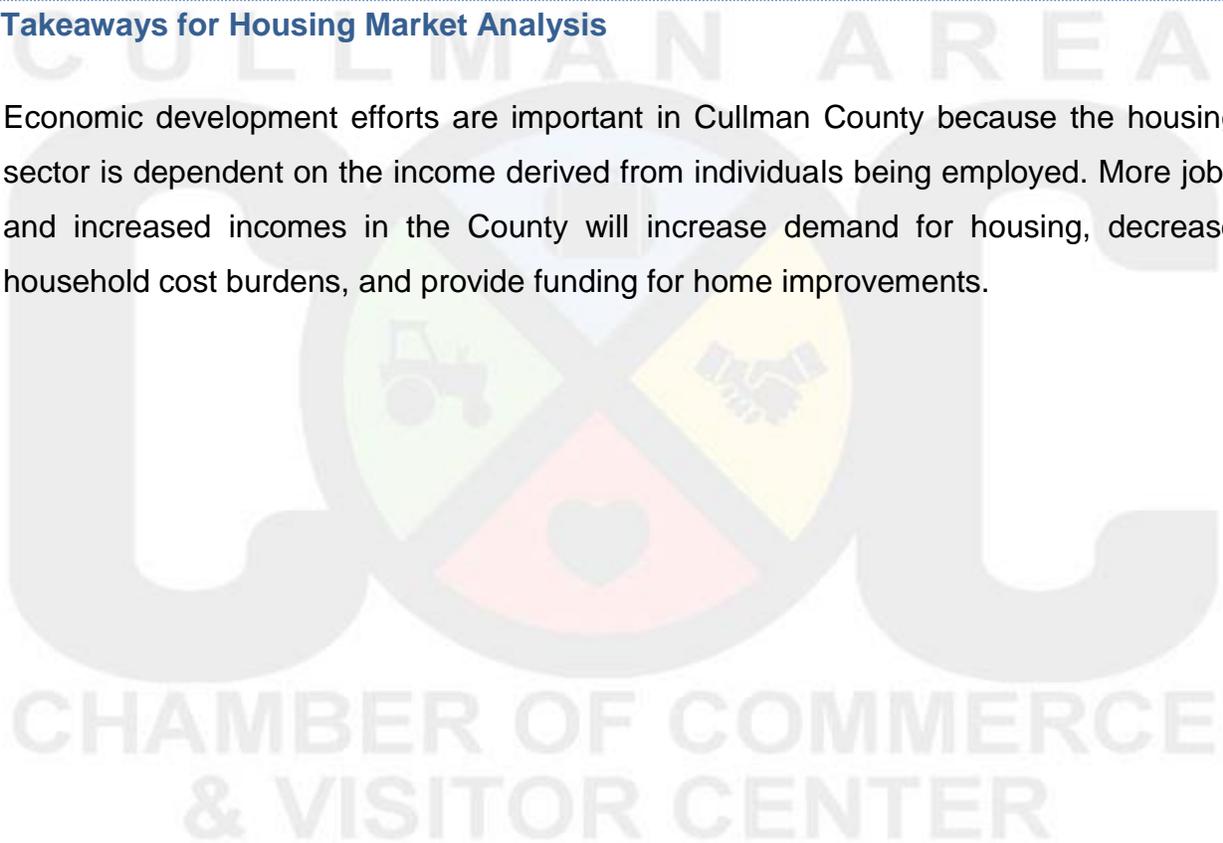
Table 44 Source: Cullman Economic Development Agency (CEDA)

Findings for Analysis

The economy in Cullman County is good, as evidenced by the decreasing unemployment rate. The 2017 unemployment rate of 3.0 percent is the lowest in 5 years according to 2013 – 2017 ACS data. The expected growth in total occupation is expected to increase by 0.4% over the next 10 years. Cullman County's \$44,200 average wage is above the Alabama state average wage of \$43,170.

Takeaways for Housing Market Analysis

Economic development efforts are important in Cullman County because the housing sector is dependent on the income derived from individuals being employed. More jobs and increased incomes in the County will increase demand for housing, decrease household cost burdens, and provide funding for home improvements.



NEED FOR AFFORDABLE AND MARKET RATE HOUSING

Owner Households VS. Owner Housing Units Available by HUD Income Ranges: 2015

There are more housing units available to middle to higher income persons (51-80% HAMFI), and not enough units available to higher income households (greater than 80% HAMFI). More single-family homes at the average sales price of \$145,000 to \$ 174,000 would meet this demand. Cullman Realtor Association reported an average sales price for Cullman County of \$158,714 based on 866 housing units sold from January 2016 to December 2018.

HUD Adjusted Median Family Incomes Available by Income Ranges (HAMFI) – Home Ownership

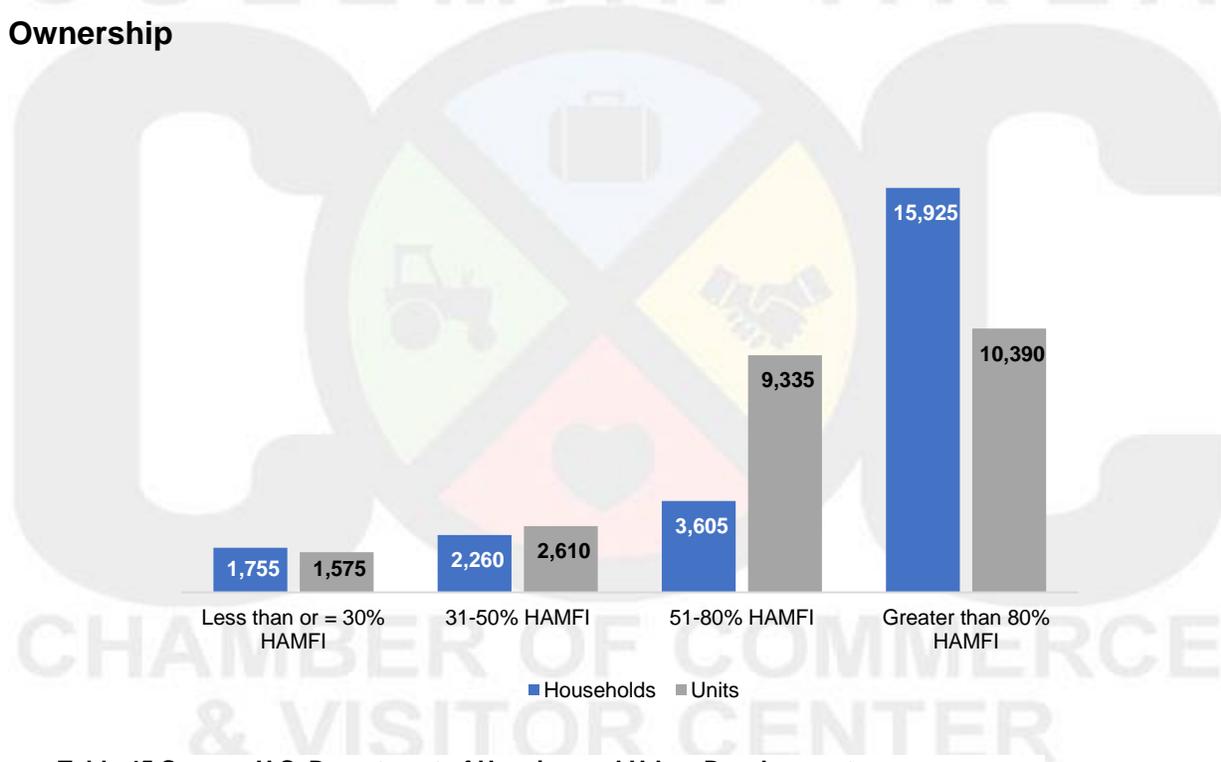


Table 45 Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy, Cullman County Realtors Association.

Renter Households vs. Rental Housing Units Available by HUD Income Ranges: 2015

There are not enough very low-income housing units* (units available to households below 30% HAMFI). There are significantly more housing units available at the 51% - 80% (middle to higher HAMFI market level).

HUD Adjusted Median Family Incomes Available by Income Ranges (HAMFI) – Renter Households

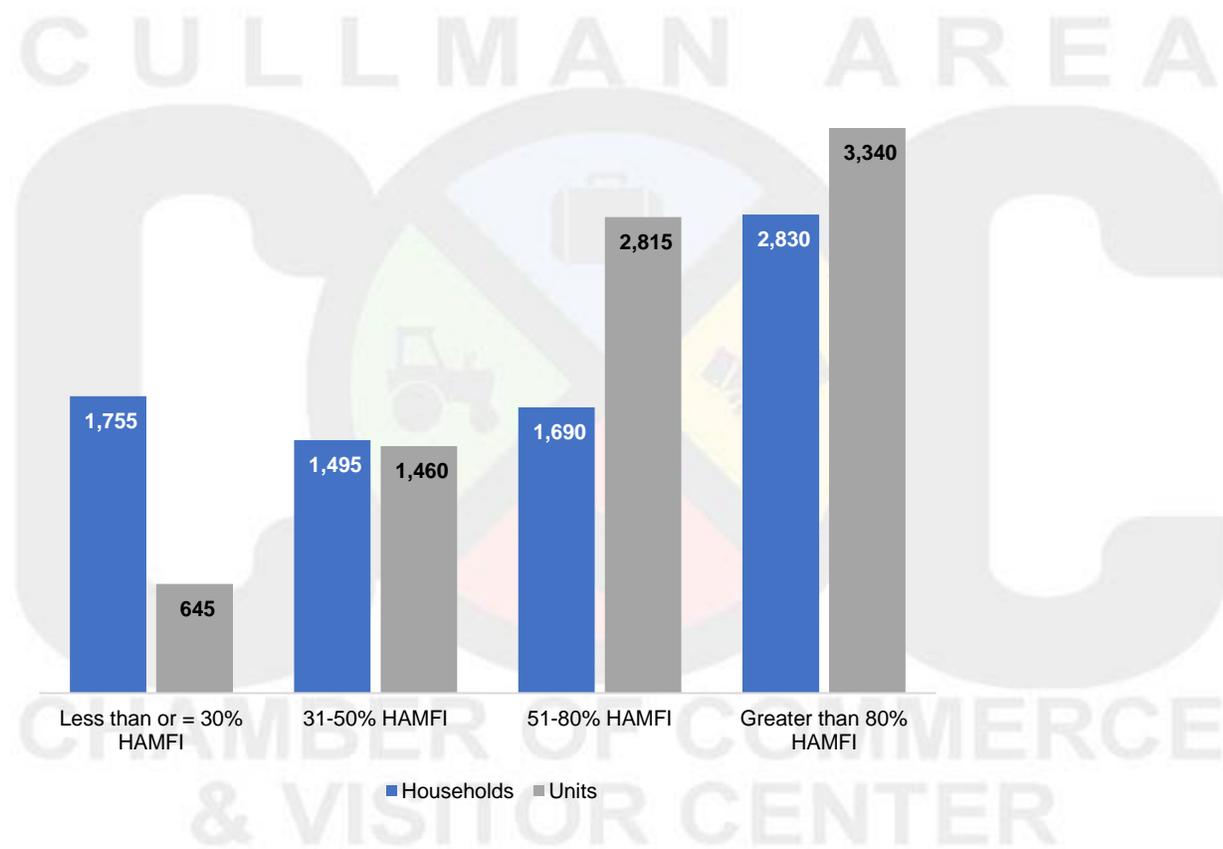


Table 46 Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy

* There are more than 100 Housing Choice vouchers which partly address the lack of very low-income units.

NEED AND PROJECTIONS – RENTAL HOUSING

The Balanced Housing Model utilizes ACS gross rent figures to calculate housing affordability for renters within the geography and for individual income brackets within the population. Affordable rental housing is defined as a household paying less than 30% of their income in rent. The percentage of unaffordable housing reflects households spending 30%-50% of their income in rent. Severely Unaffordable represents the percentage of households paying over 50% of their income in rent. Comparing the number of available units and affordable units within each income segment offers a glimpse at where within the market tenants are under or over spending on housing based on limits to supply. CBER projects an increase in Cullman County's population from 81,703 in 2017 to 86,350 in 2040.

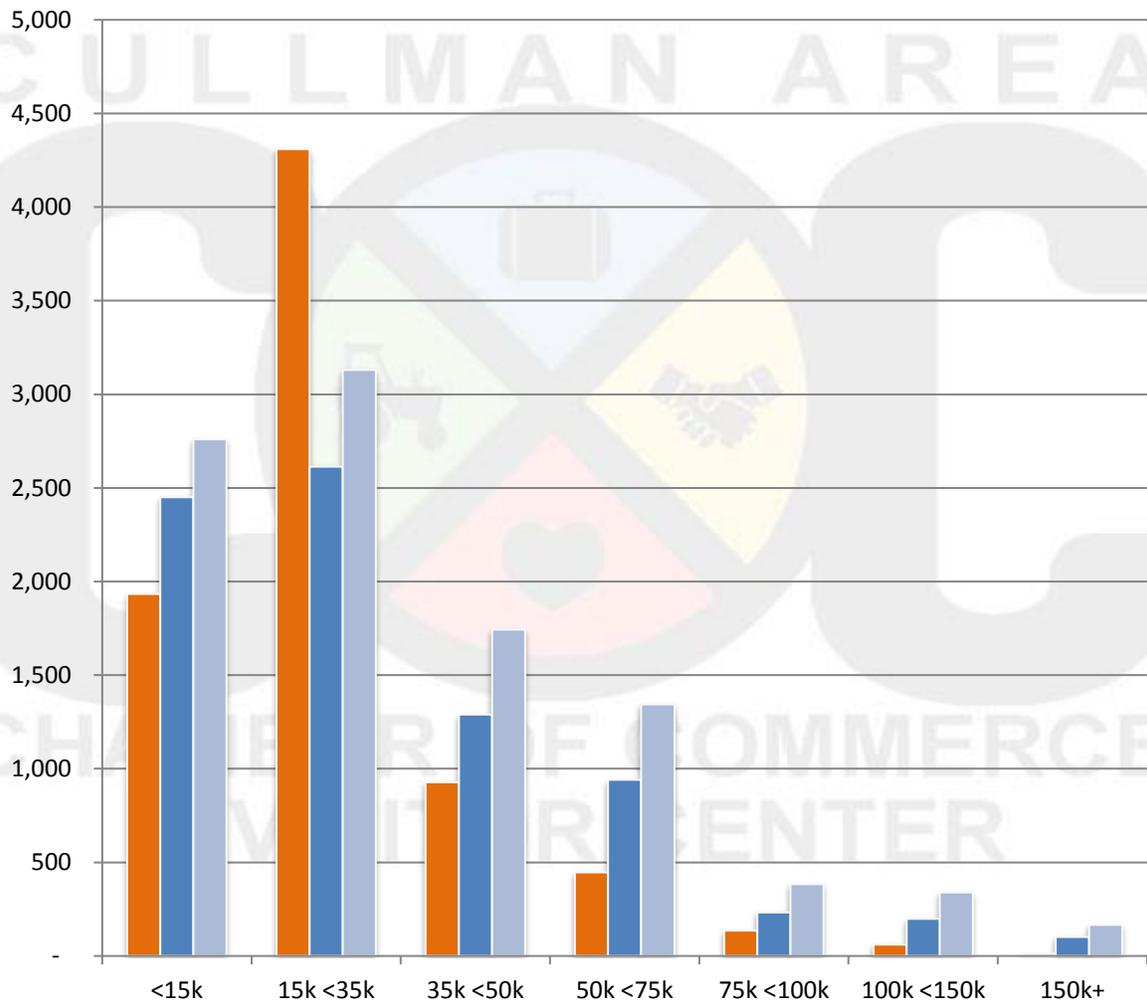
Cullman County Renter Occupied Housing Market Need by Income Range: 2015 & 2040

The graph below shows the existing affordable rental housing stock and number of households at various income levels in 2017 and in 2040 based on household and income projections, tailored by Census income data. Like the HUD data shown previously, there is not enough affordable rental housing at the very low-income ranges (below \$15K) and mid to higher income ranges (above 50K). There is a significant excess supply of housing at the low to middle income ranges (\$15K - \$35K). Based on the projected population growth rate of about 7.4 percent by 2040 the estimated number of rental housing units needed to meet the demand by income is 3,470.

Estimated Affordable Rental Costs	<\$349/mo.	\$349- \$799/mo.	\$799- \$999/mo.	\$999- \$1,249/mo.	\$1,249- \$1,499/mo.	\$1,499- \$1,999/mo.	>\$1,999/mo.
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Occupied Housing Stock Affordable at 2017 Incomes

Table 47 Source: U.S. Bureau of Census, American Community Survey; Envision Tomorrow



■ Occupied Housing Stock Affordable at Income Level 2017
 ■ Households at Income Level 2017
 ■ Projected Households at Income Level 2040

Cullman County Apartment Complexes

There are approximately 2,179 rental units in multi-family apartment complexes, 5 units or more, in Cullman County according to the American Community Survey 2013 – 2017 five-year estimates. Most of these units are located in the City of Cullman, Alabama and Hanceville, Alabama. A telephone survey was conducted on most of the apartment complexes within the cities and towns in Cullman County.

JQUAD gathered data on apartment units based on U.S. Census, web-based and internet data and apartment locators and other marketing materials. Contact was made with apartment owners and managers resulting in responses from about 75% of the participant represents. Roughly 33 percent of the units are subsidized by the City of Cullman, Alabama's subsidized low- and moderate-income housing programs operated by the local public housing authority (rent based on income and subsidized with government grants), while the other remaining are market rate (unsubsidized units).

Most of the apartment complexes in Cullman County have limited vacancies or they are reported being fully occupied as the vacancy rate of units surveyed is about 2.8%. While there is an array of rents asked at the market rate complexes, most 1-bedroom unit's average about \$513/month, two-bedroom units average about \$623/month and three-bedroom units average about \$865/month.

Apartment owners and managers were asked to self-evaluate the amenities offered in their developments. Most identified the lack of upgrades and amenities as a pressing issue for their residents. However, despite the age of units and lack of amenities, vacancy rates have remained low. Most did not report significant concerns with filling vacancies in their developments.

Rental rates appear to be stable and most competition experienced by apartment owners is with single-family rental units rather than other multifamily units.

SECTION 5: HOUSING NEEDS PROJECTIONS

NEED AND PROJECTIONS – OWNER OCCUPIED HOUSING

The Balanced Housing Model used to calculate need for future rental housing is also used to calculate housing needs for home owner. For this calculation, the model requires the use of ACS mortgage and ACS without mortgage data. The data used in calculating owner occupied range estimates of future housing demand are provided by CBER which projects an increase in Cullman County's population from 81,703 in 2017 to 86,350 in 2040. Future housing projections are based on demographic data; data on the age of householders broken down by household income in conjunction with estimates for both owner and rental vacancy rates; the annual replacement rate for housing in the geography; and national tenure projections.

Cullman County Owner Occupied Housing Market Needs by Income Range: 2015 & 2040

The graph on the following page shows the existing affordable owner housing stock and number of households at various income levels in 2017 and projected in 2040 based on household and income projections, tailored by census income data. Based on the projections, there is too much very low- and low-income owner housing units available affordable to households earning \$0-35K. Home ownership is much more difficult for wage earners needing units that fit this income range.

Quarter	Cullman County Homes Sales
Jan '16	\$142,367
Apr '16	\$146,551
Aug '16	\$151,823
Dec '16	\$155,814
Jan '17	\$133,944
Apr '17	\$158,010
Aug '17	\$169,103
Dec '17	\$161,839
Jan '18	\$159,510
Apr '18	\$173,740
Aug '18	\$177,753
Dec '18	\$174,111

Table 48 Source: Cullman Realtors Association.

Therefore, the available supply of units affordable to persons in this income range is overrepresented in the Cullman market. Demand among income earners needing housing in this range are not expected to exceed existing supply between 2017 and 2040. However, more housing units are needed for the \$35k -100k income level.

As part of this analysis, we compared the Balanced Housing Model projections with recent local home sales data for Cullman County. The average monthly sales price of homes sold in Cullman County was \$158,714 for the period of January 2016 thru December 2018. The average monthly housing sales price is based on collected data provided by Cullman Realtors Association. Home sales' data reveal a total of 866 units sold during this period, with monthly average sales values ranging from \$142,370 in January 2016 to \$174,111 for the month of December 2018. It should be noted that housing prices have significantly increase since 2016 indicating Cullman County has a strong housing market as the demand is outpacing the supply. Therefore, based on the Balanced Housing Model and supported by recent sales data, there is a demand potential for additional single-family homes with an average sales price of \$158,714. The average annual income needed to purchase homes with a price point of \$158,714 is approximately \$40,000 to \$45,000.

Average Home Sales Price and 2017 Incomes Needed to Purchase Homes

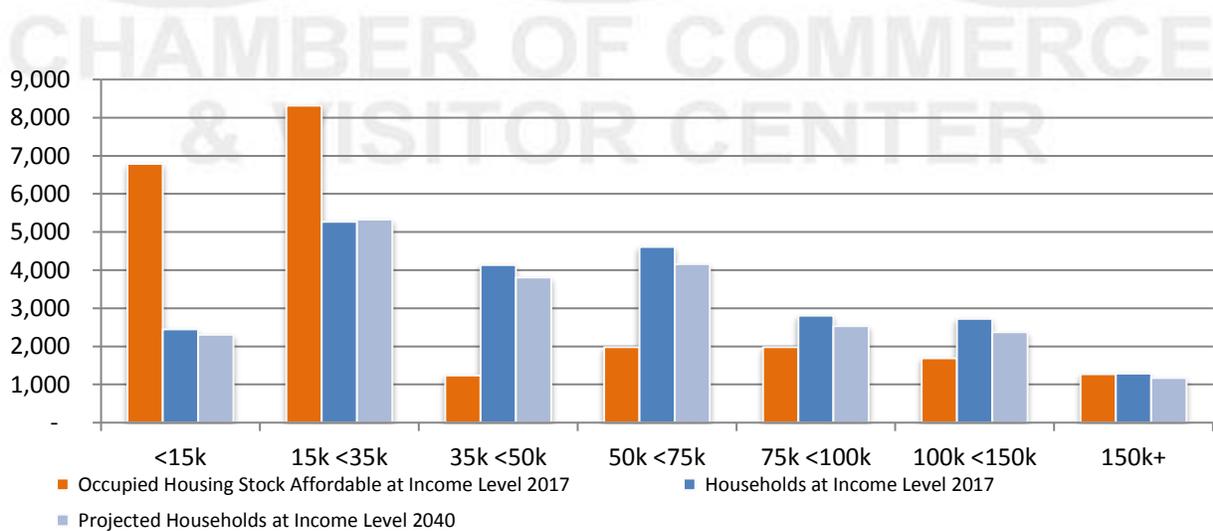


Table 49 Source: U.S. Bureau of Census, American Community Survey; Envision Tomorrow

The balanced housing model projects an increase in housing units needed in Cullman County of 3,470, rental and home ownership housing combined by 2040. This includes 1,421 new homeownership housing units by 2040, as shown below. All 1,421 units of projected need are expected to be single family homes on standard lots and small lots. The need for new townhomes is estimated at 287 units, multifamily rental units at 1,218 units, and 544 additional mobile home and other units. Townhomes and mobile homes are expected to be a mixture of home ownership and rental. Multifamily is defined as developments with 5 units or more and expected to be all rental units. However due to the low vacancy rate among multifamily rental units, increase home sales, consumer preferences for downtown lofts and townhome development, economic expansion, job creation and increased wages expected, additional rental and home ownership housing beyond units projected by the model may be needed in order to meet market demand as these trends and population continue to grow.

A Balanced Housing Profile for Cullman County in 2040			
	Occupied Housing Supply Cullman County (2017)	Future Total Units (includes new units, rehabbed vacant units, and vacancy (2017-2040))	Future Incremental Units (includes new units, rehabbed vacant units, and vacancy (2017-2040))
Single Family	22,046	22,431	1,421
Standard Large Lot SF	14,647	14,607	459
Small Lot SF	7,399	7,824	962
Townhome	238	366	287
Multifamily	2,801	3,562	1,218
Mobile Home/Other	6,012	6,280	544

Table 50: Balanced Housing Model Projections

In addition to the University of Alabama CBER economic trends and population projections used in calculating demand based on the model, the recent 2018 Alabama New and Expanding Industry Report also recognized significant economic growth for the State of Alabama and Cullman County. According to the report, the State of Alabama reported 42 economic development projects, 39 expansions and 3 new projects, announced creating 691 jobs and \$180,535,793 in capital investment statewide. Cullman County ranked # 5 Metropolitan for 2017 with 9 qualifying projects creating 20 or more jobs and a minimum capital investment of \$1,000,000. Cullman County was recognized in 2018 by Site Selection Magazine as a Top 100 Metropolitan with a Policom rating of #82.

Balanced Housing Model Findings

Based on increasing economic growth and steady job creation, decreasing unemployment and Cullman County's \$44,200 average wage, above the Alabama state average wage of \$43,170, we project an increased demand for both rental and owner-occupied housing. The average income of \$44,200 will potential afford a home at a price point of \$180,000 and provide approximates \$1,125 available for monthly rent.

The balanced housing model projects an increase in housing units needed in Cullman County of 3,470 units, rental and home ownership housing combined by 2040. This includes 1,421 new homeownership housing units, all expected to be single family homes on standard lots and small lots. The need for new townhomes is estimated at 287 units, multifamily rental units at 1,218 units, and 544 additional mobile home and other units.

When comparing existing owner-occupied single-family housing to household incomes, we conclude that most of the single-family home ownership demand will be consumed by households earning \$35K or greater in household income. This translates to homes at a likely price point of \$140,000 and above.

The disparity between existing single-family home supply and household incomes is projected to continue through 2040 for households earning up to \$150,000. This translates into a potential need for units at a price point of \$250,000 to \$450,000. This need is supported by recent home sales data provided by Cullman Realtors Association showing a December 2018 monthly home sales average \$174,111.

Rental housing is likely to exceed projections as well. The ACS 2013 – 2017 five-year average shows multifamily housing, 5 units or more, represented 9% of the total housing stock with single-family comprising 69%. This means that renters are likely consuming a sizeable portion of single-family housing stock. The vacancy rate for multifamily housing is estimated at 2.8%. The remaining 32% of the housing stock is comprised of mobile homes, townhomes, duplex and other types. These types of units could increase as well based on limited alternative products in the market, and increased consumer preference for housing in downtown, main streets, mixed-use, and housing for students.

Balanced Housing Model Takeaways from Housing Market Projections

More jobs and increased incomes in the County will increase demand for housing, decrease household cost burdens, and provide funding for home improvements. Employers indicated that Cullman County has a diverse workforce both demographically and based on wages earned. Most agree that housing is needed for persons at all income levels. Antidotal comments from employers included industry buying housing and making it available to specialized workforce for rent due to limited supply of rental housing.

Younger demographics are an important consideration for Cullman County, especially as it continues to try and lure workers for all sectors of industry in the area. Average incomes for younger demographics will likely reflect an average income of \$30,000 to \$35,000, meaning average home sales price points likely \$100,000 to \$120,000 and average rents \$700 – to \$850. The average rental of a 2-bedroom apartment is currently \$623 but units are much older and not necessarily located in downtown-main street districts. Current multifamily housing has limited amenities or appeal.

On-Campus Student Housing for college students including those attending Wallace State is severely limited, with most on campus housing dedicated to those participating in athletics. Off-campus housing for students is also limited and sometime priced out of affordability for most students. One likely solution is the growing trend of private sector housing designed specifically for students.

The demand for alternative housing products such as modular housing, townhomes and smaller lot development could reduce price points for home ownership by 20 – to 30%.

Townhome, multifamily, and loft housing is desired in downtown-main street districts as evidenced by consumers participating in the community engagement process. However, developers indicate that land holdings are generally expensive and not available for sale by existing owners. Other developers indicate that development cost in these areas renders developments infeasible because of regulatory requirements and the need to go vertical to achieve the desired development cost.

Alternative Housing Projections

While the Balanced Housing Model is the more reliable in accurately projecting future housing needs, we have offered alternative projections that take into consideration the recent data collected on the Cullman County housing market. Our alternatives projections are based on the following:

Single- Family Home Ownership Housing – currently the model shows a need for units affordable to households earning \$35,000 and above. The Cullman Realtors Association shows an average monthly sales price of \$174,111 for December 2018. This trend includes households earning up to \$150,000 that can afford homes priced between \$250,000 to \$450,000. We therefore recommend a 10% increase over the 459 single family units, 5% increase for townhome based on anticipated smaller unit consumption. Multifamily housing demand is projected to be 10% more based on a low vacancy rate, changes in consumer preference, younger demographics with higher average earnings, housing for students, and the need for more updated multifamily with more amenities. We recommended only a 2% increase for mobile homes and other as the market currently shows an oversupply of housing for person with incomes \$0 to \$30,000.

Table 51: Balanced Housing Model Alternative Projections

Alternative Housing Projections based on local market data for Cullman County in 2040				
Unit Types	Occupied Housing Supply Cullman County (2017)	Future Total Units (includes new units, rehabbed vacant units, and vacancy (2017-2040))	Future Incremental Units (includes new units, rehabbed vacant units, and vacancy (2017-2040))	Future Demand when considering local data (2017 – 2040)
Single Family	22,046	22,431	1,421	1,817
Standard Large Lot SF	14,647	14,607	459	505
Small Lot SF	7,399	7,824	962	1,010
Townhome	238	366	287	302
Multifamily	2,801	3,562	1,218	2,340
Mobile Home/Other	6,012	6,280	544	555

CULLMAN AREA HOUSING NEEDS ASSESSMENT

A Strong Market, Positive Trends

SECTION 6: PLANNING CONTEXT AND CURRENT CONDITIONS

Cullman County is located in the heart of North Alabama, centrally positioned on Interstate 65 between two of the state's largest cities, Huntsville and Birmingham. Cullman County includes twelve municipalities and towns (individually governed) and unincorporated areas covers 743 square miles on the Cumberland Plateau. With an estimated population of over 80,000, Cullman County presents a unique mix of city life and rural lifestyle while situated close enough to access the amenities of large metropolitan areas and far enough away from the bright lights to give residence a peace of mind and a feel for the slow, relaxed ways of life in rural and small towns. Known for its southern culture and charm, Cullman City and Cullman County shares a strong heritage that springs from its founder, Colonel John G. Cullman. Along with a sense of history and identity comes a strong work ethic and a pioneer spirit that is evident in the people of Cullman County who strive to make everything the very best it can be. Cullman County ranks among the highest nationally and regionally in poultry, sweet potato, and agriculture production, while home to a diverse range of industry, retail and commercial. The Cullman Regional Airport serves as a local distribution center for shipping and regional travel. The Cullman area is also known for exceptional education in local colleges and local school systems, industry and its parks and recreation facilities.



REHAU Industrial Center



Cullman Regional Airport

Cullman County continues to grow and advance economically and is now among one of the fastest growing counties in the state. This is evident based on new industries and businesses, as well as established commercial corridors and destination centers including downtown Cullman where restaurant and retail are expanding at a high rate of success. Smaller communities such as Hanceville, West Point, Colony and others also feature unique cultural, education, and neighborhood attractions.

Smith Lake – Photos illustrate this cultural asset and recreation attraction.





Wallace State in Hanceville, Alabama

Assessment of Existing Conditions and Existing Land Uses

Data Collection – The Data Collection and Analysis Phase examined existing conditions, demographic implications, areas of growth potential and strategies for creating a unique sense of place and improving quality of life. During the data collection phase, team members were introduced, goals were set, schedules were outlined, a working plan was produced, data was collected, and issues were identified. The study kicked off with an introduction of the primary project team members to CAC staff, board members, elected and appointed city – county officials, local boards, citizens and CAC task force committee members. The planning team compiled data through research, field surveys, meetings, online surveys, interviews, ordinances, plans and maps, in addition to multiple site visits that organized essential baseline information. A market assessment was conducted to identify local trends and programming opportunities in the planning area. Meetings were held to enable the planning team to collect input and share it with all decision makers. Once compiled, this data formed the knowledge base from which the analyses and preliminary recommendations were developed.

Existing Land Uses in County – In the County, rural communities and unincorporated areas, existing land use is comprised of residential and commercial development, farming and livestock operations, vacant land and public and institutional uses. Institutional uses include colleges, courthouses, schools, and city halls, police and fire facilities, churches, and post offices. Office, service and commercial uses are limited in some areas including health services, banking and small office users.



Cullman County Courthouse



City of Cullman Fire Station 3

Visible Places – Assets include historical, cultural, and outdoor amenities

Cullman Historical Society Mural



Open Air Nursey



Outdoor Yoga Studio



Existing Land Uses in the City of Cullman - In Cullman County’s largest incorporated community, Cullman, Alabama, land uses are more diverse and include commercial corridors and downtown areas surrounded by neighborhoods. The residential areas include older neighborhoods and new larger tract subdivisions containing a variety of housing types from townhouse, single-family and multifamily. The downtown Cullman commercial districts have the most diverse mix of uses.

Downtown Cullman, Alabama - 2nd Avenue Southwest Cullman



4th Street Downtown Cullman, Alabama – Restaurant and Retail, Farmers Market



Some neighborhoods are declining in Cullman evidenced by older single-family and multiple family structures that are not well maintained. Federal public housing is obsolete having been built in the 1950's. However, there is some recent infill housing in these areas including recent single-family infill adjacent to the Rosemont Public Housing development in West Cullman City.

Existing Single-Family Housing and Neighborhood Open Space Amenities



Rosemont Apartments



Private Multifamily



Existing Land Uses in Incorporated Areas - In the other larger incorporated communities such as Good Hope, Hanceville, Priceville, and West Point, the land uses are also diverse and include commercial corridors and downtown areas surrounded by neighborhoods. Hanceville is home to Wallace State College.

Downtown Hanceville Shops District

Hanceville Lofts Residential



C Street Cafe



CULLMAN AREA HOUSING NEEDS ASSESSMENT

Creating Consensus, Resolving Issues, Identifying Opportunities

SECTION 7: KEY ISSUES AND OPPORTUNITIES

The Cullman Area Needs Assessment has identified Key Issues and Opportunities, and formulated recommendations based on four fundamental principles. First, the recommendations are based on broad strategies that collectively address a wide range of physical, financial, development, economic, quality of life, policy and regulatory issues that potentially impact future housing, economic growth and development, and the wellbeing of residents and businesses in the planning area. The planning sub-areas are diverse ranging from rural undeveloped land areas to areas experiencing advanced levels of decline and disinvestment requiring aggressive strategies and a greater infusion of resources to reverse these conditions.

Second, the Needs Assessment addresses needed improvements to the community's basic attributes of a clean and safe community, adequate delivery of government services, convenient access to retail and commercial services, development of affordable housing, recreation for all age groups, effective regulatory enforcement, and programmatic enhancements that ensure a reasonable quality of life for residents.

Third, ensuring future housing needs are met, maintaining neighborhood stability and reversing decline requires that increased resources be identified and dedicated to revitalization through innovative programming and by identifying additional resources for implementation. This includes partnerships between government, business, industry and the community. In establishing new partnerships, emphasis is placed on cultivating and expanding the community's social fabric, a necessary step in order for the community to take more of a leadership role in the process. Community service

organizations, religious institutions, neighborhood residents, and other organizations have had limited involvement in efforts aimed at improving the area.

Fourth, the plan requires that the implementers and policy makers directing the implementation process and enacting housing policies make tough decisions relative to resource targeting, leveraging of resources, and the priorities and timelines associated with each activity outlined in the overall plan. The disparity between resource availability and the existing level of need dictates that careful planning and consensus building be at the forefront of plan implementation to ensure that priority is given to the most critical issues facing the area. These fundamental principles serve as a starting point for launching the implementation of the Needs Assessment recommendations. Building upon the fundamental principles, strategies are presented in response to specific issues faced. Implementation of these strategies in response to the key issues will serve to under gird the entire plan and its recommendations.

KEY ISSUES, OPPORTUNITIES, STRATEGIES AND RECOMMENDATIONS

Key Issues and Opportunities include policy, regulatory, and development constraints and alternative strategies addressing issues identified in the Plan. The recommendations are presented as options in the creation of an overall development strategy that will serve as the basis for developing and sustaining affordable housing. Recommendations will be incorporated in the Housing and Neighborhood Element of the Comprehensive Plan. The following are the key issues addressed in this section.

Key Issues:

- **Restoring the “Basic Attributes” of the Communities**
- **Zoning and Development Regulations, Development**
- **Incentives and Land Use Compatibility**
- **Housing and Neighborhood Conditions**
- **Regulatory Reform**

Restoring the “Basic Attributes” of the Communities

Success in meeting future housing needs, developing housing that is affordable to a wide range of consumers, and stimulating revitalization and reinvestment must include addressing needed improvements to the community’s basic attributes such as: public safety, street maintenance, clean streets, timely infrastructure improvements, trash collection, brush collection, well maintained buildings, vacant lots that are regularly mowed and kept free of debris, regular yard maintenance, and a general neighborhood appearance and level of community involvement that suggests that people care about their community. Public schools must demonstrate that academic programming and student achievement are comparable to that of surrounding independent school district schools and the public’s perception of the quality of their schools must validate that comparability. Resident must feel safe in their homes and confident that they can conduct their daily routines in the neighborhood without being victimized by crime. These basic attributes tend to shape both the way communities sees itself and how non-residents entering the community view it as well. In an effort to achieve this goal of improved basic attributes, the following are the proposed strategies and recommendations identified for the Cullman Area and prototypical examples of their application to specific areas that can also be applied throughout the planning area, as appropriate.

- **Enhance communities’ image, identity and physical attributes.**
- **Define area destination and purpose**
- **Marketing and branding**
- **Improve neighborhood identity**
- **Improve neighborhood image and physical attributes through land use design**
- **Create new mixed-use development, mixed housing types**
- **Improve access to recreation, retail, and desired destinations**
- **Enhance gateway and corridor improvements**
- **Introduce new residential products and financing for development**

Enhance Community Image & Identity and Physical Attributes - Our planning effort identified areas and neighborhoods experiencing decline and currently comprised of obsolete housing, concentrations of public and assisted housing developed in the 1950's making it difficult to maintain development or to attract reinvestment. Among those most notable was the Westside Neighborhood in the City of Cullman. Other cities such as Hanceville are equally struggling with the role of existing areas and neighborhoods in decline, and how those areas can be improved and repurposed to meet future housing needs by improving livability, while maintaining affordability. Some planning area experiencing decline are predominantly home to seniors and low-moderate income populations struggling to afford or maintain their existing homes and landlords reluctant to reinvestment in maintenance and upgrades due to depreciating values and at the risk of making housing unaffordable. These areas are comprised of Federal and State Community Development Block Grant eligible census tracts, and while highly concentrated with households' experiencing poverty and lower income, are potentially eligible for state and federal funding that can help bridge the gap between reinvestment and affordability. While our plan focuses on these select planning areas, to illustrate current conditions, and recommended strategies and prototypical design concepts for revitalization, it is important to note that both the existing conditions and recommendations presented in this report can be applied to future growth areas and areas where development constraints and cost are impediment such as college housing, downtowns, and rural areas desiring a stronger mix of housing and alternative lower cost housing.

While maintaining and enhancing neighborhood stability is the immediate vision and goal, achieving sustainability is an essential recommendation for the planning areas impacted by decline. At the core of this vision is enhancing "Image and Identity" of areas as a means of attracting new residents and retaining existing residents and businesses. Components of this recommendation include the areas becoming healthier, sustainable neighborhoods and mixed-use developments, able to meet the essential quality of life needs of its residents. This means improving the physical character of the areas, which in some instances, is viewed both internally by its residents and externally by the larger community as uninviting. Some areas are viewed as unsafe and as havens for criminal

activities. Whether this is reality or perception, it has a detrimental effect on the image of the area.

Historic assets and significant cultural and anchor areas and development must be protected and improved, if retained, or strategically removed if found to no longer contribute to the wellbeing of the community. For example, Highway 278 which serves as a gateway into the downtown Cullman, lack significant redevelopment and repurposing of some existing buildings, housing, institutional uses, vacant lots, and lacks urban design and streetscape amenities that could further transform the corridors into true community asset. Vacant land and obsolete and deteriorating buildings should be evaluated for adaptive reuse and redevelopment as new residential, retail and mixed-use development to provide housing and employment for area residents as well as meeting needs regionally.

We must define the transitional land use patterns appropriate for the areas throughout and create adequate buffers to support the co-existence of current and future commercial activities and their compatibility with new residential and mixed-use developments. Beyond the corridor's lacking in the quality of development, businesses, employment, and activities and events with broad appeal, entry points into the planning area from these corridors, and their serving as gateways into the neighborhood fail to create a positive initial impression of the area as a community or provide curb appeal in terms of its appearance.

The Needs Assessment recommends streetscape improvements and landscaping in area medians, as well as, sidewalks, street lighting, benches, and plantings that could make a significant impact on the image of the area. Greater emphasis on maintaining vacant lots including clearing weed and maintaining tree growth is needed. Providing walkway and pedestrian areas along residential streets, adding street lighting, sidewalks, shrubs, and new development on vacant lots, would significantly improve the safety and security. Most of all, there is a need to revive the "sense of community and trust" and encourage participation and cooperation from residents to maintain their homes, yards, and surroundings and to actively participate in community empowerment activities such as crime watch, neighborhood associations and self-help initiatives.

Marketing the Area's Destination and Purpose – The downtown and special districts in the region are primary destination for visitors and assets for area residents that create a positive and lasting image of their commercial corridors leading into the area. Marketing will assist in creating a destination or purpose for visiting the area based on its distinct character and unique personalities. Branding could be based on the cultural diversity, entertainment, historically significant places or buildings, and the people and businesses that have made the area their home or place to locate their business. Branding can be based on an emerging image of a revitalized community that has replaced its tarnished image with visual evidence of positive change.

Sustainable neighborhoods and commercial assets should invite people to live and be entertained there for lifetimes and beckon visitors to return time and time again. These assets generally enjoy a positive image as being clean and safe and offering the necessary amenities in support of a healthy quality of life. This image of a sustainable areas will assist in attracting new community assets. The Downtown Cullman district is well known for its diversity and culture as a retail, entertainment and commercial district and capitalized on being a primary connector for Downtown to its major gateway entrances into the City of Cullman. Downtown's quality restaurants and entertainment venues attracted both the residents of Cullman as well as countywide residents, and visitors, college students. Downtown has helped to attract boarder community investment and helped bring the rural communities, colleges and downtown Cullman closer together. The housing needs assessment and resulting implementation strategies must continue the transformation of downtown into a mixed residential, retail, commercial and entertainment district based on a cultural theme that helps appeal to those visiting and living in the area. Some underutilized building could be adaptively reused and transformed into housing, retail shops and restaurants, as well as, opportunities for service and professional trades such as shoe repair, dry cleaners, pharmacies, and professional office. However, development cost and ultimately housing affordability is a primary barrier to increasing housing as part of the healthy mix of uses in downtown. Special events continue to increase awareness and utilization of commercial corridors and other festivals continue to enhance the positive cultural heritage of the people who live in the community, but downtown is currently limited in

ability to play a significant role in meeting future and current housing needs, although our surveys and community engagement noted downtowns as a preferred place for younger and empty nester demographics.

Ultimately a neighborhood's brand should describe to the customer or visitor what to expect and provide a brief description of the neighborhood's spirit. To brand a neighborhood and to create an identity, these themes should be carried out throughout commercial districts and nearby neighborhood, particularly in the retail corridors and in the streetscape and urban design.

Banners, signage, street furniture, art, street sign toppers all help to emphasize the identity of an area. Corridor promotional materials also attract regional patronage to special events. The communities should solicit the support of local university marketing and business schools, such as Wallace State, in developing a branding and marketing campaign. The corridor branding campaign could be organized by volunteers who will lead and facilitate the marketing campaign. Detailed goals and objectives for the campaigns should be developed to specifically delineate what the communities would like to accomplish through these efforts and what the corridor commercial community desires.

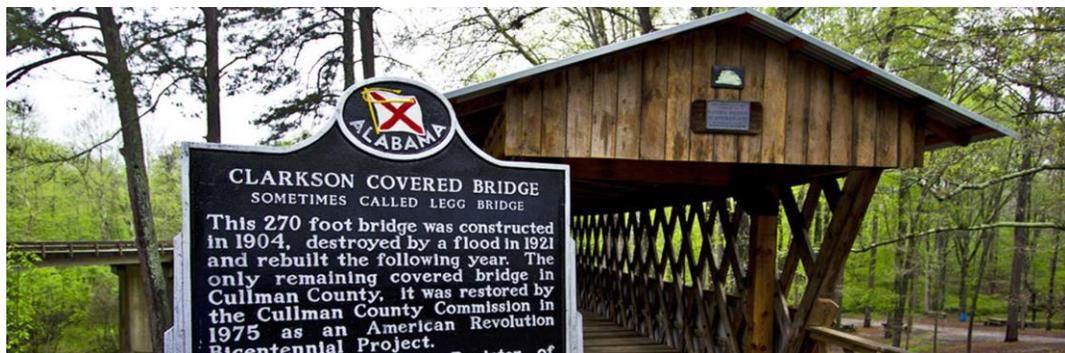
Public Spaces – Streetscape amenities should be enhanced to include wide sidewalks on both sides of the commercial corridors and major corridors in residential areas providing. This creates a greater sense of security and comfort for pedestrians when combined with a strong street-level presence of retail entrances and doorways contributing to an interactive pedestrian experience. Streetscape improvements can also enhance the image and identity of the area and further serve to link pedestrian to area offices, shops, and restaurants. This sense of security and street activity can have a spillover effect on adjacent neighborhood's sense of security.

Connectivity of Corridors to Enhance Revitalization - One of the main purposes for improving the gateways and entry points is to help residents and visitors feel connected to the area and to create an impetus for expansion of the revitalization efforts. It is difficult to market residential neighborhood when your entry into the neighborhoods presents an image of despair. Residents and area visitors should be free to drive and walk

safely to destinations within the residential neighborhood and access commercial establishments while walking or driving corridors to work. These changes send a positive message that reinvestment in the area is occurring.

Campaigns should identify visible places to incorporate marketing such as:

- street signs, banners, lighting, public spaces, recreation, landscaping and plantings
- historical sites and major attractions
- cross walks and medians
- benches and street furniture
- entrance markers and statues, public art and murals
- public buildings - library, schools, historical sites



Festivals – Cullman County and its jurisdictions are home to many well know festivals. Connectivity of festival venues to neighborhoods and commercial district present a unique opportunity to highlight the quality of life in the areas. Branding and marketing can help create that connectivity. **Festivals include:**

2nd Fridays

Rock the South

Oktoberfest

Strawberry Festival

Bloomin Festival

St. Patrick's Festival

Smith Lake Bass Fest Tournament and Music Festival

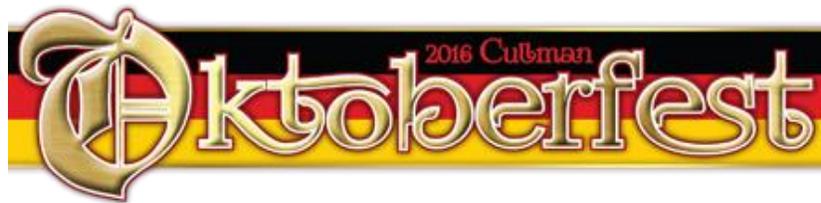
Smith Lake Park Memorial Day Weekend Music Festival

Smith Lake Park Fireworks Festival

Sweet Tater Festival

Mud Creek Arts and Crafts Festival

Festivals



Marketing and Branding – Major corridors needs physical improvements and branding to create greater marketability of the neighborhoods and commercial uses along the corridors. Corridor brands should demonstrate to the customer, resident or visitor what to expect along the corridor and introduce the neighborhoods’ spirit and desirability as a place to live. Branding themes should be implemented in streetscape and urban design. Banners, signs, street furniture, art, and street sign toppers all help to emphasize the identity of the corridor.

Improving Neighborhood Identity - One striking difference between the more stable neighborhoods and those in decline or deterioration was the “sense of place” which was generally lacking in the neighborhoods with poor conditions. Creating a stronger identity for a neighborhood increases the pride residents have in their neighborhood and engenders a feeling of commitment to its future. Residents will be more willing to investment in the maintenance and improvement of their homes and aid in marketing

new infill housing developed on vacant lots. The following design features and neighborhood empowerment concepts can contribute to creating stronger neighborhood identity.

- Neighborhood Gateway and Entrance Treatments;
- Internal neighborhood identification, such as banners, distinctive street signage;
- Consistent landscape themes among properties;
- Street sign-topper or yard-flag program to promote neighborhood cohesiveness;
- Promoting neighborhood associations and neighborhood council involvement.

Improving Neighborhood Image and Physical Attributes - When entering communities and areas within communities, it is important that the transition be noticeable and inviting, highlighting the historic and cultural heritage of the community. This will help demonstrate the importance of areas and neighborhoods and continuing the emphasis on reinvestment. The negative images of an unsafe and relatively uninviting neighborhood will change with the physical redevelopment of vacant parcels and existing structures and the replacement of dilapidated retail, commercial and residential buildings that line the commercial corridor and neighborhood streets.

Much of how people view the community is shaped by the physical conditions that exist and the criminal element that those conditions tend to attract. The success of a marketing campaign to bring investment to the area will depend largely on our ability to bring physical change to the corridor in terms of new housing units and businesses offering the quality goods and services that are needed in the community. Then and only then, can we use visual aids and promotional material to successfully promote the image we want for the corridor. The following are recommendations for improving neighborhood image and physical attributes through land use and design.

Design Guidelines – Reinvestment should be guided by a unified design concept, connecting new and existing residential, retail, and commercial uses and new amenities and development. Design plan should be created to achieve greater design cohesiveness in this area whether development occurs as a single, phased or as separate projects each based on guidance from that plan. The design plan should consider – new residential options, mixed use development, restaurants, employment centers and offices.

Land Uses – The corridor itself should be redeveloped with a mix of residential and nonresidential uses. New residential uses proposed for the commercial corridors should be primarily higher density townhouse, cluster or cottage senior housing, and multifamily. Developers should consider mixed use development that includes a residential component and new multifamily rental housing, which are currently not available as a residential housing type in the area. Higher density housing and mixed-use development should also be designed to complement the scale and texture of the corridor’s new character and to complement the strong single-family residential character in areas adjacent to the commercial corridors. Retail uses should encourage pedestrians to walk along the corridor and to promote the connectivity of the retail uses along the corridor to the mixed use, commercial and office development that might be developed.

Public Spaces – Streetscape amenities should be enhanced to include wide sidewalks on both sides of commercial corridors providing, a greater sense of security and comfort to the community when combined with a strong street-level presence of retail entrances and doorways contributing to an interactive pedestrian experience. Improvements such as street furniture, signage, banners and markers can also enhance the image and identity of the area and further serve to link pedestrian to area offices, shops, and restaurants.

Connectivity of Corridor Revitalization - One of the main purposes for improving the entry points and commercial corridors leading into existing neighborhoods is to help residents and visitors feel connected to the area and to create an impetus for expansion of the revitalization efforts. It is difficult to revitalize and transform the broader residential neighborhood when your entry into the neighborhoods presents an image of despair.

Residents and area visitors should be free to drive and walk safely to destinations within the residential neighborhood including work, restaurants, entertainment, and friends' residences, or take advantage of the transit stops in this area. The changes to the corridor would send a positive message that reinvestment in the area is occurring.

Provide Gateways and Major Corridor Improvements – The commercial corridors need gateway entrances into the area and vistas along the corridor that are improved with trees, signage, lighting, public spaces, and benches, which signifies the presence of a safe and stable neighborhood. Key intersections must be enhanced to serve as portal neighborhood entrances to the area.

Open Space, Parks and Recreation - Vacant land could be redeveloped to provide an “open air market” center featuring arts, crafts, and specialty retail outlets as well as public recreation space. Illustration 2 demonstrate the area accommodating uses such as small water or splash parks, walking or exercise trails that could replace the current underutilized or vacant property. The Open Air Market Center could serve as a regional attraction and help create that new destination and purpose for the area.

Enhance and Designate a Specialty District – Commercial and residential corridors in close proximity to the downtown core could serve as specialty lodging and work-live district building upon the area's unique character as a culturally diverse neighborhood. This could encourage small home-based and community-based businesses to establish enterprises in existing buildings and enhance their survival by capturing a greater share of the broader city-wide and tourist market.

Specialty Districts are defined by their unique mix of land uses, business establishments, or special architectural characteristics. They are sometimes based on a theme and often characterized as a “Cultural Arts District”, “Festival Market Place”, or “Ethnic Restaurant and Retail Mall”.

Prototypical Illustrations focuses on similar possibilities for the capitalizing on existing assets by transforming the area into a “Bed and Breakfast” lodging and business “Work-Live District. The large residential structures featured along the corridors are iconic

representations of the history of the areas and would make great lodging and ground level retail opportunities. Other residential structures along the corridor have already been transformed into professional office uses. Again, these corridors' proximity to downtown, their history, and potential to attract a diverse mix of businesses and patrons, enhances their possibility of supporting neighborhood level retail, lodging and commercial uses and becoming a destination for visitors and communities having limited lodging alternatives in and around downtown.

Create New Mixed Residential Development – Areas designated for new housing development contain a mixture of marginal and obsolete commercial and retail structures, and dilapidated houses and vacant lots. There is a need to improve the quality of life in the area and attracting new residents with a range of residential development types that will complement existing reinvestment in the planning area. A broad range of residential types desired by renters and home owners, and supporting the needs of families, singles and elderly are needed. Existing residential must be improved and neighborhood rooftops increased to demonstrate levels of demand that support the retail establishments needed along the retail corridors. New residential development must also be affordable to existing and potential residents and designed in response to their desire for certain development alternatives offered in other parts of the community.

Opportunities to create mixed housing types to replace obsolete commercial uses in residential areas, include higher density residential, cluster or cottage housing for the elderly, and modular housing. Alternatives to the traditional single family detached housing unit is needed with many seniors experiencing a housing crisis due to their over-housed and single occupancy status in units for which they are no longer able to afford repairs, maintenance, utilities and operating expenses. Their homes, which once housed large families are now lacking modern updates and energy efficient features, and in some instances, structures suffer from years of neglect and deferred maintenance. Cottage housing can be operated as rental housing or offered for sale as homeownership, and generally ranges in size from 450 to 900 square feet. Amenities can include common area green space, recreation or community gathering space, community gardens and shared parking. Developments are sometimes sponsored and managed by non-profit, religious or community organizations and residents are offered shared maintenance and

supportive services by paying a condominium-type homeowners fee.

Adaptive reuse of existing commercial land uses, and new residential development is needed as well. Tracts of land ranging from vacant lots and abandoned residential, to potential redevelopment site adjacent to the school facility on Highway 278 all provide opportunities for new housing and revived commercial. The recapture of many of these parcels may require acquisition and land banking activities on the part of the City or County in order to assemble and market these properties. Housing examples are based on new construction single family units ranging in size from 1100 to 1800 square feet and multifamily and higher density residential ranging from one story to four stories.

Smaller patio homes or townhouse development is needed as replacement housing for residents currently living in substandard houses and obsolete larger units for which they can no longer afford maintenance, utilities and repairs. Development may require redesign of streets, resembling alleys and lots that should be re-platted to support smaller units ranging in size from 900 to 1100 square feet. This development type commonly involves zero-lot-line setbacks and can be used to maximize density, while adapting new development to the constraints of exiting streets and platting.

Interim Land Uses and Repurposed Development – Interim land uses and strategy for repurposing underutilized buildings is needed for structures and vacant lots in marginal or poor condition that litter the landscape along major corridors. Other building is occupied with businesses clinging to their financial existence, barely able to keep afloat and virtually unable to afford or justify needed improvements to their physical building. If market conditions improve and development opportunities desired under this plan become a reality, some owners may opt to redevelop their properties for alternative development types. However, during this interim period, while the redevelopment concepts are taking shape, existing business must continue to operate until area conditions improve. Their survival as viable businesses are linked to immediate improvements by making minimal investments that will attract increased client traffic. Land use such as farmers markets and craft outlets can quickly retrofit existing building or transform vacant lots into business enterprises with few changes to the actual building or property infrastructure, allowing redevelopment of the property later if desired.

Illustration 1: Examples of Interim Land Uses and Underutilized Buildings



Illustration 2: Adaptive Reuse of Existing Buildings



Illustration 3: Interim Land Use Opportunity - Open Air Festival Market or Spray Park

Property located on a corner lot on Hwy 31 in Hanceville. Close to Wallace State, Hanceville High School, restaurants and businesses. Currently listed as "For Sale" – this site could be used for interim land uses.



Rehabilitation of Existing Residential Structures – Strategies and financing is needed for the rehabilitation of existing residential structures in marginal or poor condition, and to build replacement units on vacant lot that litter the landscape in neighborhoods and along major corridors in jurisdictions throughout the Needs Assessment Area. Existing residential is an essential component of the supply of single-family affordable housing supply for both home ownership and rental housing. Participants in the community engagement sessions cited as a priority, the need for housing in the price point of \$80,000 to \$100,000 for first time home buyers, young families, and lower- and middle-income wage owners.

Mortgage financing that provides combination loans to cover both acquisition and rehabilitation is needed to support those seeking housing in this price range. Other will need affordable housing financing that provides down-payment, closing cost and other subsidies in order to become a homeowner.

Illustration 4: Rehabilitation of Existing Housing



Zoning and Development Regulations, Development Incentives, and Land Use Compatibility

Zoning and Development Regulations are needed to encourage the development of a mix of housing types, affordable to persons with diverse incomes and needs. Recommendations include incentivized zoning, tax abatement, development subsidies and a variety of programs funding with federal Entitlement funds.

Mixed-Income Infill - Incentives for mixed-income infill housing development may be appropriate as a part of the overall strategy to rebuild older neighborhoods and replace demolished homes and vacant lots, and substandard housing, particularly in neighborhoods identified as “Declining or Neighborhoods in Transition.” Many of the Declining and In Transition Areas have vacant lots available for redevelopment. Lower income and older neighborhoods which are otherwise strong may see an immediate benefit if the vacant lot or vacant house on a block is replaced with a new home. This type of development, known as infill housing development places new housing on scattered vacant or underutilized lots in established neighborhoods or in an area within a neighborhood which has previously been left undeveloped.

Development Incentives should also be considered. The needs assessment advocates for mixed-income housing development, housing development which does not necessarily focus exclusively on affordability too low to moderate-income persons at 80% or below the median income. Rather, mixed-income infill looks to create a broader range of infill housing types and values affordable to persons 80 to 120 percent of median and market rate buyers and renters. This type of development does not necessarily mean a one-for-one replacement of residential stock currently being built on vacant lots, but typically accommodates higher densities and different housing options, including townhome and duplex development, cluster housing, cottage housing and assisted / independent living for the elderly where appropriate. Increasing area density through re-zoning is one possible component of a mixed-income infill strategy.

Other options to incentivize development include:

Generating Developer Interest - Developers may be hesitant to initiate an infill project if their experience in this area is limited. A training and outreach program or seminar on infill development, showcasing incentives for this type of development including opportunities for City or County government to donation or subsidized pricing on tax foreclosure or adjudicated properties, may provide developers with the tools to start infill activities. Identification of infill priority areas and creating a list of available infill sites could be undertaken as well. This list showing potential infill sites could be accessed by developers searchable on the government websites.

Reducing Development Costs - Examine the reduction or waving of development fees for infill and subdivision development. Often vacant lots are difficult to develop because doing so involves a lengthier review and approval process not associated with other development. This process may involve variances from set-backs and other restrictions which may be granted. Review of regulatory requirements can make the process more streamlined and efficient. One way to reduce development costs may include 'fast-tracking' permitting and variance processes for infill status projects.

Developing one lot is more costly than developing a number of contiguous lots. One strategy includes creating a public land assembly and land write-down program to generate larger impacts than piecemeal development. Examine the appropriateness of financial assistance to spur development through loan guarantees, tax abatements, and below-market financing using state and federal funding for affordable housing.

Generating Market Awareness - An infill housing or subdivision development strategy will be less likely to be successful if no one is aware of it. Consider a publicity campaign targeting builders, real estate professionals, and lenders, encouraging them to take advantage of the any government development incentives available through the State. Provide development incentives though planning, zoning and permitting offices, and distribute materials explaining programs through builder associations and the boards of realtors. Minimize opposition by lenders to finance housing development projects, which they may be unfamiliar with, by providing information on successful projects. A Parade of Homes project offering tours of housing recently built sponsored by the local government in conjunction with developers and home builders may be appropriate.

Land Use Compatibility is a major issue in older residential areas and could adversely impact future housing development and reinvestment in these neighborhoods. One land use issue observed in the housing needs survey were areas with land uses inconsistent with the underlying zoning designation or with land uses that were incompatible with the adjacent land uses. These areas had a variety of problems which included:

- commercial adjacency / encroachment into residential neighborhoods
- multifamily adjacency to single family residential
- vacant lots and residential structures along arterials
- development along corridors that form the buffers, boundaries or transition for residential neighborhoods or other developed land use areas

One area where commercial and multifamily adjacency and encroachment of commercial appear to be impacting residential areas was in neighborhoods north and south of U.S. Highway 278. Encroachment of multifamily uses is of particular concern and we noted two different effects in the adjoining neighborhoods. The first effect is commercial and multifamily uses in close proximity to single-family homes. The placement of multifamily adjacent to single-family is permitted in the zoning and subdivision regulations of the City of Cullman, Alabama and other jurisdictions which have no regulations, resulting in a change of the character of the neighborhoods. Design elements, such as adequate buffering, vegetative and visual screening, could minimize the impact a commercial or multifamily use has on single-family and help preserve the areas' residential character.



Multifamily and Single-Family Land Use Incompatibility – City of Cullman, Alabama

West Cullman Neighborhood

The photographs above are an example of multifamily abutting single-family in the Westside neighborhood in Cullman. Residential uses are adjacent to and sometimes integrated within single family development seemingly platted on the same lot. There is not screening requirements for parking lots, dumpster and other concerns generally associated with protecting less intensive uses. Single-family and multifamily in some areas of this neighborhood are in poor or dilapidated condition and surrounded by vacant lots. Single family housing surrounded by multifamily, commercial or institutional uses, impacted by traffic and access issues, and subject to noise makes these areas undesirable as residential areas. Because these areas are small there are relatively few, if any, interior streets shielded from the negative spill-over from the adjacent uses. The second effect is the impact of commercial on the residential uses. The lack of adequate transition between high impact uses, and the adjoining residential structures has created a problem for these properties. Some of these properties were in poor repair and others were vacant. This is strong evidence of the inappropriateness land use patterns at those locations, if the externalities of the commercial area cannot be eliminated through a distance buffer or appropriate screening.

Each jurisdiction should examine site-specific measures needed to address land use incompatibility. In areas with encroachment and adjacency problems, changes to zoning, platting and subdivision regulations should be considered to determine the appropriateness of single family residential uses adjacent to multifamily and commercial uses; determining if lot sizes provide for adequate buffering and screening between the uses, or if a transitional use is more appropriate on the residential lot. During the City of Cullman's consideration of revisions to subdivision and zoning ordinances, officials should determine appropriate land uses and regulations to address these issues. As these areas are expected to remain residential, the study should identify what strategies will be used to enhance the long-term viability of the area as a neighborhood and what strategies may reduce the negative effects from adjoining non-residential uses. The area studies should also identify what potential changes in zoning categories may be appropriate for the areas to encourage developer investment. Following each area study,

the City should follow-up with zoning changes to facilitate the transition from residential.

The following photographs illustrate what has occurred in the absence of zoning and subdivision regulations, allowing incompatible land uses without buffering and screening on areas north and south of U.S. Highway 278 in Cullman. The following represents three separate views of a property where uncertainty of what will be developed next to or on these lots can lead to diminished reinvestment in the property.





Vacant Lots are also a major issue in older residential areas. Vacant lots have similar impacts on neighborhood stabilization and reinvestment. However, the recapture of vacant lots and their return to residential can be a major asset in increasing housing units that are affordable. The following represents vacant lots in the residential areas of Cullman, Alabama.

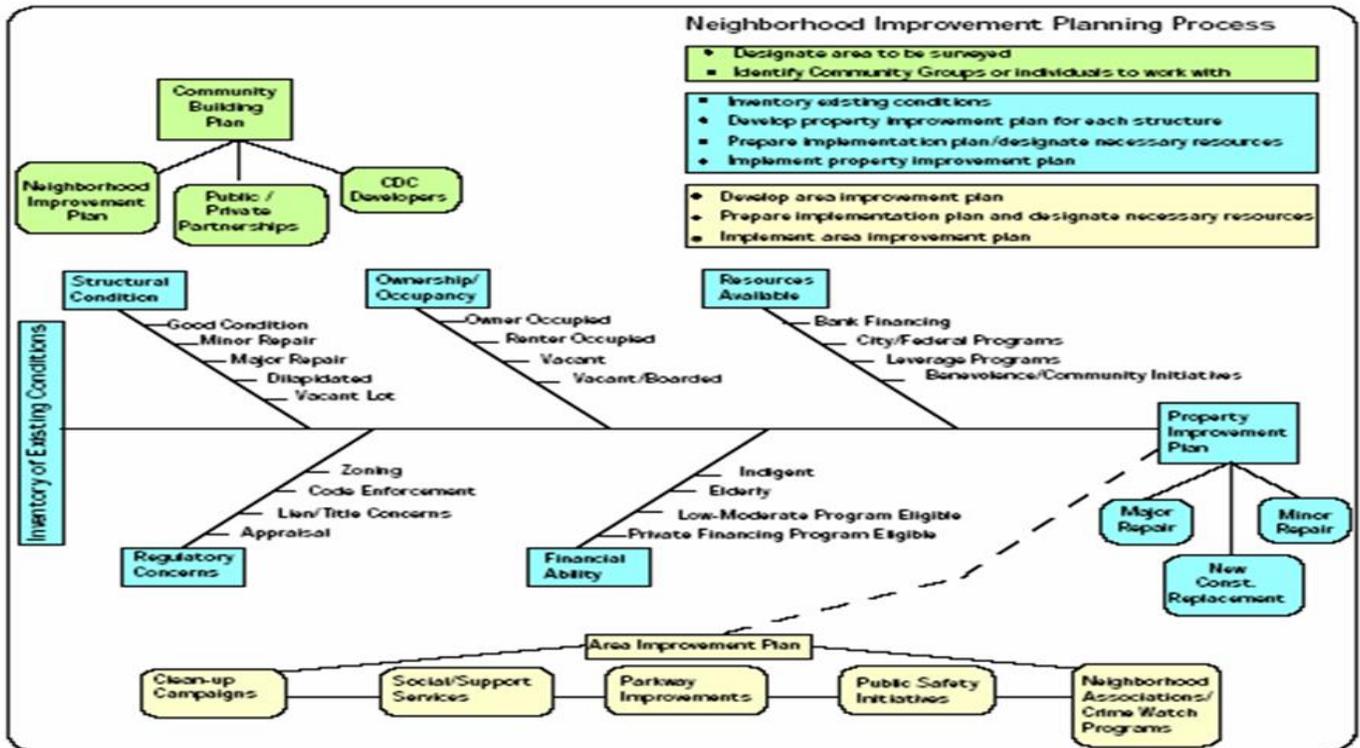


Housing and Neighborhood Conditions

A major discussion during the analysis phase of needs assessment was the general state of existing housing in the areas. Some areas exemplified single-family housing conditions that were substandard, requiring major repairs, but some area housing needed only minor repair. Areas where housing required minor repair were characterized as needing classification schemes associated with the “Stable”, and the “In Transition” approach primarily due to the high concentrations of structures in need of minor repair which evidenced a lack of routine maintenance. The analysis considered the income concentrations in areas and the correlation between lower income and areas identified as Declining, In Transition, and Deterioration. As discussed in the land use compatibility issue, there are non-viable portions of planning areas and arguably some entire neighborhoods that are candidates for transition from residential to nonresidential uses strictly based on planning principles, advanced signs of transition or the degree of neighborhood decline. However, the historical and cultural presence, resident input, and issues associated with replacement housing for those who would be displaced must be considered. Other areas identified as Declining and In Transition were also areas with high numbers of renter-occupied single-family homes, and multifamily units in poor condition. Strategies to facilitate rehabilitation of these housing units are discussed in the issues relative to regulatory compliance and code enforcement.

Area Improvement Plans - The Needs Assessment recommends parallel efforts where the area(s) develop individual goals and objectives for improvement components of the Plan. The jurisdictions will identify public/private partnership opportunities for implementing various housing and neighborhood plan recommendations. These range from litter pickup to specific contractual relationships with entities that are involved in housing rehabilitation or development. The area improvement plan identifies improvements needed. Area Improvement Plans include physical improvements to support reinvestment such as urban design amenities, traffic controls, or street closures; neighborhoods, self-help initiatives, such as clean up campaigns and plantings in medians or parkways; public safety initiatives like crime watch, bicycle patrols, and crime prevention workshops; and support services provided by neighborhood associations and social service providers.

Illustration 4: Area Improvement and Model Block Planning, Resource Targeting



The development of area improvement plans brings participants together around a shared-vision for the neighborhood, identifies specific strategies and tools to be used to improve the area, and community-wide actions that support and facilitate revitalization activities. Model Block Improvement Plans have also been used to target resources to smaller geographies to improve success in transforming areas one block at a time.

Other community initiatives include self-help and volunteer programs involving partnerships between the community, residents, civic organizations, business, and industry, working together to affect change. This may include resources donated and man-woman power generated by volunteers.

Increased Self-Help Initiatives - Volunteer-based initiatives aimed at improving housing conditions and neighborhood stability are needed. Our recommendation is that

current activities be continued, and that the jurisdictions and CAC consider expanding volunteer activities as funds become available. Other activities that could be considered include:

- **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects."** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.
- **Implement a Youth Build and Repair Program in conjunction with the local school district.** Youth Build programs teach young people how to build new homes and repair older ones. HUD once offered competitive grants to cities and non-profit organizations to help high- risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education. These efforts are now being funded by industry, trade organizations, high schools and trade schools.
- **Organize "Compliance Stores"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.
- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.
- **Creating Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to increase

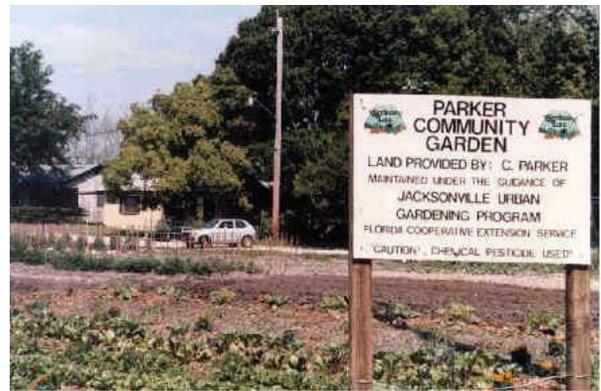
the attractiveness of their neighborhood. Formats for community gardens range from attaching simple window boxes to homes along a street reflecting a common theme, coordinating garden planting, or converting a vacant lot that may previously have been an eyesore in the neighborhood into a flower or vegetable garden tended by members of the community. Naturally, ownership of a vacant lot is an issue to be resolved before gardening begins. The City Assessor can provide information on the ownership of the property, including a mailing address. If the lot is privately owned, permission to use the lot must be received from the owner. If the property is owned by the City, ownership of the property might be transferred to a local non-profit organization or neighborhood association. While the costs of plant materials and supplies are an important consideration for community gardens, many nurseries and home improvement stores offer discounts for community improvement projects.

Battle Creek, Michigan has published a how-to guide for creating community gardens, *How to Start a Community Garden*¹ that has been summarized above. Some additional ideas and information can be found at: www.communitygarden.org.

Community Garden, City of Winnipeg, MD



Community Garden, Jacksonville, FL



Regulatory and Policy Reform

Revitalizing older neighborhoods requires a comprehensive approach involving residents, neighborhood organizations, and local governments. Participants in the public outreach sessions expressed frustration about their relationship with the government regulators, particularly that between code enforcement and area neighborhoods. Local governments should enhance its working relationship with the residents, property owners, and community organizations. This is a most important step in that community resources are identified and nurtured, which will serve as building partners for revitalization actions. Regulatory reform will be needed in order to help strengthen and stabilize the housing supply and maintain neighborhood stability. Regulations such as rental property registration and inspections and proactive code enforcement should be considered.

Land Acquisition and Land Bank Program - The Land Bank Concept involves acquiring unproductive, vacant and developable lots for affordable single-family housing development. The Land Bank helps to reduce unproductive expenditures and increase local government revenues. This approach is being implemented in a number of cities largely through a process acquiring tax foreclosure property. Many cities and counties have established certain criteria for acquiring properties and for properties to be considered for Land Bank use. These criteria include: 1) the property must owe five years or more in back taxes; 2) the total taxes and liens must be greater than the value of the property; 3) the purchaser must demonstrate the financial ability to immediately develop the property for affordable housing. The Land Bank generally acquires the foreclosure properties from the Sheriff Sale, maintains the properties and assembles parcels for sale to for-profit and nonprofit developers. Land Bank properties are sometimes acquired as donations by property owners, purchases from owners willing to sale property at reduced prices, and as surplus City or County-owned land deemed no longer needed for any public purpose.

The Land Bank Program could include the following:

- **Land Transfer Program** - The City or County would design and implement a residential land bank and acquire eligible tax foreclosed, abandoned, surplus or vacant properties. For-profit and nonprofit groups would have an opportunity to develop affordable housing by acquiring land bank properties from the city's inventory. The City or County would receive vacant lots because of property tax foreclosure, acquisitions, or donations and would sell some properties to eligible nonprofit groups at a below market price for the development of affordable housing. The jurisdiction could extend this opportunity to sell land bank properties to for profit organizations for the development of affordable housing at or below market price.
- **Release of Non-Tax Liens** - The City or County could provide for the release of non-tax municipal liens on privately held property in exchange for the development of affordable housing by the owner. Interested parties must apply for consideration and agree to pay the delinquent taxes, penalties and interest on the property. This would include fines resulting from code enforcement issues and liens that have resulted from demolition of substandard structures.
- **Residential Development Acquisition Loan Program** - Provides for direct City or County acquisition or loans for developer acquisition of vacant or improved properties for affordable housing development through rehabilitation or demolition and new construction. The City could use its CDBG and HOME Program funding from the AHFA or HUD to pay for the loan funds and program administrative cost.
- **Infrastructure and Incentive Program** – The City or County could provide incentives for developers to build affordable and mixed-income housing in particular areas in need of public intervention to prompt the market. These incentives could include cost participation funding for infrastructure to support development of affordable single-family housing within new mixed-income subdivisions of 50 or more units. The jurisdiction could apply to AHFA for CDBG and HOME Program funding to participate in the cost of onsite infrastructure normally paid for by the developer. Other incentives could include fee rebates for platting, zoning, and permitting.

- **Land Assembly** - Land acquisition and land assembly aim to produce contiguous parcels for redevelopment. Often the plans of organizations involved in redevelopment are not coordinated and work is done in a piecemeal, less cost-effective manner. Redevelopment plans are often stymied by difficulties in acquiring critical parcels or acreage to make a project feasible. The jurisdictions may consider a program with land assembly having responsibility for receiving and maintaining property for future redevelopment in the target areas.

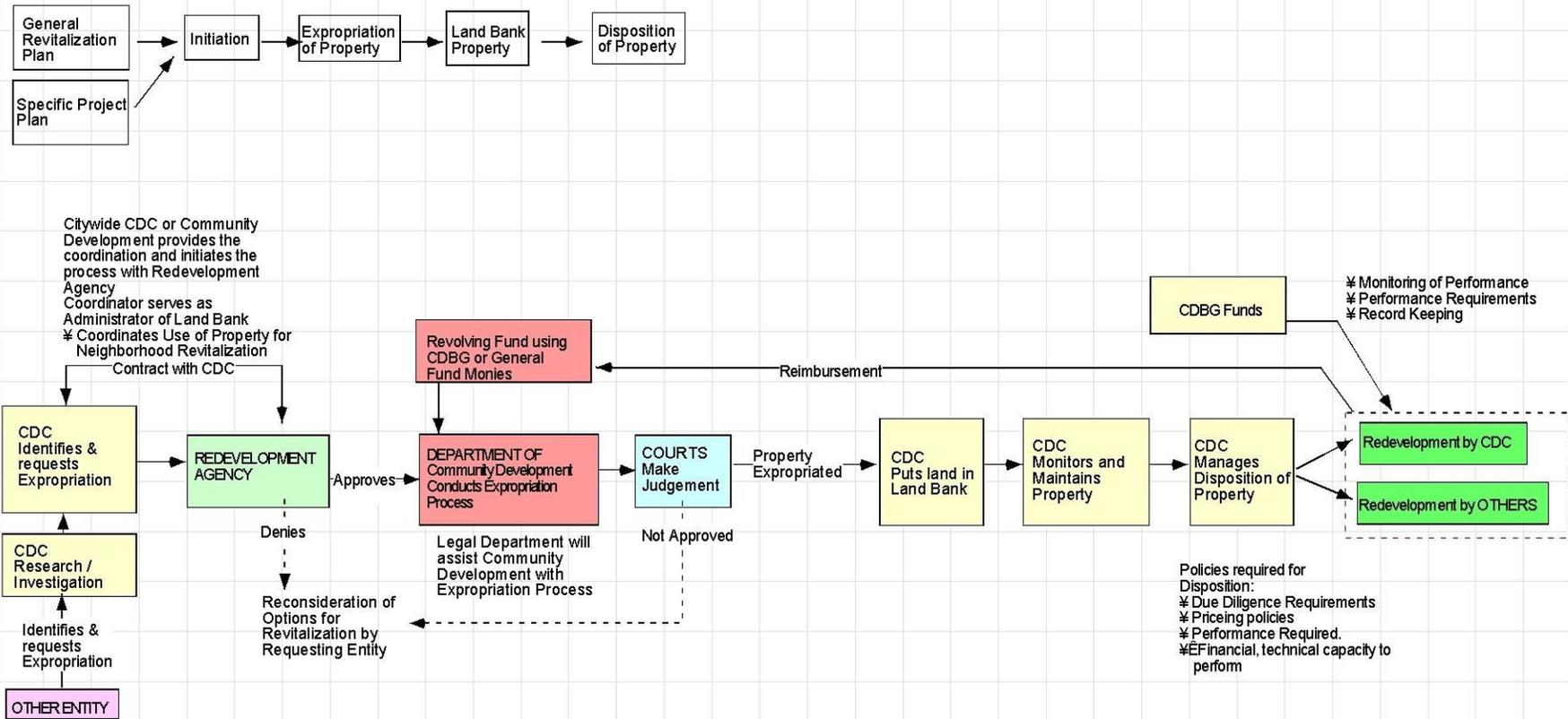
The Land Bank and Acquisition Model - The Land Bank and Acquisition Model would support the acquisition of tax foreclosure and abandoned properties that are, for the most part, blighted, unproductive and vacant lots and undeveloped land tracts that would be used for affordable housing development. The jurisdiction could establish and implement certain criteria to guide the acquisition and title clearance of tax foreclosure property, acquisition, and disposition of land bank property and a process for insuring adherence to State Laws.

The criteria for acquisition should include: 1) the property must be a property acquired through voluntary sale, or tax foreclosure disposition procedures as an abandoned or a mortgage or tax foreclosure property; 2) a process is needed to acquire clear title eliminate all tax liens, mortgage liens and other encumbrances upon the property title to be eligible for land bank acquisition; 3) the disposition price to developers acquiring land bank property, whenever financially feasible, will provide recovery of dollars expended by the land bank for taxes and other liens provided such liens are not greater than the fair market value of the property; 4) the purchaser must demonstrated the financial ability to immediately develop the property for affordable housing.

The function of the land bank includes acquiring the properties, maintaining properties until disposition and assembling, and marketing development parcels for sale. Land Bank properties may also include donations by property owners, purchases from owners willing to sale property at reduced prices, and as surplus City and County-owned land deemed no longer needed for any public purpose. Sources of funds for acquisition cost and other land bank operations may be available from federal and state resources. Illustration 5 graphically depicts the land bank and acquisition process.

Illustration 5: Land Bank and Acquisition Model

PROCESS FOR NEIGHBORHOOD REVITALIZATION LAND BANK AND EXPROPRIATION

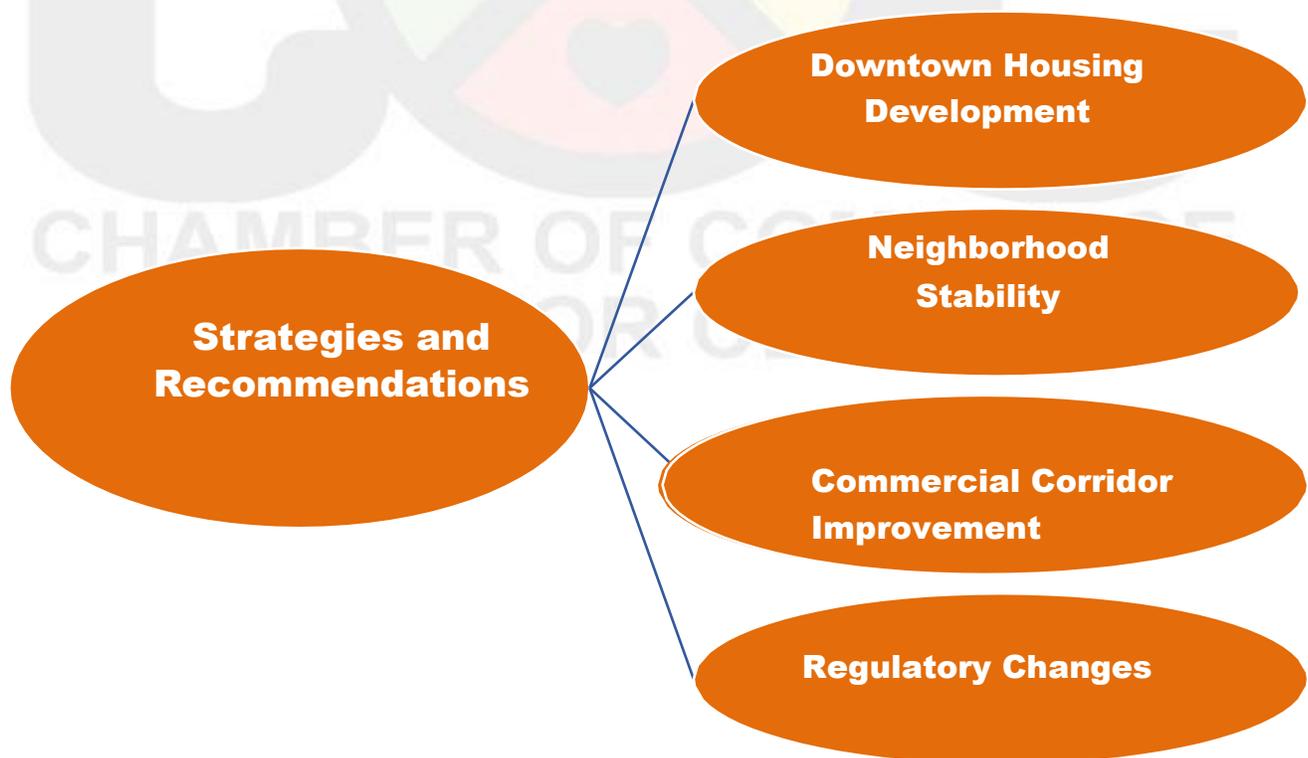


CULLMAN AREA HOUSING NEEDS ASSESSMENT

Making Changes and Realizing the Potential

SECTION 8: NEEDS ASSESSMENT STRATEGIES - SOLUTIONS

Strategies and Recommendations were developed for addressing the Key Issues and Opportunities identified. Housing and Neighborhood recommendations are presented for creating housing, maintaining neighborhood stability, strengthening neighborhoods in transition; and to explore future housing needs, development strategies, financing alternatives, potential resources and housing products necessary to achieve the housing goals. Some recommendations focus on integrating strategies developed in the Needs Assessment into Housing Policies applicable to the region, as well as in individual jurisdictions. The following components are included:



Housing Strategies and Solutions

Overview - The Housing and Neighborhood Strategies and Recommendations build upon the Assessment of Existing Conditions, Development Opportunities, Infrastructure, and Alternative Resources for Development phase of the planning process to identify alternative ways for improving existing conditions in the Plan area. It incorporates our evaluation of socio – economic and housing market conditions and plan area characteristics with an analysis of housing and neighborhood conditions, community engagement, and a housing needs assessment to create revitalization and sustainability recommendations. This section addresses a wide range of alternatives for implementation including programs, financing, public policy, regulatory, and development. Recommendations below include best practices examples used to demonstrate alternative approaches that have worked in other jurisdictions and prototypical illustrations of potential locations in the Plan area that might support future developments.

Case for Downtown Housing Development - Downtown living is associated with a thriving city, where the downtown is more than just a place to conduct business, but has also re-emerged as a center for restaurants, entertainment, and a vibrant street-life. People who choose to live in downtowns are willing to give up some of the advantages that suburban living offers, such as a back-yard and better schools. Making this exchange is simple for a demographic which has no children. Young professionals, students, empty nesters, and retirees often fit this mold. This population will likely demand a different set of housing options, not currently being offered. Also, as the young, single professional portion of this population seeks housing they will look at a variety of housing options as well. Comments from surveys and public engagement sessions indicate an increasing demand for alternative housing types, a need for downtown housing in jurisdictions including Hanceville and Cullman, and housing choices and price points that support the broad preferences and diverse incomes of all the population.

Downtown living provides unique shopping and entertainment opportunities, as well as proximity to commercial offices, business, and government for young and older

professionals. Aging boomers, retirees, and the elderly, and household with no children may no longer desire or need to maintain a large home. Without the burdens of a large home and lawn to mow, those with smaller households can take advantage of the compact residential options in downtown. School choice is typically not a consideration for empty nesters that may choose to live downtown. Senior citizens who are unable to drive long distances to be part of activities in central city may choose to live downtown to take advantage of the pedestrian friendliness and easy access to the hub of cultural activity, entertainment and shopping.

Downtown living offers the opportunity for mixed-use developments with retail on the ground floor and housing on the upper floors. This environment can connect these target groups to the energy and community living of downtown. Mixed-use development can enhance downtown streets, becoming more vibrant and livelier.

Federal and State Funding for Homebuyer Program - The Federal Department of Housing and Urban Development provides funding to state and local jurisdictions and nonprofit organizations to help finance both the developer cost and supplement the home buyer cost to make housing affordable. The federal government offers funding under the Community Development Block Grant Program (CDBG) and the Home Investment Partnership Program (HOME). These funding can be accessed through application to the Alabama Housing Finance Authority. The Alabama Housing Finance Authority (AHFA) also offers state funding that can also be used to make housing more affordable through its Step up, Affordable Income Subsidy Grant, Mortgage Credit Certificate Program, and Alabama Housing Trust Fund. Freddie Mac and AHFA have also teamed up to provide the Home Possible Advantage Conventional Loan product. One of the benefits to the Home Possible Advantage product is that borrowers may be eligible for a grant to help with closing costs, in addition to the down payment assistance mortgage currently offered through Step Up. Borrowers with qualifying income at or below 50% of the Area Median Income (AMI) limits (as published by Freddie Mac) are eligible for an Affordable Income Subsidy (AIS) grant in the amount of \$2,500. Borrowers with qualifying income between 50.01% - 80.00% of AMI limits are eligible for a grant of \$1500 dollars.

New Construction – Located in West Cullman at the Rosemont Intersection



Regulatory, Policy and Planning Changes - There are regulatory, policy, and planning options that should be considered for addressing the housing needs of existing and future residents, and to enhance their access to quality goods and services in the study area. These changes should be focused on increasing investment in new development; reversing decline and encouraging reinvestment in existing areas; creating a healthy mix of land uses and an alternative housing types meeting the needs of all incomes; and

transforming downtown areas into “opportunity area” with a range of values that attracts a more diverse population. Examples of these policies include the new opportunity zone legislation providing tax incentives to investors in designated areas.

Opportunity Zones - The Federal Opportunity Zone Program is a community and economic development tool that aims to drive long-term private investment into low-income communities throughout the country. The program was established by Congress in the Tax Cuts and Jobs Act of 2017 and encourages investors with recently realized capital gains to invest in local businesses, real estate, or development projects in exchange for a reduction in their tax obligations. There are several areas in the City of Cullman and a small area in the City of Good Hope approved to be a part of this program. The program incentivizes investors to make equity investments in Opportunity Zone-based businesses and development projects by providing:

- A temporary tax deferral for any realized, but not recognized, capital gains reinvested through the program (the “Original Gain”);
- The potential for a 10% to 15% reduction in the amount of tax otherwise payable on the Original Gain;
- If the investment in the Opportunity Zone is held for ten years or more, a permanent exclusion of any capital gains derived from the eventual sale or exchange of the Opportunity Zone investment (not the Original Gain).

Zoning Regulations and Development Incentives - Regulatory options include revisions to regulations insuring land uses compatibility and development options; zoning code and subdivision regulations that codify changes to support sustainability and resiliency. In cities such as Cullman that have adopted building and code enforcement regulations, local officials must aggressively address substandard housing conditions, abandoned or obsolete commercial structures, and adverse land use that are contributing to the decay of the area.

Developer incentives are needed to encourage the development of a mix of housing types, affordable to persons with diverse incomes and needs. Recommendations include incentivized zoning, tax abatement, development subsidies and a variety of

programs funding with federal Entitlement funds.

Mixed-Income Infill - Incentives for mixed-income infill housing development may be appropriate as a part of the overall strategy to rebuild older neighborhoods and replace demolished homes and vacant lots, and substandard housing, particularly in neighborhoods identified as “Declining or Neighborhoods in Transition”. Many of the declining areas have vacant lots available for redevelopment. Lower income and older neighborhoods which are otherwise strong may see an immediate benefit if the vacant lot or vacant house on a block is replaced with a new home. This type of development, known as infill housing development places new housing on scattered vacant or underutilized lots in established neighborhoods or in an area within a neighborhood which has previously been left undeveloped. With jurisdiction’s supports new construction infill housing development, can be successful in creating new housing in existing neighborhoods.

The Needs Assessment also advocates for mixed-income housing development, housing development which does not necessarily focus exclusively on affordability for low to moderate-income persons at 80% or below the median income. Rather, mixed-income infill looks to create a broader range of infill housing types and values affordable to persons 80 to 120 percent of median and market rate buyers and renters. This type of development does not necessarily mean a one-for-one replacement of residential stock currently being built on vacant lots, but typically accommodates higher densities and different housing options, including townhome and duplex development, cluster housing, cottage housing and assisted /independent living for the elderly where appropriate. Increasing area density through re-zoning is one possible component of a mixed-income infill strategy.

Development Incentives - Inclusionary Zoning refers to a set of strategies that aims to create balanced housing development and mixed-income communities by ensuring that some portion of new housing development is affordable. This strategy may be appropriate to encourage a mix of incomes in the city where development may create neighborhoods of homogenous home prices and residents of similar incomes. Mixed-

income communities broaden access to services and jobs, as well as provide openings through which lower- wage earning families can buy homes in appreciating housing markets and accumulate wealth. Inclusionary Zoning policies can be voluntary or mandatory.

Land Use Compatibility - One land use issue observed in the planning area assessment phase of the analysis was areas with land uses inconsistent with the underlying zoning designation or with land uses that were incompatible with the adjacent land uses. These areas had a variety of problems which included:

- commercial adjacency / encroachment into residential neighborhoods;
- isolation of smaller residential neighborhood areas;
- vacant lots and residential structures along arterials;
- development along corridors that form the buffers, boundaries or transition for residential neighborhoods or other developed land use areas.

Encroachment of commercial uses has two different effects on the adjoining neighborhoods. The first effect has been the conversion of some single-family homes in the adjoining neighborhood to commercial uses. Not all instances of these conversions have had serious negative effects. While these conversions necessarily result in a change of the character of the adjoining neighborhoods, elements, such as adequate buffering, vegetative or other enhanced visual screening, and careful design of traffic flow minimize the impact a commercial use has on residential uses in the area. The second effect is the impact of the commercial character on the residential area, particularly at the entrances to the neighborhoods. The lack of adequate transition between high impact nonresidential uses and the adjoining residential structures has created a problem for these properties. Some properties were in poor repair and others were vacant. This is strong evidence of the inappropriateness of residential uses at those locations, if the externalities of the commercial area cannot be eliminated through a distance buffer or appropriate screening. Another form of land use incompatibility is found in the areas identified as “Residential Conversion to Non-Residential”. These areas are residential pockets, surrounded by non-residential uses. Dilapidated houses surrounded by high concentrations of vacant lots and active commercial or

institutional uses with traffic and access issues and uses subject to noise makes these areas undesirable as residential areas. There are interior streets not shielded from negative spill-over from the adjacent uses.

Jurisdictions should examine site-specific measures in each of these areas of land use incompatibility. In areas with encroachment and adjacency problems, Jurisdictions should study the appropriateness of residential uses adjacent to commercial uses, determining if the lot sizes provide for adequate buffering and screening between the uses, or if a transitional use is more appropriate on the residential lot. In areas identified as appropriate for “Residential Conversion to Non-Residential”, jurisdictions should conduct special area studies to determine appropriate land uses. If these areas should remain residential, the study should identify what strategies will be used to enhance the long-term viability of the area as a neighborhood and what strategies may reduce the negative effects from adjoining non-residential uses. The area studies should also identify what potential uses and zoning categories may be appropriate for the areas that should transition from residential uses. Following each area study, the jurisdiction should follow-up with zoning changes to facilitate the transition from residential.

Design Guidelines and Standards - The goal of the Needs Assessment is to become success in attracting people to the Cullman areas and to downtown and entertainment and commercial districts in jurisdictions to live, work, play, shop and learn. Success in achieving a downtown renaissance is in part attributable to the authentic urban quality of the diverse character and history of areas in a downtown. To be successful and sustain success, cities such as Hanceville, Cullman and other jurisdictions in the study area should develop and implement design standards preserving downtown’s urban characteristics. Downtown Design Standards are needed to improve and protect the appearance, value and function of downtown properties. The standards are designed to allow for creativity and variety within a framework of basic design parameters that will reinforce the best attributes of Downtown. The following principles are intended to serve as a basis for developing specific guidelines that can be adopted by the cities for implementing recommendations of the Needs Assessment. Once final design guidelines and standards are developed and adopted, all future projects should be evaluated in accordance with such design standards.

Crime Prevention through Environmental Design (CPTED) – one of the issues identified was the need to address crime and the perception of crime older neighborhoods and along commercial corridors was frequently referenced during the planning process. We recommend a collaboration between the Law Enforcement entities, neighborhood residents, commercial and institutional interest examining ways to improve crime prevention, safety and the perception of crime in the area.

The CPTED concept could be explored as one means of implementing this recommendation. CPTED is based on the premise that "The proper design and effective use of the built environment can lead to a reduction in the fear of crime and incidence of crime, and to an improvement in quality of life." CPTED strategies are ideal for law enforcement officers, city planners, city managers, mayors and city council, architects and developers, security consultants, educators or anyone involved in designing neighborhoods, schools, downtowns, buildings, or revitalization efforts. It is an effective way of fighting crime and promoting business. Example of what types of activities or regulatory changes could be used or offered in the implementation of CPTED programs is listed below.

- Improved signage, reduce barriers;
- Enhanced fencing and landscaping that does not compromise security'
- Improved lighting for safety;
- Development review by city officials of new multifamily development;
- Traffic and signals, crosswalks and protected crossings;
- Gated entry for residential subdivisions and multifamily developments;
- Limited access points in and out of multifamily developments.

Homeownership, Housing Finance, Preservation of Affordable Housing Options -

Increased homeownership, utilization of vacant lots and underutilized properties, and decreased vacancy rate of commercial and residential properties is recommended as a high priority.

The recommendations include a high priority on increasing homeownership opportunities

for renters, so they can build equity in the property in which they currently reside or purchase, and property owners losing their property due to tornado and flood damage. In addition, increasing the homeownership rate will likely contribute to the strengthening of the existing neighborhood and reduce vacancy rates.

While this section emphasizes affordable housing models involving government subsidies, lending institutions, and community development organization engaged in supporting homeownership opportunities, these products are intended as options for all segments of the populations to meet their housing needs and preferences. Market conditions and price points will be determined based on the targeted consumer that includes a broad spectrum of incomes.

Some program recommendations target the rehabilitation of existing housing units as a means of improving and preserving current housing stock and new homeownership opportunities. Some of these options such as direct allocation of federal CDBG and HOME program funds are not available to the local cities and the county. However, in some instances, cities and the county can apply to the State of Alabama for federal and state funds, and some funds can be accessed by housing authorities and developers. Efforts to address homeownership are recommended below.

Down Payment and Principal Reduction Assistance - offers closing cost, soft second grants or second lien loans to reduce the principal amount of the borrower's loan for a home mortgage are needed for some buyers to insure affordability and to qualify to purchase a home. Programs also work with potential homebuyers to help them correct credit and other barriers to qualifying for the purchase of a home. These programs include a homebuyer education requirement that provide financial literacy and home maintenance education to increase the odds of success for program participants.

Financial Literacy - The first consideration when attempting to increase homeownership rates is to improve the financial literacy and home buying preparedness of potential buyers. Homebuyer counseling programs work with buyers to address their creditworthiness and help them work through any issues that may interfere with their

ability to qualify for a home mortgage. Banks and credit agencies will work with buyers to educate them on their maintenance responsibilities as homeowners. Homebuyer education classes are a prerequisite for homebuyer assistance programs providing down payment assistance.

Financial literacy counseling programs typically work with buyers to address their credit worthiness and to help them correct any credit issues that may interfere with their ability to qualify for a home mortgage. The 18 to 35-year-old demographic is impacted by financial literacy even more. A well-ordered personal budget enables homebuyers to qualify for the best credit terms in major purchases and eliminates the major obstacles to loan origination. An early start in managing personal finances can prepare an individual for those major purchases.

The cities, county and CAC should consider working with local school systems to increase courses in the high schools that provide financial literacy education for high school juniors and seniors. Local lending institutions and real estate professionals should be recruited to assist in curriculum development and to provide instructors for the classes.

Lease Purchase - is another option for home buyers seeking to qualify for mortgage financing. A viable tool for cash-poor, but gainfully employed households, lease/purchase programs traditionally allow you to rent a home for some preset period of time with a portion of the rental payment going toward the down-payment to help purchase the rented property. Lease purchase programs allows a buyer to make rental payments virtually equal to the mortgage payments they will eventually pay on a loan they can assume after several years of adequate credit and loan payment behavior.

Lease Purchase Housing Example

Shreveport, Louisiana Lease Purchase Program – The City of Shreveport collaborated with Federal Home Loan Bank, Fannie Mae, and local banks to build Shepherd Place, a 22-unit single-family, new construction and gated subdivision in northwest Shreveport. Illustration 6 highlights the subdivision which features both one-story and two-story designs at a purchase price of \$100,000 to \$130,000. Families receive up to \$30,000 in subsidies for principal reduction, down payment and closing cost and have up to three (3) years, to repair credit and to qualify for the permanent mortgage. If applicants are unable to qualify at the end of the specified period, they will be dropped from the program and any accumulated contributions toward closing cost and down-payments will be forfeited.

The City of Shreveport Community Development Department administered the program and was responsible for qualifying applicants, administering a lease-purchase contract, collecting rents, maintenance, and ultimately closing the permanent mortgage. Non-refundable administrative and maintenance fees are charged to the applicants to pay for program administration, home maintenance, and other activities. Program funds accumulate from a portion of the rents paid by those who fail to qualify for permanent mortgages from Fannie Mae. The Shreveport model is only one best practice example. Various lease purchase programs have been implemented by non-profit and private developers, and other entities to increase homeownership opportunities among persons that can afford monthly mortgage and other housing expenses but fail to qualify due to credit or inability to provide the down-payment and closing cost. Other lease purchase programs are designed to help younger demographics who have incomes that support purchase of homes but their obstacle to homeownership is down-payment or credit issues that can be resolved in a short time frame.

Illustration 6: Shepherd Place Subdivision – Shreveport, LA
Lease Purchase Financing Example



Lease Purchase Housing

1. Located in Shreveport Louisiana.
2. Single-Family Lease Purchase and Gated Community.
3. Purchase price \$100,000 to 130,000.
4. Each unit receives \$30,000 subsidy for principle reduction, down payment and Closing cost from City HOME Funds and Federal Home Loan Bank Grant.
5. Purchaser has up to 3 years to qualify for permanent financed mortgage.

Illustration 7: Shepherd Place Subdivision – Shreveport, LA
Lease Purchase Exterior and Interior of Units



Employer Assisted Housing - The CAC should work with local employers to market Employer Assisted Housing (EAH) as a means of creating homeownership opportunities for the workforce. It is vital that we increase awareness among major employers that some wage levels are not adequate for people to enter into homeownership, without down-payment and other assistance. City and county governments, and school districts should also consider initiating programs to assisted qualified employees with becoming homeowners. The CAC could coordinate with major employers and lenders to design and aid firms in the implementation of Employer- Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing in the Plan area.

Employer-Assisted Housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into home-ownership. Ultimately, communities benefit through investment in the neighborhoods where the employers and employees are located. The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings, interest-rate buy downs, shared appreciation, and home-buyer education (provided by an employer-funded counseling agency). Successful EAH programs use a combination of some of the benefits listed above. One program that has met with success was developed by Fannie Mae, which not only has their own EAH program, but also helps employers implement EAH programs. Fannie Mae's EAH program has made it possible for 2,200 of its employees to become homeowners. Seventy-six (76%) percent of all Fannie Mae employees own their own homes, compared with a national average of sixty-eight (68%) percent.

Asset Control Area - The Asset Control Area (ACA) program is another way to increase homeownership opportunities through rehabilitation. The ACA program is operated by the U.S. Department of Housing and Urban Development (HUD) and takes foreclosed properties and sells them to local government agencies and non-profits at discounted rates. The program is targeted at increasing homeownership for households that have incomes no more than 115 percent of the area's median income.

Congress created the nationwide ACA initiative in 1998 to enable local governments and qualified non-profit developers to acquire Federal Housing Administration (FHA)-owned homes at a discount for rehabilitation and resale to buyers in targeted communities with high foreclosure and low homeownership rates. The program promotes several important

objectives: increasing homeownership opportunities for low- to moderate-income households, stabilizing distressed neighborhoods, transitioning federally foreclosed homes back into stable assets for communities, limiting losses from future foreclosures, and preventing real estate speculation that exacerbates neighborhood blight and homeownership disparities. Under the ACA program, HUD sells foreclosed homes in designated revitalization areas to local governments and experienced non-profit organizations at a discount.

Individual Development Accounts — Individual Development Accounts (IDAs) are offered through local community development organizations, in conjunction with funding provided by the U.S. Department of Health and Human Services. Qualified participants establish savings accounts with participating financial institutions. These funds are matched by the IDA program. Participants receive case management, counseling, and financial literacy training and may use the funds as a down payment for a home purchase.

Acquisition and Rehabilitation - Existing homes in jurisdictions such as the West Cullman area potentially will become rental properties as the community's housing stock ages and as the market for single family homes for rental continues to grow. Owner/Investor Purchases of existing homes is an alternative way of conserving homeownership rates and minimizing owner occupied housing to rentals. Mortgage products have been developed that help buyers purchase and renovate existing homes and to purchase homes they currently rent. Greater public awareness of mortgage products and community promotion of their availability should help begin to transform the stock of rental into homeowner opportunities for area households.

Banks and mortgage companies offer acquisition and rehabilitation programs that provide mortgage funding for the purchase and repair of a home in a single loan. These loan products allow buyers to make needed repairs without the cost or inconvenience of two closings. One example is the Fannie Mae Home Style Renovation mortgage. A Home Style Renovation mortgage is a government-backed loan that allows qualified borrowers to add extra money for remodeling or improvements to an initial home purchase mortgage or a mortgage refinancing. The loans are meant to offer a "convenient and economical" way for homeowners, homebuyers and investors to finance minor or moderate home improvements through a single-close first mortgage or refinance, rather than having to apply for a second mortgage, home equity line of credit or other costlier finance options, according to Fannie Mae. The loan amount is based on the future "as-completed" value

of the property once the repairs or renovations are performed, rather than its existing present value. A key benefit of these loans is that the renovations they enable could help create equity in the property almost immediately. For example, Home Style Renovation mortgages can help pay for design upgrades and energy efficiency improvements—covering architect, contractor and inspector costs, permits and more.

The Home Style loans are available as 15 or 30 year fixed-rate mortgages, or as adjustable rate mortgages. The program's benefits include flexibility and low cost, down payments can be as small as 5 percent, and borrowers avoid fees and closing costs associated with taking out a second mortgage. Home Style loans also offer generally lower interest rates than might be found with an equity loan or line of credit. Not all banks are qualified to offer Home Style mortgages: Lenders must be approved by Fannie Mae, meeting certain financial and operational requirements and having at least two years' experience originating and servicing renovation mortgages in the past five years. Loans are generally not income restricted and therefore can be made available to persons that qualify and supports efforts to encourage buyers to consider purchasing existing homes and reinvesting in upgrades and amenities found typically in newer homes and subdivisions but at a much higher cost per square foot.

Compliance Store - Compliance Stores are recommended for residential housing as another option for addressing home owner repairs and code enforcement issues. The program maintains a store of supplies and tools donated by local retailers. Compliance stores are operated by non-profit and for-profit entities, religious institutions, neighborhood and civic associations, and government where individual residents can borrow or purchase supplies to carry out home repairs in the community to bring their homes into code compliance. Some programs such as Habitat's Resale Stores offer their products to all purchasers regardless of code compliance issues or income to help generate funding.

Following are the steps involved:

- Allocate or explore the options to find a space to store supplies and tools.
- Contact local retailers, provide information about the program and seek any donations of supplies or tools.
- Invite and motivate neighborhood associations, youth groups, and residents of the community to utilize the supplies and tools in the store.

- Periodic maintenance of tools in the store.
- Organize and conduct workshops to teach home repair techniques and code compliance to residents in the community.

Elderly Homeowners Assistance - Elderly homeowners are often incapable of maintaining the condition of their homes. While they have provided for their own home maintenance over most of their lives, limited income or physical capacity may have prevented them from continuing in their own efforts. Programs to assist the elderly include voluntary programs operated by churches or community organizations, and city programs.

Cottage Housing - An option for addressing the needs of elderly homeowners may include finding them more appropriate housing rental or owner housing. Many elderly homeowners are over-housed once their children have left home. While this is typically not a problem, when a homeowner can no longer care for their larger home something smaller and more easily cared for may be more appropriate. The major objection that many in these circumstances have is losing their familiar surroundings and social networks. Small neighborhood cottage housing developments can address these housing needs. Instead of providing expensive repairs to a housing unit that may be occupied by only one or two persons, other buyers can purchase their home allowing them to transition to a smaller unit, while relieving them of the burden of the larger home. The program would then rehabilitate their home and sell it to a larger family through a new homebuyer program. Cottage housing, or cluster housing as it is sometimes called, provides a smaller unit for the elderly as a homeownership option or as an alternative to continuing ownership of a larger unit that essentially over-houses them or has become too costly to maintain. It should also be considered a viable alternative to a grant-funded major rehabilitation when an elderly applicant is living in unsafe conditions and the rehabilitation costs exceed the projected value of the completed structure. There may also be applicants who, as a result of limited funding, will have to wait years for assistance because their application is at the end of a long rehabilitation program waiting list.

The Program Objectives:

- Construct developments of 8 to 12 housing units built in a cluster housing

configuration, common walls similar to the walls found in duplex construction.

- Identify eligible elderly participants for the purchase of a cottage. The prospective buyer would either currently own their home but is over-housed and is willing to purchase the cottage and sell their existing home at market value, or they are in the market to buy an affordable unit.
- Facilitate the existing home sale and the purchase of the Cottage for the participant using the proceeds of the sale of their home.
- Add federal or state grant contribution to cover the difference between the buyer's equity and the market value of the cottage, if necessary.
- Provide maintenance of the cottage community, partially funded through homeowner dues and the non-profit/civic organization's maintenance fund.

West Cullman site could accommodate cottage housing development.



Cottage Housing Models

Cottages housing is generally designed to contain 450 to 600 square feet. Other features include front porches with appealing exterior design features, one bedroom, bathroom, den, and kitchen. The site could be laid-out to provide opportunities for community gardens or green space /courtyard in the interior of the development. The entire site should be enclosed with wrought iron fencing with the front of the cottages facing the common green space.

Cottages should incorporate Universal Design features and be energy efficient. Cottage housing can be larger and developed for different markets and price points depending on the targeted purchasers. In addition to market rate cottage housing developed by private developers, some cottage housing is developed to meet the needs of seniors with limited incomes and those needing financial incentives or special financing to insure affordability while still securing their equity investment as a home owner. This sometimes requires development financing and homebuyer assistance provided through CDBG or HOME funding, with additional participation solicited from financial institutions that express an interest in leading the way toward funding progressive housing projects. Development subsidies to developers, principal reduction grant funding to purchasers is available from the Federal Home Loan Bank (FHLB) through a member bank as part of FHLB's Affordable Housing Grant Program.

A non-profit or religious organization can also serve as developer. That entity could also provide ongoing maintenance support after the sale based on a monthly assessment to the residents of the cottage community. A monthly assessment should cover the cost of maintaining the grounds. The maintenance fund provided by these contributions and/or an escrow derived from the sale of the cottages could be used for routine maintenance as well as paint-up and fix-up needs of the housing units in the future. Cottage or cluster housing as it is sometimes referred to, can also be an alternative housing in areas currently zoned for high density residential but currently developed as single family. Other areas may need medium density home ownership type residential housing as an alternative to medium density or larger scale multifamily rental housing.



Cottage Housing for Seniors – Project Illustration 8

Prototypical cottage housing development that could be replicated on this West Cullman site to accommodate cluster - cottage housing development.



Modular Housing as an alternative lower cost housing product – We now face a crisis of affordability in the housing industry with difficulty delivering high-performance and durable buildings at an affordable cost. Modular housing is fast becoming a cost-effective alternative to traditional on-site construction. The components of the building are constructed in a factory and transported and assembled on the lot. These industrialized building offers two primary advantages: predictability and time required for construction. Unlike mobile homes, each modular housing building is required to meet local and national building codes.

In Shreveport, Louisiana, nonprofit development organizations have utilized modular housing as a means of lowering the purchase price of new housing, while replicating the architectural style of the existing neighborhood and meeting local building code requirements as well.

On the following page is an illustration of replacement infill housing being constructed on vacant lots in the Queensborough Neighborhood in Shreveport, Louisiana. These units feature siding as opposed to traditional brick construction and offer the residents porches similar to those found on the units currently in the neighborhood.

These units could provide alternatives for affordable housing in areas throughout Cullman County. Modular housing is currently permitted by right in cities and by county building codes as long as the construction meets building codes. Unlike mobile homes, modular housing is designed the same a traditional single-family housing situated on a permanent foundation. The walls and other components are typically constructed in off site and then transported to the site for assembly. Local building officials are responsible for building permits and evaluating construction to insure compliance with local building codes.

Public engagement participants identified a need for alternative housing products in the county and areas in need of workforce housing to replace the increasing dependency on mobile homes that are sometimes viewed as the most cost-effective affordable housing product. Many viewed some mobile homes as being less permanent and some traditional mobile home parks as having questionable rental practices including taking advantage of persons that could not afford other forms of rental housing.

Modular Housing development could be replicated on sites like this West Cullman site replicating the existing architectural character of the neighborhood.



Modular Housing – Project Illustration 9



Modular Housing

1. Located in Shreveport Louisiana
2. Designed to architecturally replicated existing neighborhood housing
3. Purchase price \$80,000 to \$110,000

Grand Families Public Housing Development – Grandparents responsible for raising their grandchildren has become a responsibility for many middle aged and senior households. In recognition of this growing lifestyle responsibility, public housing authorities and HUD are working to provide housing that specifically supports those families who find themselves in this situation and in need of subsidized housing. We recommend that BSSCDC in conjunction with the Cuyahoga Metropolitan Housing Authority explore HUD funding for Grand Families Public or Assisted Housing. One example of the program is the Pemberton Park development in Kansas City.

Pemberton Park for Grand Families – Kansas City Missouri Housing Authority

Pemberton Park for Grand families is the first development in Kansas City designed specifically to serve grandparents raising their grandchildren. The development is an exclusive apartment community for 55+ Grandparents raising their Grandchildren. Grandparents 55+ will love the supportive environment for them and their minor grandchildren. Legal guardianship of the grandchildren by the tenant grandparent is required. Pemberton Park, which opened in 2011, was developed by the Kansas City Housing Authority in partnership with Cougar Capital. The apartment community location, design, and supportive services were refined in grandparent focus groups sponsored.

Pemberton Park includes 36 two, three, and four-bedroom apartments, with units that are fully accessible or adaptable for those with disabilities. Apartments are fully equipped with all appliances, including a full-size washer and dryer. The site features a playground, large community room, grandparents lounge, computer learning center, craft room, and social work office. Staff includes a service coordinator who organizes programs and activities. According the 2010 Census, approximately 9,500 families in Jackson County are headed by grandparents. Approximately 45% of those families live below the poverty level. The 2010 Census indicated that the number of grand families is growing nationally. These families face many unique challenges. Pemberton Park addresses these needs by providing supportive services on-site for grand families in a location near to transportation, shops and health care.



Senior Housing / Tax Credit Financing – Some existing commercial buildings in the study area, vacant properties, obsolete commercial buildings, and school facilities in neighborhoods are currently marginal or non-contributing asset to the community’s well-being. However, their proximity to major transportation corridors and access to transit services provided by Cullman County Rural Transportation Service (CARTS) which provides access to various senior services and programming sites, make these buildings an attractive prospect for adaptive re-use as senior housing. Developers such as Keen Development Corporation assisted AU Associates in planning for the conversion of a similar site, the historic Midway School located in Midway, Kentucky, into 28 apartments for the elderly. Renovation work started in early 1998 and was completed in 1999 utilizing LIHTC equity and HOME Funds. The historic renovations were honored by a Preservation Award from the Kentucky Heritage Council. Keen Development has several other similar projects throughout the state of Massachusetts (<http://www.keencorp.com/School.htm>).

The former Aldridge Hotel located in downtown Shawnee, Oklahoma, serves as a recent example of turning an obsolete building in the downtown core into as asset for senior housing utilizing tax credits as part of its financing. The Aldridge Hotel conversion to senior housing was initially begun by Central Oklahoma Community Action Agency (COCAA) was later purchased and developed by ERC Properties to create 44 two bedroom and 17 one-bedroom apartments for elderly residents. The COCAA provides services to residents leasing the units for rents ranging from \$475 to \$709 a month. Qualifying

residents must earn no more than 60% of the area median income. The cost to remove hazardous materials such as asbestos and the cost of renovation required public subsidies to make the project financially feasible and to provide incentives that entice private developers to undertake such an initiative.

Currently existing commercial buildings, especially along commercial corridors and in downtowns could potentially be retrofitted and adaptively reused as senior housing or repurposed as multifamily housing. Senior housing could utilize a development and finance scheme like the Oklahoma project. Some buildings in downtowns and commercial districts are currently vacant, underutilized and in some instances obsolete structures that will have to be torn down and discontinued for occupancy in terms of their continued use as office or commercial properties. Project financing could potentially be enhanced by Brownfield Economic Development Grants and Section 108 Loan Guaranty financing provided by HUD through the use of federal funds. Below is the renovated Aldridge Hotel in Shawnee, Oklahoma converted to Senior Housing using City and Senior Tax Credit Financing.



Commercial Corridor Strategies and Recommendations

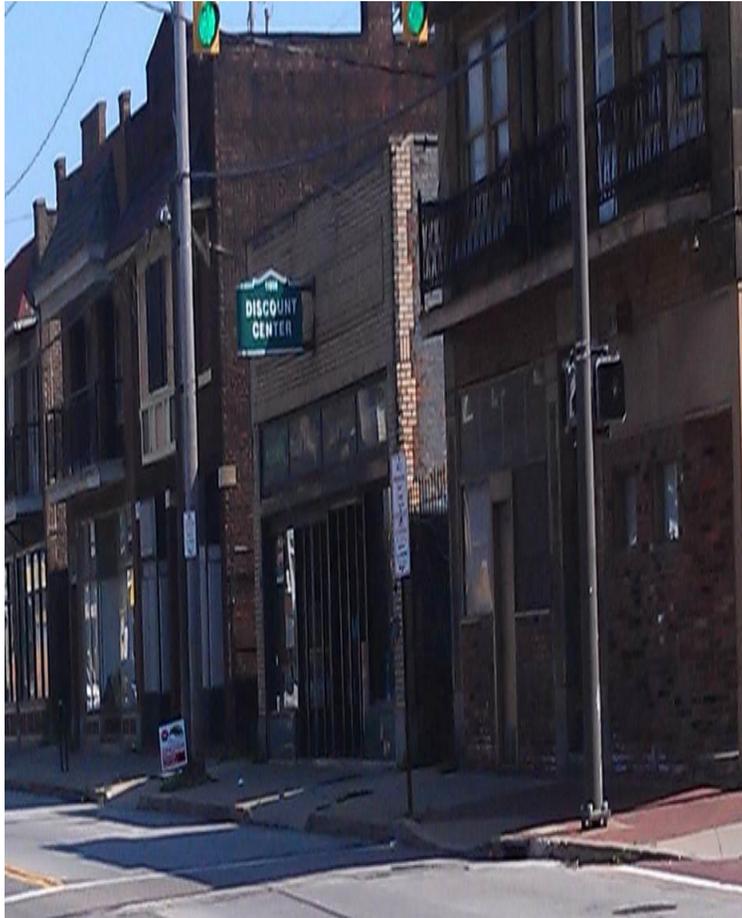
Commercial corridors re-energizing and cultivating reinvestment in commercial development and promoting activities and events with broad appeal. Commercial Corridors serve as key entry points and downtowns as points of interest and must be improved to create a positive initial impression of the community, demonstrate curb appeal in terms of its appearance. The planning process identified a need for streetscape improvements and landscaping in area medians, sidewalks, street lighting, benches, and public art, plantings/murals that could make a significant impact on the image of the areas. Continued repurposed use of existing buildings and new development on vacant lots would significantly improve the corridors' image. Equally important to urban design, streetscape amenities, and community empowerment is the physical improvement of building and land use along the corridors. The photo below is a repurposed mixed-use development for housing, office, commercial development in downtown Cullman, Alabama. Illustrations on the following page are best practice prototypical examples of building repurposed or improved to attract people to commercial corridor.



Conceptual Illustration 10: Repurposed Commercial Utilizing Institutional School Building for Adaptive Reuse mixed-use retail and work live loft apartments



Conceptual Illustration 11: Work Live Residential - Street Level Retail
Featuring Urban Design and Streetscape Amenities



**Conceptual Illustration 12: Existing Commercial and Ground Level Retail Building in Downtown Cullman
IKEA furniture kitchen and office in potential work live loft apartments on the upper levels**



Illustration 13: Street Level Retail
Featuring Urban Design and Streetscape Amenities Downtown Cullman



Higher Cost Housing Demand / Smith Lake Residential

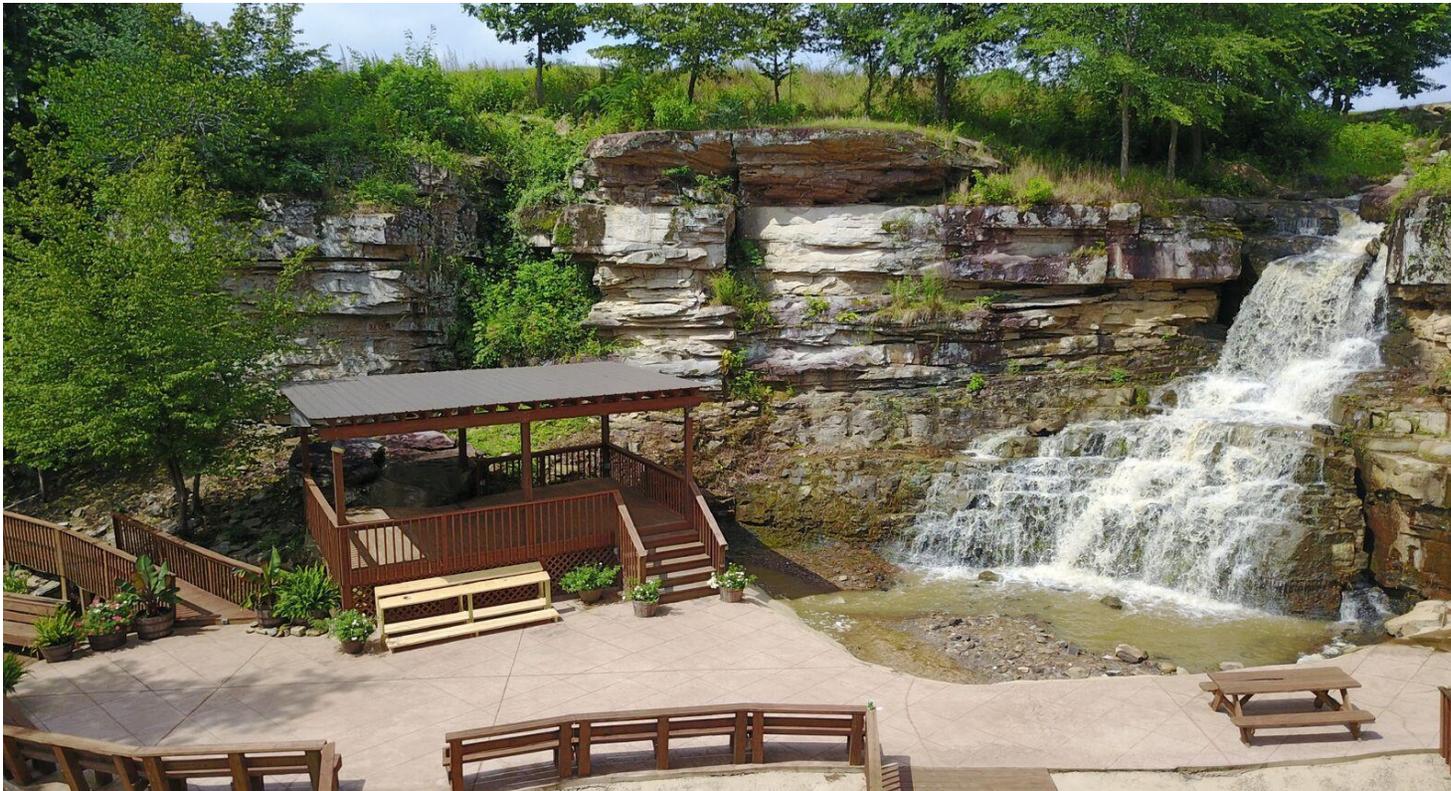
This trends and market analysis for the Cullman Area Needs Assessment supports a demand for medium and higher priced housing includes housing for households earning up to \$150,000 and above. In Cullman County, 18 percent of the population earned \$50,000 to \$74,000, which based on industry standards can afford homes between \$200,000 and \$300,000. Smith Lake is one of the areas of increased interest for both higher end owner occupied housing and resort housing. Zillow's web site listed 131 homes for sale in the Smith Lake area ranging in listing price from \$217,000 to \$650,000. Lots were listing starting at \$80,000.

Smith Lake Residential



Lake Front Resort and Vacation Homes - Waterfront properties used as primary residents as well as vacation housing is an important amenity and asset to Cullman County. Lake Crane Hill is a private resort offering luxury accommodations on Alabama's pristine Lewis Smith Lake. Smith Lake, a vacation paradise, is Alabama's third largest with 21,000 acres of deep, clear water and 650 miles of rocky shoreline located adjacent to Bankhead National Forrest and the Sipsey Wilderness Area. The resort offers waterfront suites and fishing gear, floats, kayaks, and paddle boards for complimentary guest use. This could be replicated in downtown areas where hotels are on major commercial corridors away from downtown.

Smith Lake Resort



Smith Lake RV Resort



Lake Crane Hills Resort



Economic Development – Programs that build momentum, stimulates business growth and job creation and cultivates new partnerships

Economic Development is a catalyst for increasing housing development and attracting people and services that support housing and retail growth. With 31 economic development projects in 2017 that created 253 jobs and brought in \$61,923,438 of capital investment, the Cullman Area ranked No. 1 in the state in total economic development projects, No. 1 in expansion projects and No. 9 in jobs created by expansion projects and capital investment, according to the Alabama Department of Commerce. Local agencies and colleges work in concert with business and industry in these efforts. Wallace State Community College, for years a major player in workforce development for the region, has received a \$2 million grant from the U.S. Department of Commerce Economic Development Administration to create a technical education center. The Cullman County Economic Development Agency also is heavily involved in not only commercial, retail and industrial recruitment, but also education. The agency recently was awarded an International Economic Development Council Gold Award for its Educators in Industry program. That program organizes groups of teachers to tour local industry to get an idea of existing technology and industry helping educators and students learn more about what opportunities are available. Several agencies also have partnered with the University of Alabama to open Technology Village Cullman, a nonprofit center for entrepreneurial small business startups.

Technology Village Cullman, Alabama



Learning Center Technology Village



The following strategies and recommendations are additional funding alternatives and best practice examples to consider in furthering economic development, job creation, small business entrepreneurial, and to increase access to quality goods and services.

CDFI Funding - Funding sources such as U. S. Department of Treasury Community Development Financial Institutions (CDFI) Program and Federal Home Loan Bank's Affordable Housing Program should be explored to provide additional funding or to provide technical assistance to in support of the development of affordable housing. Both entities offer funding for affordable housing as well as economic development. The CDFI Fund targets housing and economic revitalization by promoting access to capital and local economic growth in the following ways:

- The CDFI Program provides direct investment that pays for CDFI staff training and provides funding for project equity, loans, investments, financial services, and technical assistance to underserved populations and communities;
- The New Markets Tax Credit (NMTC) Program provides an allocation of tax credits to Community Development Entities (CDEs) which enable them to attract investment from the private-sector and reinvest in low-income communities; and
- The Bank Enterprise Award (BEA) Program provides an incentive to banks to invest in their communities and in other CDFIs.

While the CDFI Fund does not make loans directly to individuals for finance specific projects, it provides financing to certified organizations that are knowledgeable of their communities. Certification as a Community Development Financial Institution (CDFI) allows organizations to participate in the Financial Assistance (FA) Component, Technical Assistance (TA) Component, and NAI Component under the CDFI Fund Program and to obtain funding through the BEA Program. Certification as a CDE allows organizations to participate directly or indirectly, in the NMTC Program. If an organization is certified as a CDFI it may register and automatically qualify as a CDE. These funds can be used in conjunction with the City's CDBG and HOME program funds for housing and economic development activities, such as technical Assistance to CDC's, small business loans, storefront renovation/design assistance, signage, streetscapes, site improvements, and off-street parking. In addition to its Affordable Housing Program, the Federal Home Loan Bank has the Economic Development Advance (EDA) Program and Community Investment Program (CIP) that help eligible economic development activities.

Increased Vocational Training – The CAC, cities and county should work with the private sector to develop programs aimed at linking vocational training and jobs with person working to increase their education attainment of a high school diploma or acquire basic skills, and ex-offenders in need of employment opportunities. The following are example programs and approaches that have worked successfully in other communities:

- **Pittsburg Manchester Bidwell Project** operates educational and job training programs in technology, culinary, horticulture and medical fields for disadvantaged youth.
- **State of Louisiana Workforce Commission** dual enrollment, work- based learning, and industry-based certification programs in web design, nursing, automobile technology and other field.
- **Cleveland Ohio Ex-offender** programs offering tax and procurement incentives to businesses that train and employ ex-offenders. Government contracting policies consider offender training and employment in their criteria for procuring

goods and services. City criteria for awarding dry cleaning contracts for city uniform or janitorial contracts for public building could include considered.

- **Retail and Business Incubators** are multi-tenant facilities with on-site management providing technical assistance to firms that leave the program financially viable and freestanding. Business incubator programs usually provide clients with appropriate rental space and flexible leases, shared business services, equipment, technology support, and assistance in financing for company growth. Visual examples:

Retail Incubator



- **Edwin's Restaurant** featured below is the first restaurant in Cleveland, Ohio and in the U.S. specifically created and designed to employ individuals who have been sentenced for crimes and in most cases served prison time. Employees participate in formal culinary education programs at local colleges and technical training programs, assistance with tuition, housing allowances and counseling.



CULLMAN AREA HOUSING NEEDS ASSESSMENT

Change, Resiliency and Sustainability

SECTION 9: HOUSING POLICY

A Housing Policy is a statement developed by jurisdictions on a city, county, or regional basis. The policy is designed to guide the community beyond individual perceptions, ideas and disconnected interpretations as to what are our housing needs and goals and how do we achieve those goals, and toward creating consensus and vision for an overall housing strategy that ensures that policies relative to housing and neighborhood needs, development, and future sustainability, are well-coordinated and well-tailored to meet diverse needs and objectives. The policy is generally developed based on discussions and consensus building involving board community representation, government's guidance and with a diverse group of stake holders providing input throughout the planning process.

The needs assessment recommends developing individual housing policies for Cullman County and each jurisdiction, focusing on implementation of the needs assessment recommendations and on addressing issues of housing supply, affordability, location, future needs, amenities, and quality to ensure that housing is available for individuals and families at all income levels. Important to the process is how each jurisdiction will address housing needs based on both future growths, as well as, current and future sustainability. Challenges include forecasting and addressing special needs including housing for seniors, multifamily housing, downtown housing, public and assisted housing, work force housing and housing supporting economic growth.

Additional details for formulating housing policies are provided in the appendix.

CULLMAN AREA HOUSING NEEDS ASSESSMENT

Implementing Vision - Achieving Transformation

SECTION 10: IMPLEMENTATION

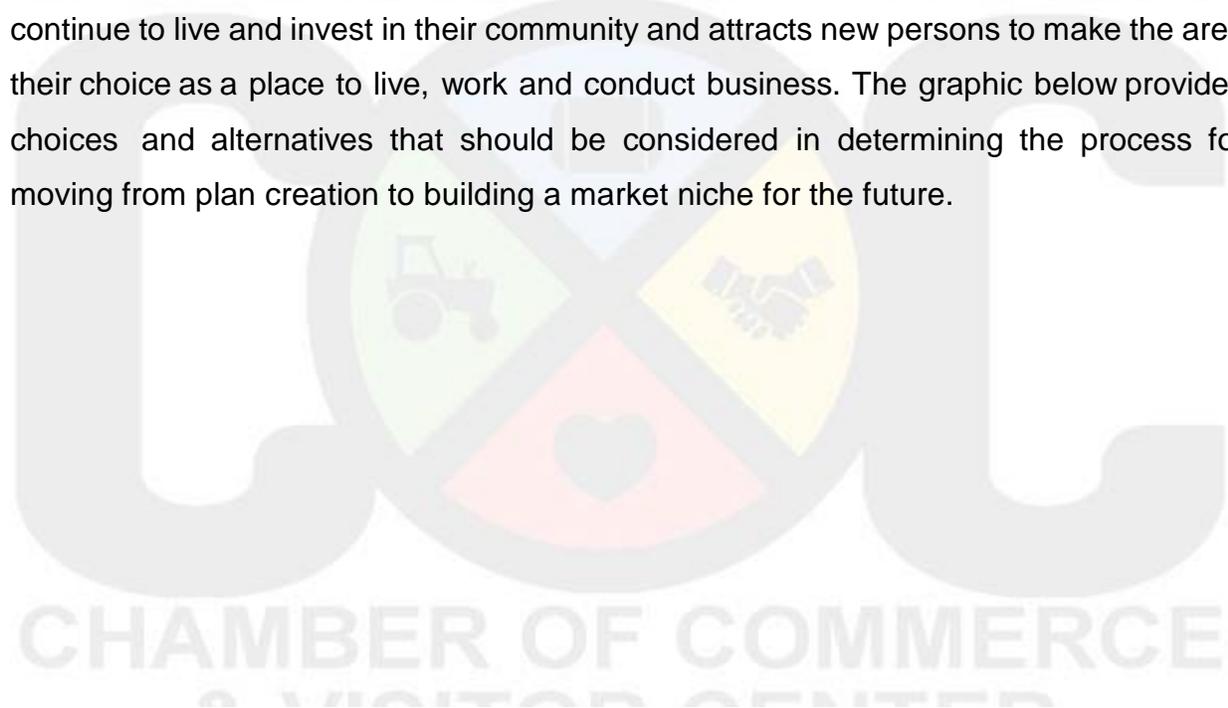
Implementation and Timeline – Formal adoption of the Housing Needs Assessment by participating jurisdictions is recommended. Adoption and recognition of the Needs Assessment will underscore the importance of this effort identify the roles and responsibilities of those who must carry out the implementation.

The jurisdictions and CAC will be responsible for post planning activities and will determine the level of community involvement necessary for implementation. The strategies and recommendations presented in the report are intended to guide implementation of the Needs Assessment. Strategies may require adjustments based on changing conditions and priorities. The stakeholders including neighborhood residents, home buyers, business, industry, local school districts and colleges, and religious institutions should be encouraged to continue to provide leadership in refining the recommendations and transforming the planning area through implementation of the needs assessment recommendations.

Evaluation of the implementation progress is crucial and must provide for annual auditing of accomplishments and adjustments as required to be successful. During implementation, systematically reporting progress back to the community to keep stakeholders informed and supportive of the efforts is important. Progress reports may take the form of a local newspaper series, including a community housing score card or “barometer”- type graphic. Specific, measurable strategies make recording of progress easier. A process evaluation graphic should be developed to delineate how the implementation program is organized and administered. Implementation Plans and specific implementation strategies may be different for each jurisdiction.

Marketing - Implementation of the Needs Assessment will require a partnership between the individual jurisdictions and Cullman Area Chamber and collaboration with private and nonprofit developers and investors, along with an energized community to be successful. The jurisdictions and CAC will provide leadership in implementing the strategies and recommendations in the plan. Resources needed for implementation include public and private investment and private financing, supported by public policy and regulatory changes in support of the various initiatives.

The CAC and individual jurisdictions must also provide leadership in creating a “Market Niche” and Marketing Campaign that serves to retain businesses and residents to continue to live and invest in their community and attracts new persons to make the area their choice as a place to live, work and conduct business. The graphic below provides choices and alternatives that should be considered in determining the process for moving from plan creation to building a market niche for the future.



FINDING THE MARKET NICHE

- **WHO LIVES THERE NOW,**
 - AND WHO ARE WE LOSING.....
- **WHO WORKS THERE, OPERATES A BUSINESS, IS AN INVESTOR**
 - AND COULD LIVE THERE IF.....
- **WHO TRAVELS THROUGH, VISITS, OR IS A TEMPORARY RESIDENT OR STUDENT,**
 - AND COULD LIVE THERE IF.....
- **WHO COULD BE ATTRACTED BY THE FEATURES OF OUR NEIGHBORHOODS**
 - UNIQUE AND INVITING NEIGHBORHOODS

APPENDICES

APPENDIX A: DEFINITIONS AND ACRONYMS

APPENDIX B: BALANCED HOUSING MODEL DATA

APPENDIX C: HOUSING SURVEY DATA AND RESULTS

APPENDIX D: NEEDS ASSESSMENT MAPS

APPENDIX E: APPLICATION OF HOUSING NEEDS ASSESSMENT PROJECTIONS, STRATEGIES - SOLUTIONS

APPENDIX F: DOWNTOWN - MAIN STREET DESIGN GUIDELINES

APPENDIX G: CONDENSED VERSIONS OF NEEDS ASSESSMENT - GOVERNMENT DEVELOPERS PUBLIC

APPENDIX A: DEFINITIONS AND ACRONYMS

Definitions

Fair Market Rent (FMR) – Private market value of rental housing.

Fair Market Value (FMV) – Anticipated sales price of property based on current values of property in the private market.

Inclusionary Zoning – A locally-adopted regulatory program that incentivizes production of affordable housing as part of a market rate development.

Infill Development – Development of vacant or underutilized land, lots, or subdivision parcels.

Land Bank – Land assembly by local government agency for resale or reinvestment.

Low and Moderate Income (LMI) – Persons earning incomes at or below 80% of the area median income.

Loan - To -Value (LTV) – Loan to value ratio percentage of property value that a lender will loan to a borrower requesting a mortgage loan.

Modular Housing – Factory or fabricated built transportable building components assembled on site as permanent commercial or residential building in conformance with all building codes.

Acronyms

ACS – American Communities Survey Data – U.S. Bureau of Census

HUD – U.S. Department of Housing and Urban Development

CAC – Cullman Area Chamber

CBER – Center for Business and Economic Research – University of Alabama

CCRA – Cullman County Realtors Association

CDBG – Community Development Block Grant – U. S. Department of HUD Entitlement Grant

CHAS – Comprehensive Housing Affordability Strategy Data – U. S. Bureau of Census

HAMFI – Housing Affordability Multifamily Index

HMDA – Home Mortgage Disclosure Act Analysis

HOME – Home Investment Partnership Program – U. S. Department of HUD Entitlement Grant

APPENDIX B: BALANCED HOUSING MODEL DATA

The chart below displays the data used for the rental housing projection of 3,470

Cullman County	Rental Units							Total
	<15k	15k <35k	35k <50k	50k <75k	75k <100k	100k <150k	150k+	
Occupied Housing Stock Affordable at Income Level 2017	1,934	4,310	927	447	136	61	11	7,826
Households at Income Level 2017	2,450	2,613	1,290	941	232	198	102	7,826
Projected Households at Income Level 2040	2,759	3,130	1,743	1,344	384	340	166	9,866
Projected Units at Income Level 2040	2,982	5,109	1,422	605	367	160	19	10,664
Target Units Needed to Replace Obsolete Stock	177	305	84	35	22	9	-	632
Target Units Needed to Meet Projected Demand by Income	1,225	1,104	579	193	253	108	8	3,470
Additional Units Beyond Forecasted Need Within this Income Range	-	-	-	-	-	-	-	-

Rental Housing Survey Source: JQUAD PLANNING GROUP Telephone and Internet Survey of Rental Housing Development.

The data shown below was used to calculate and project the number of owner-occupied housing units needed by 2040.

Population Summary			
	2017	2040	2040 %
<25	24,983	27,047	31.3%
25-44	20,173	20,145	23.3%
45-64	22,039	20,749	24.0%
65+	14,508	18,409	21.3%
Householder Summary			
	2017	2040	2040 %
<25	1,029	1,063	3.4%
25-44	9,095	8,667	27.6%
45-64	11,921	10,710	34.1%
65+	9,052	10,961	34.9%

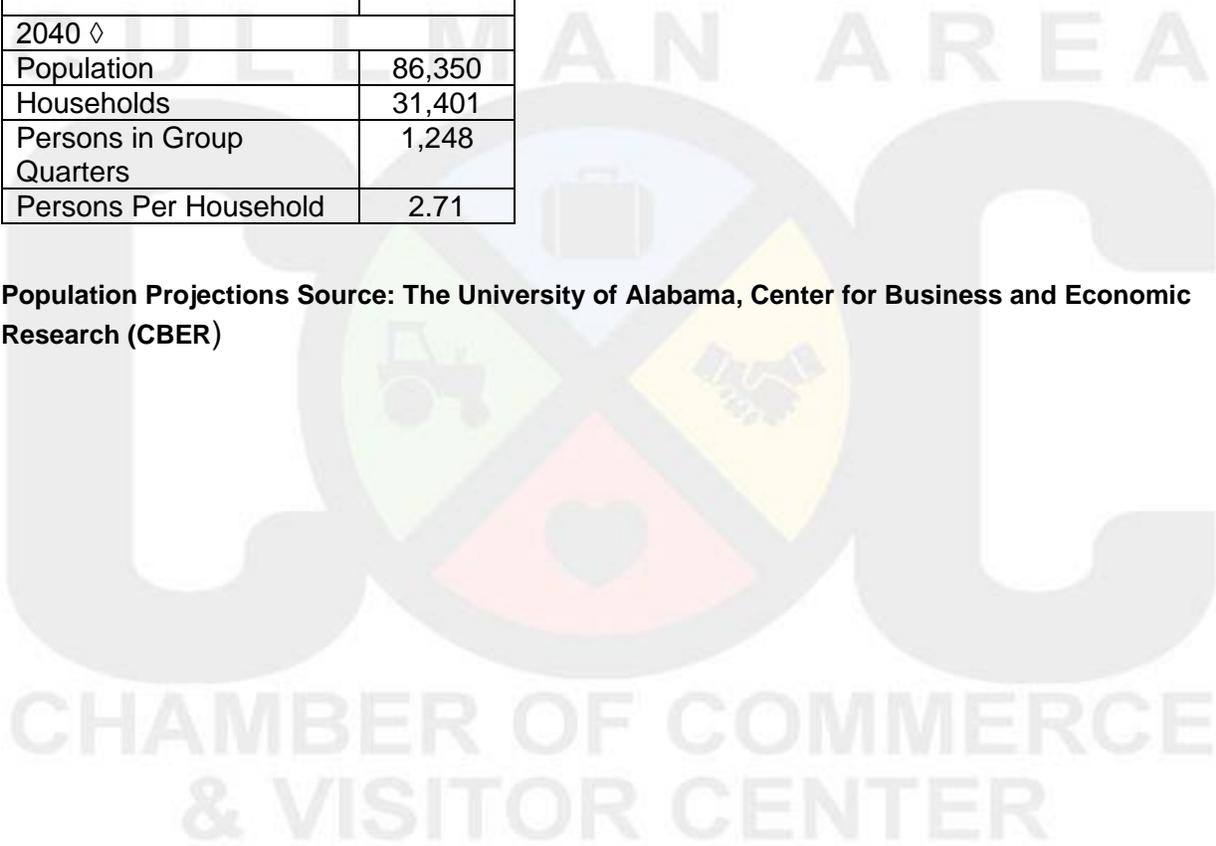
B25032. TENURE BY UNITS IN STRUCTURE - Universe: OCCUPIED HOUSING UNITS	
	Estimate
Total:	31,097
Owner-occupied housing units:	23,271
1 (detached)	18,785
1 (attached)	172
2 units	27
3 or 4 units	0
5 to 9 units	0
10 to 19 units	0
20 to 49 units	27
50 or more units	6
Mobile home	4,224
Boat, RV, van, etc.	30
Renter-occupied housing units:	7,826
1, detached	3,261
1, attached	66
2	569
3 or 4	373
5 to 9	1,065
10 to 19	364
20 to 49	288
50 or more	82
Mobile home	1,752
Boat, RV, van, etc.	6

Population Estimates Source: The University of Alabama, Center for Business and Economic Research (CBER)

Population Projections

2017 ◇	
Population	81,703
Households	31,097
Persons in Group Quarters	1,181
Persons Per Household	2.59
Vacancy Rate	17%
Vacant Units	6,427
Total Dwelling Units	37,524
2040 ◇	
Population	86,350
Households	31,401
Persons in Group Quarters	1,248
Persons Per Household	2.71

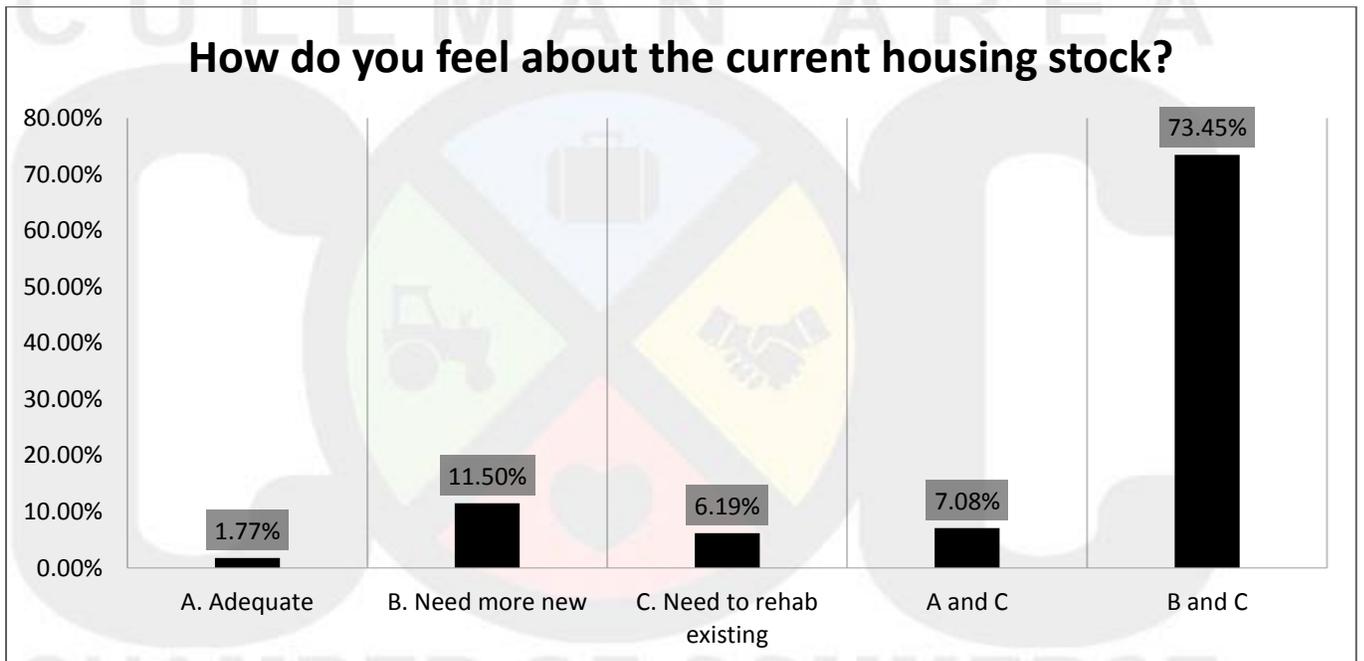
Population Projections Source: The University of Alabama, Center for Business and Economic Research (CBER)



APPENDIX C: HOUSING SURVEY DATA AND RESULTS

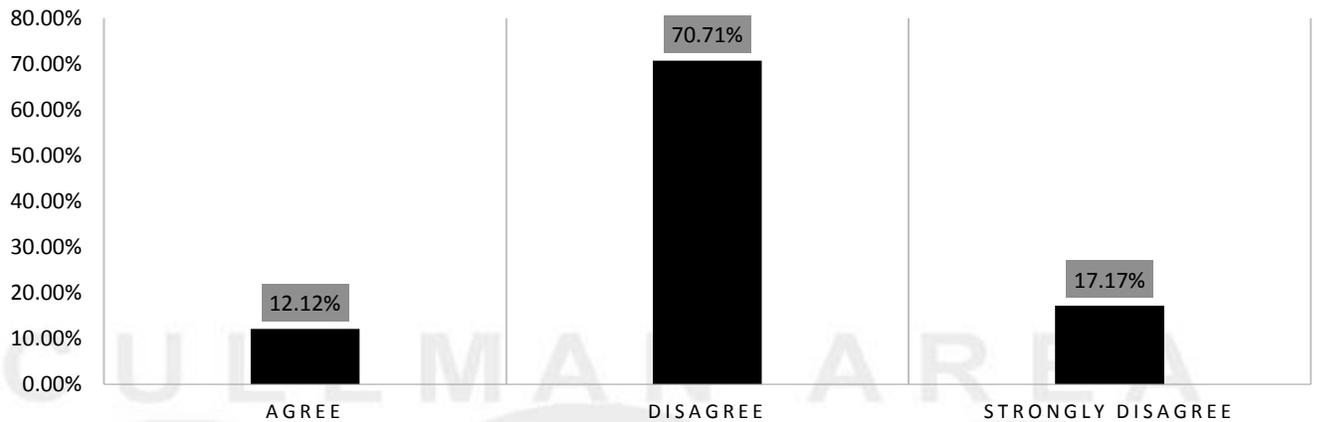
Survey Results – The following summarizes the survey responses.

Current Conditions. The first series of questions focuses on the general state of housing in the Cullman area. It is clear that housing is a chief concern among stakeholder groups – not only the availability of new housing but the condition of existing housing as well.



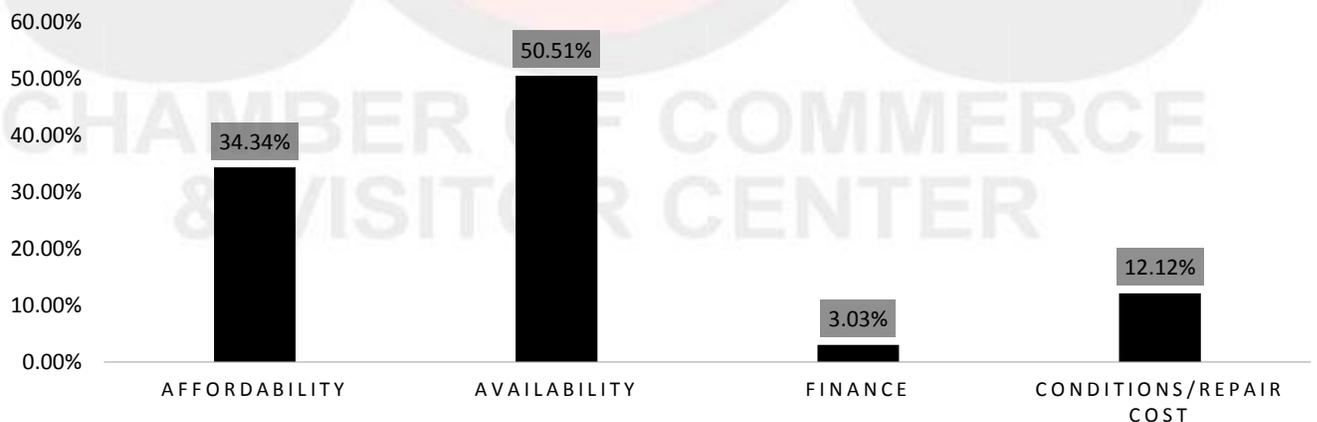
Overwhelmingly, participants believed that any housing effort should include the building of additional housing as well as the rehabilitation of existing units.

THE REGIONAL HOUSING MARKET IS CURRENTLY MEETING THE NEEDS OF ITS RESIDENTS

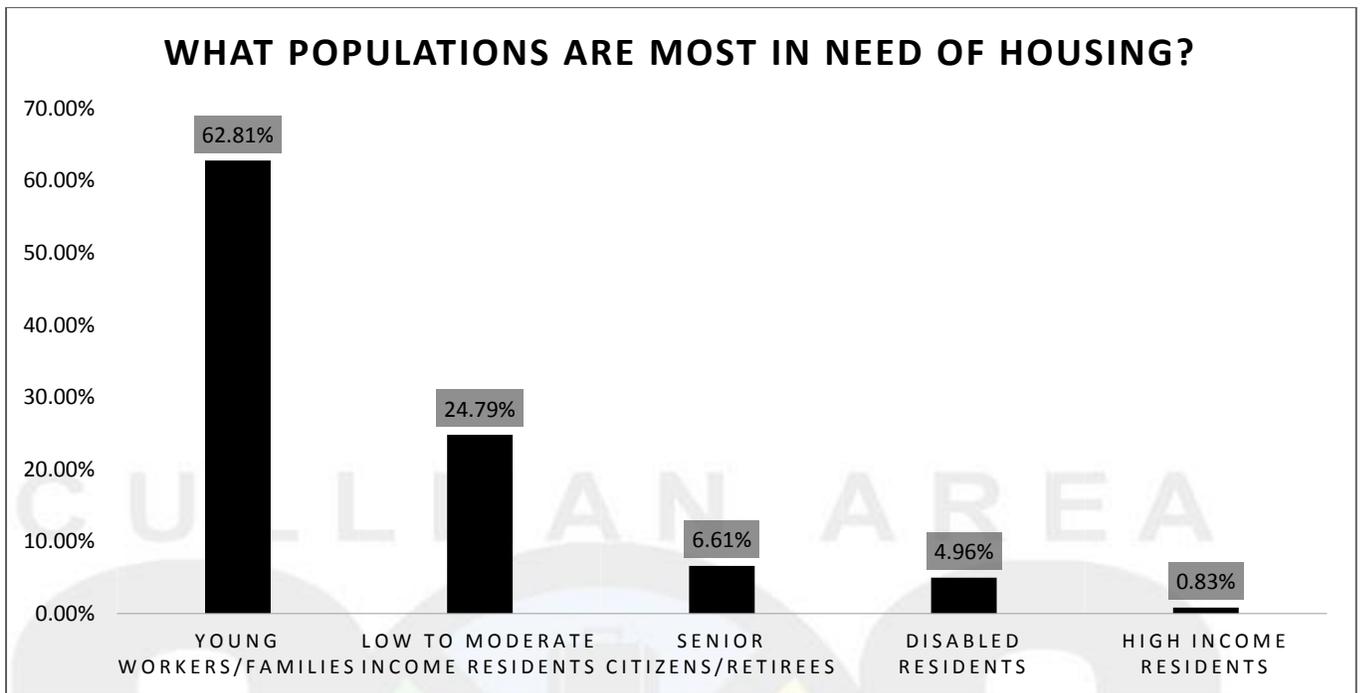


Few people agreed that the regional market is currently meeting the need of residents. In fact, not one participant selected the “Strongly Agree” option when asked this question. Most either disagreed or strongly disagreed that the market is meeting demand.

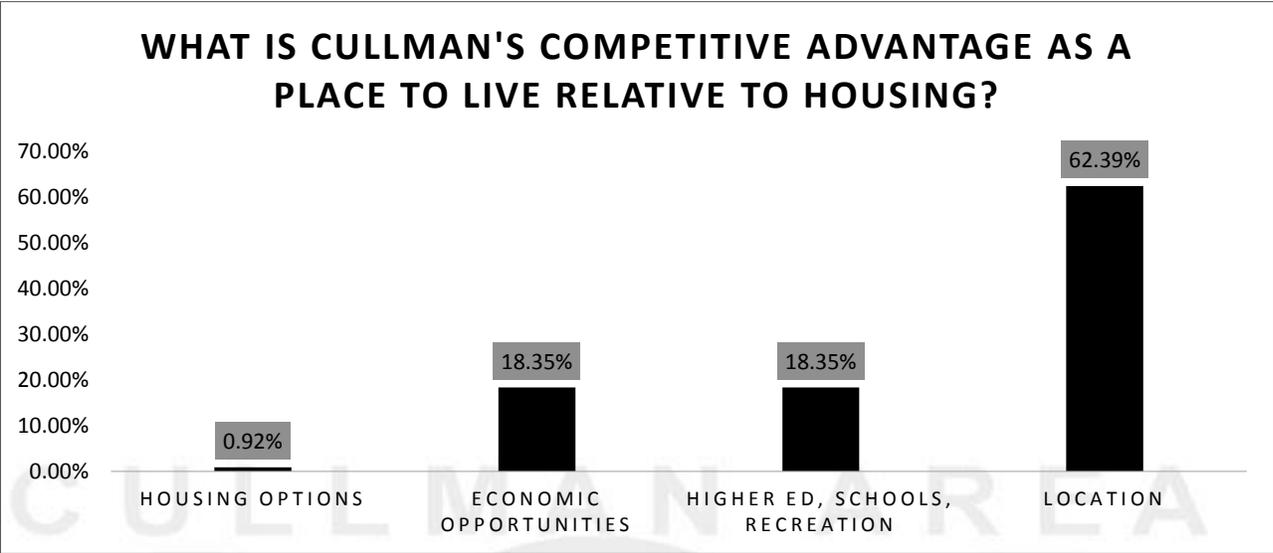
WHICH OF THE FOLLOWING IS THE COUNTY'S MOST CHALLENGING HOUSING ISSUE?



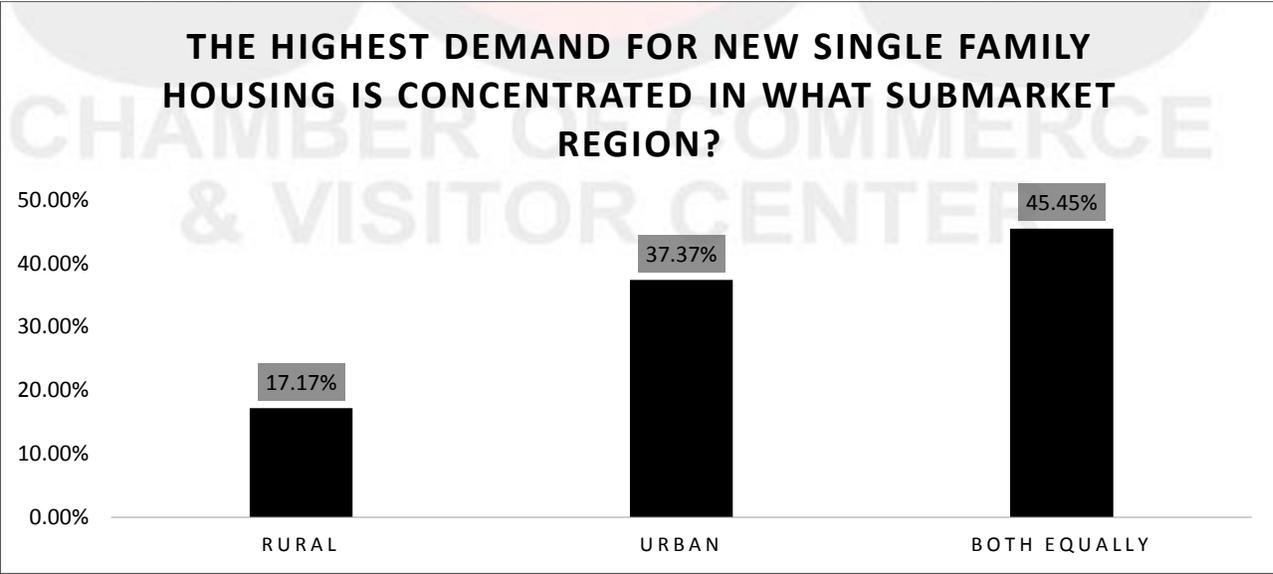
Most participants felt that housing availability was the significant challenge in the Cullman area. Interestingly, the school principals had a different perspective, as 65% of them felt affordability was the most critical factor.



When considering those populations that need housing the most, the collective response belonged to the young workers and families trying to settle in the region. With almost 63% of the responses, this group appears to struggle the most when it comes to finding housing that fits their needs. Additional public input and survey information that is targeted toward these population segments will augment the perspective in this case. However, younger demographics appear to have a more difficult time finding housing, according to community opinion. As with the previous question, school principals have a different perspective. Their group indicated that the neediest population when it comes to housing is the low- to moderate-income residents. In fact, 54% of the principals felt that this population group has the most need, with young workers and families a distant second at 27%.

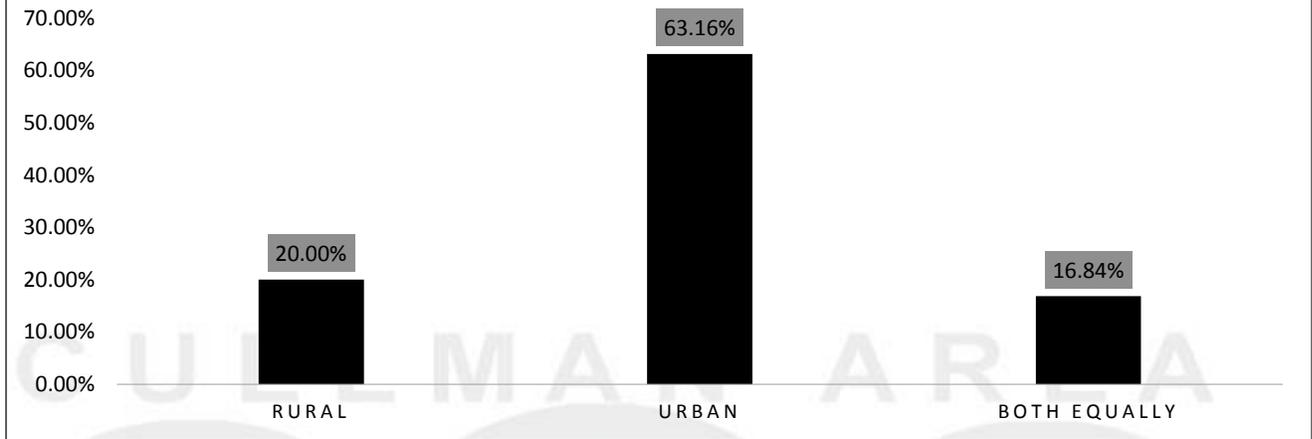


Respondents agree that the Cullman area has a substantial competitive advantage due to its location. Nestled between the growing metro areas of Birmingham and Huntsville, Cullman County is seeing moderate population increases. Economic development efforts in the community have successfully recruited numerous industries in the automotive and specialty manufacturing sectors. A retail attraction strategy has led to the development of the city of Cullman into a hub for retail and services. Strong school systems have made Cullman a desirable community for families. Yet all of these results started with the location, a factor which participants believe is still a competitive advantage for Cullman.



Demand for new single-family housing is high throughout Cullman County. Even in the smaller communities there appears to be a lack of housing available for purchase or rent.

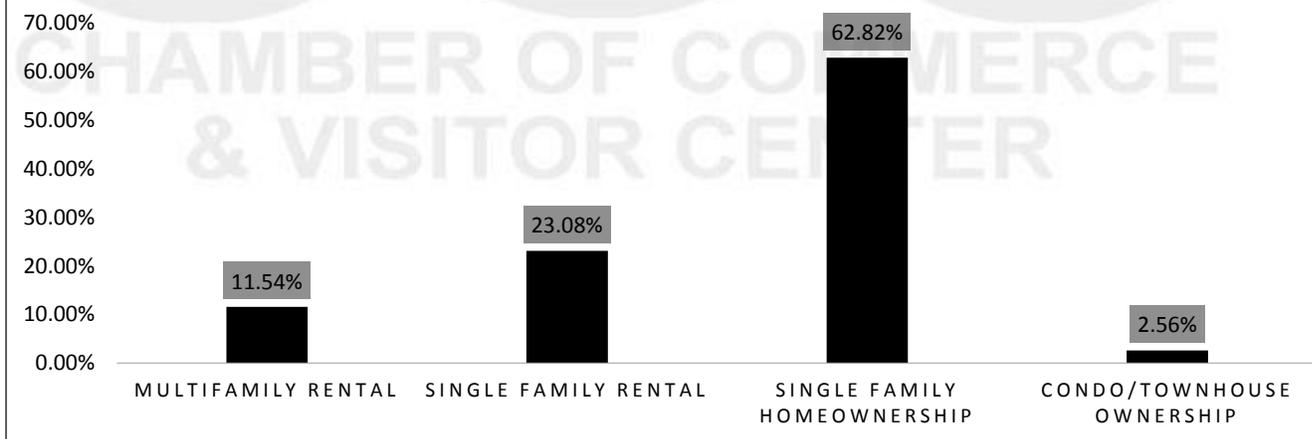
HIGHEST DEMAND FOR NEW MULTIFAMILY HOUSING IS CONCENTRATED IN WHAT SUBMARKET REGION?



Multifamily housing demand was viewed differently. The majority of respondents felt that the more urbanized areas of Cullman County could utilize multifamily options more than rural areas.

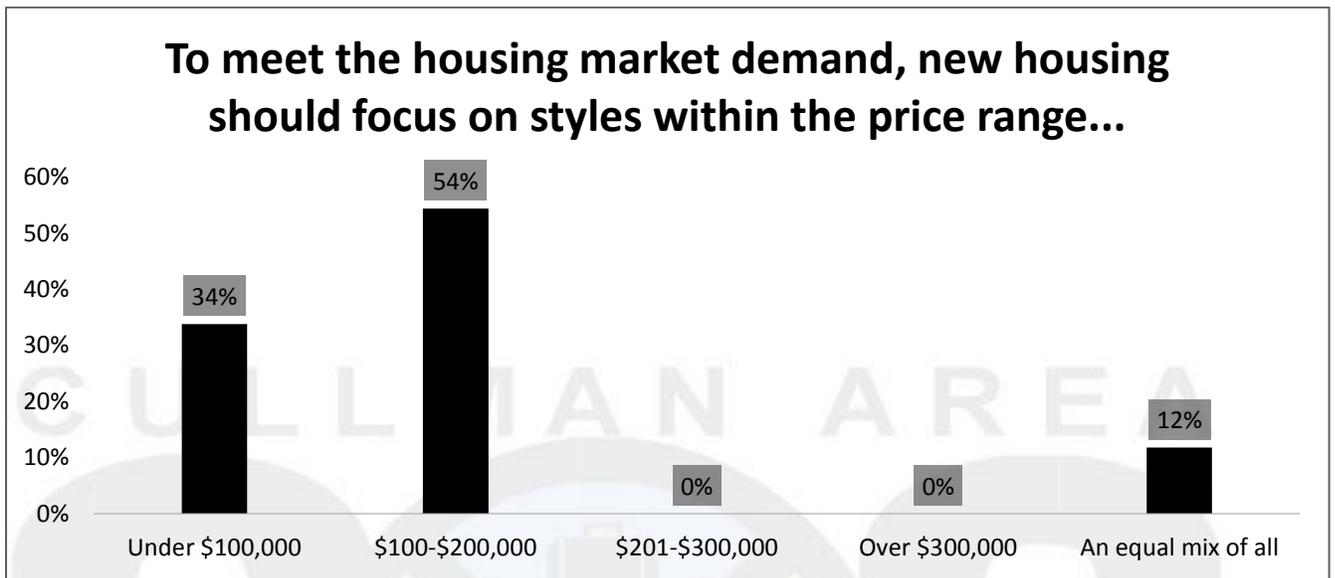
Desired Future. Questions about the future needs delved into the types and qualities desired in Cullman Area. Once again, patterns have emerged from the participants' responses, as highlighted below.

WHICH HOUSING TYPE IS MOST NEEDED IN THE REGION?

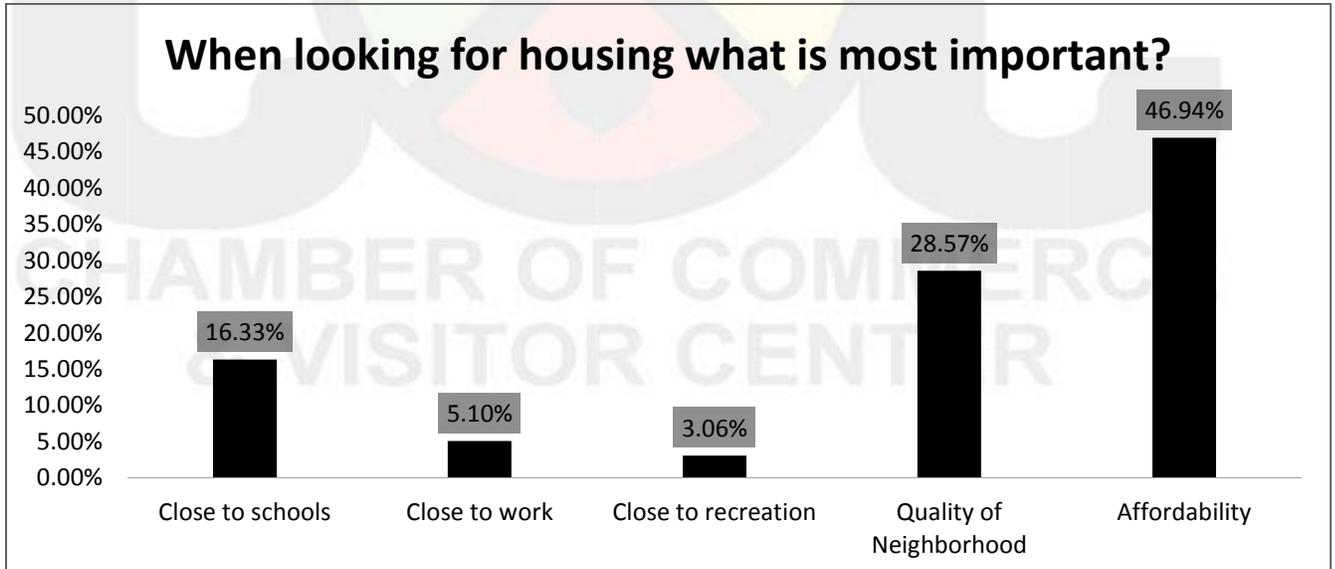


A large majority of respondents believed that single-family homes that can be purchased are most needed in the Cullman region. Nearly 63% of participants chose this type of housing. Once again, school principals had a different viewpoint. They selected single-family rentals

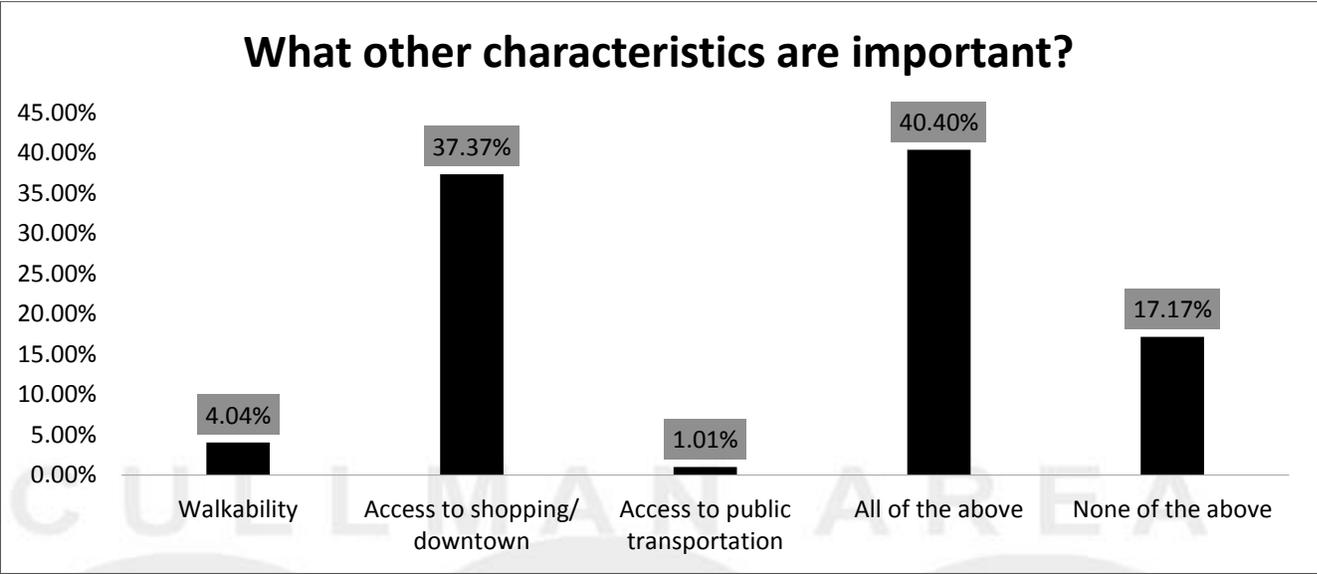
as a greater need than homeownership models by a margin of 48% to 32%.



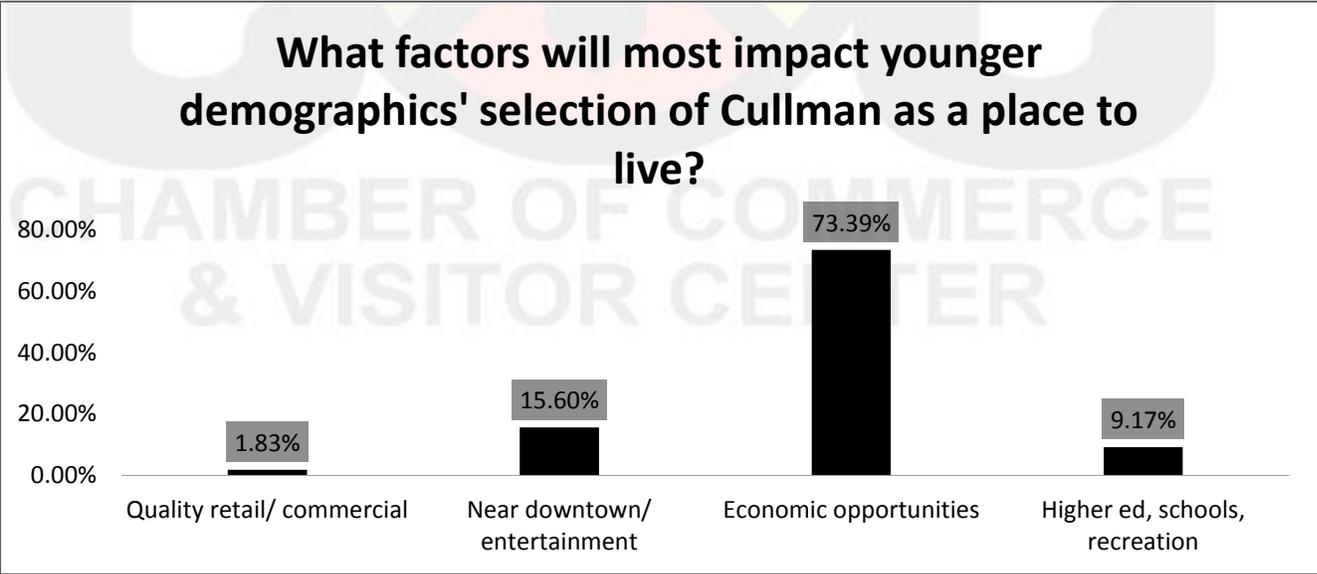
Entry level housing is the preferred option according to participants. By a large margin (88%), respondents felt that homes under \$200,000 would best fit the current demand.



Affordability is the key factor when looking for housing, according to participants. Though many aspects were chosen, finding a house that is affordable ranked at the top of the list.

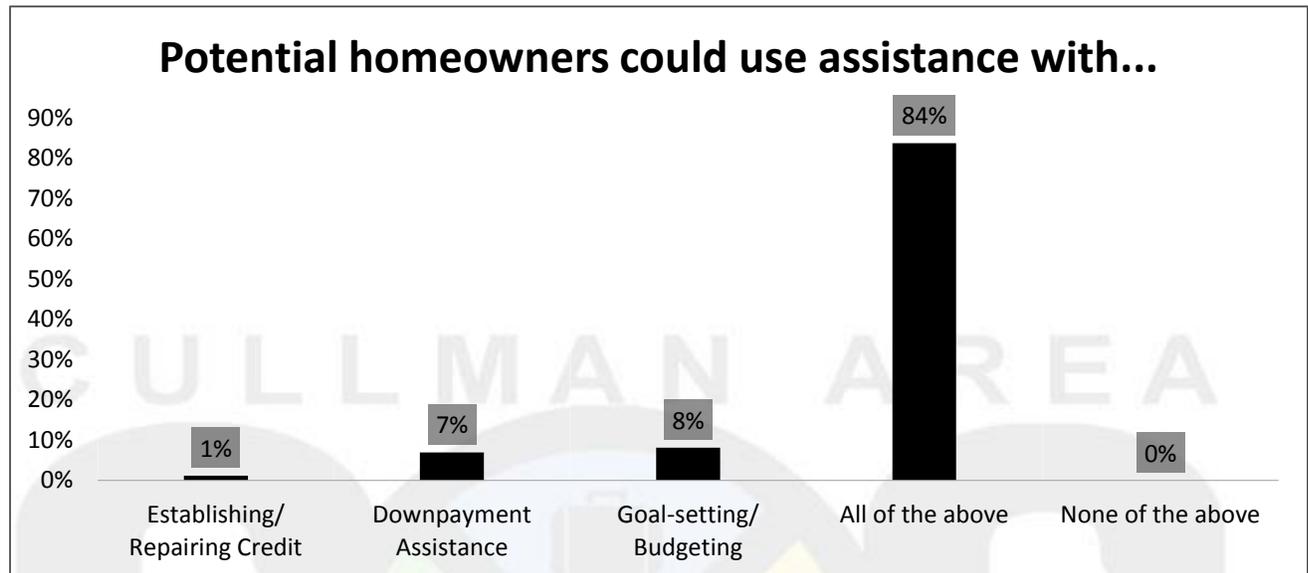


When looking at other housing characteristics that are considered, respondents felt that access to shopping and the downtown areas, walkable neighborhoods and access to public transportation were all important. However, access to shopping or a downtown district came in a close second on its own. This speaks to the importance of having a vibrant downtown with housing options.

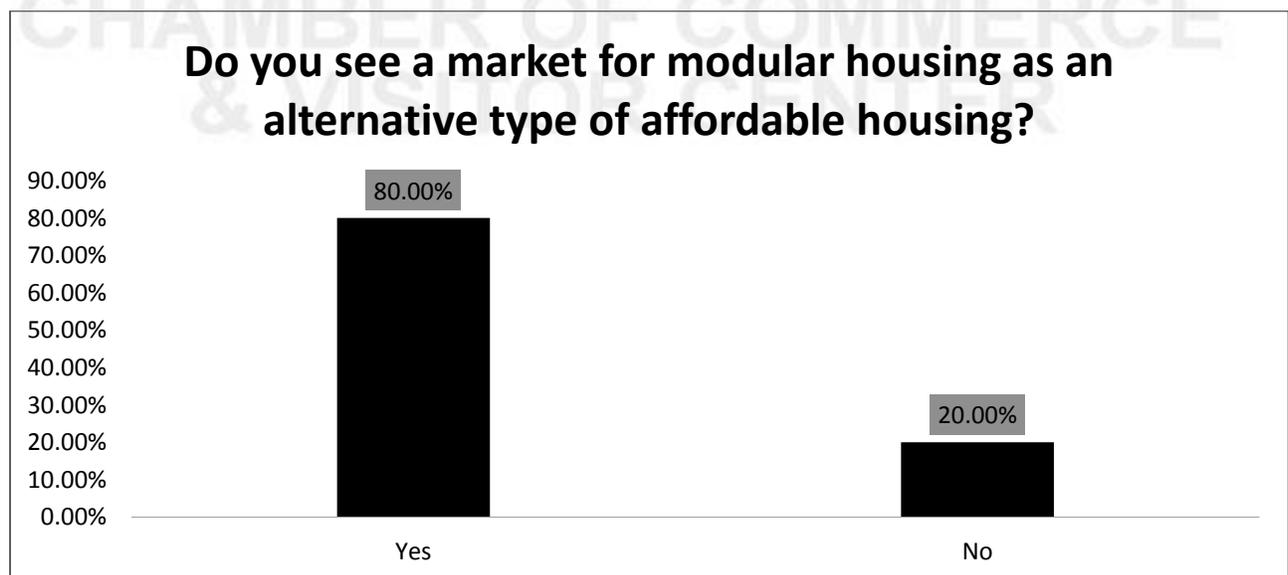


Younger demographic groups are an important consideration for Cullman, especially as it continues to try and lure workers for all sectors of industry in the area. Most think that the economic opportunities will be the main factor in attracting younger generations.

Additional feedback from the surveys and public forum helped the community learn more about this segment of the population and what it sees as most important.



When thinking about the challenges facing new homebuyers, the participants from the community believe that better technical assistance and services would be beneficial. This includes help with establishing and repairing credit, down-payment assistance, and goal-setting and budgeting services. Financial empowerment tools are powerful incentives to attract and keep new residents.



Finally, when asked about specific options for affordable housing, a great majority of respondents indicated support and a potential market for modular homes. These can be a unique way to meet the needs of low- to moderate-income residents and set them on the path to financial stability and homeownership.

Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

The SWOT Analysis is a strategic planning method originally designed to evaluate the **Strengths, Weaknesses, Opportunities, and Threats** involved in a project or in a business venture. It involved specifying the objective of business venture or project and identifying the internal and external factors favorable and unfavorable to achieving that objective. The technique was credited by Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from Fortune 500 companies.

In conducting the Housing Needs Assessment, we have challenged ourselves with the major objective of creating a strategic plan for meeting future housing needs and improving and maintaining housing and neighborhood stability. The SWOT technique was modified to meet our objectives of identifying the internal and external factors that are influencing the future housing needs and sustainability of current housing and neighborhoods. The SWOT components are defined as follows.

✚ **STRENGTHS** – Attributes of our current community that will be helpful to our achieving the objective. Strengths are internal attributes that are currently visible in our community. Generally, strengths can be defined by:

- What characteristics of the community's housing and neighborhoods give it a competitive advantage and account for its position as a preferred place to live given Cullman County's place in the Alabama and Regional economy?

✚ **WEAKNESSES** - Attributes of our current community that are harmful to our achieving the objective. Weaknesses are internal attributes that are current visible in our community. Generally, weaknesses can be defined by:

- What features and factors limit the ability of the community to reach its potential? What attributes of the community adversely impacts the retention of current residents in their neighborhood or housing where they reside and new residents and businesses to the county and cities and its existing neighborhoods?

✚ OPPORTUNITIES - Attributes that are entering our current community or we desire that they exist in our community that will be helpful to our achieving the objective. Opportunities are external attributes that may be at work but not yet be visibly influencing our community, or non-existent. Generally, opportunities can be defined by:

- What are the opportunities and actions that, if pursued, will enhance the long-term viability, competitiveness and sustainability of the County and City's housing and neighborhoods?

✚ THREATS - Attributes that are evident, or we are concerned that they are beginning to influence our current community. We perceive these attributes as harmful to our achieving the objective. Threats generally began as external attributes that have a beginning origin outside the community or is somehow transferred to the community and may or may not currently be at work and visibly influencing our community. Generally, threats can be defined by:

- What are the activities, public policies or events and issues that might adversely impact housing and neighborhoods? This could be in the form of a type of housing that the market is or is not yet creating or maintaining in the City or County.

SWOT Analysis Exercises were conducted during the Cullman Area Chamber August 29, 2018, Housing Needs Assessment Strategic Planning meeting with JQUAD, Chamber Staff, Board Members and Task Force Members were asked to participate in a work session to solicit their input on how the community's needs are currently being met relative to housing and neighborhoods and their vision for housing and neighborhoods in the

future. We devoted a segment of the work session to a SWOT Analysis. During this process, participants were asked to summarize the **strengths, weaknesses, opportunities and threats** in Cullman County area relative to housing and neighborhoods as you view them.

SWOT Assignment instructions were provided to participants in advance of the session, requesting that each participant do the following.

1. Utilizing a digital camera or cell phone camera, take three photographs that best represent your thoughts as to the Strengths, Weaknesses, Opportunities, and Threats relative to housing and neighborhoods in Cullman County. (A total of 12 photographs should be taken, three for each of the four SWOT subject areas.
2. Write a brief description of each photograph including what is depicted, the location, and your thoughts as to why the photo(s) represents a strength, weakness, opportunity or threat.
3. In selecting your photo sites and writing your descriptions, consider the following:
 - How can we use and capitalize on each Strength?
 - How can we improve each Weakness?
 - How can we exploit and benefit from each Opportunity?
 - How can we mitigate each Threat?

While there were some variations in what participants listed as Strengths, Weaknesses, Opportunities, and Treats, there were by far more similarities than differences. In some instances, different participants listed the same attributes, but in different categories. For example, some listed transportation as Strength and transportation as a Weakness.



Important Considerations:

Strengths and opportunities focused much on the strategic location of the Cullman Area between Birmingham and Huntsville, and the view that the Cullman area is a growing – healthy economy both from a workforce, quality of life, and most important as having quality education at all levels from elementary to college and trades.

Weaknesses and treats were primarily focused on the area’s ability to meet future housing needs and to keep pace with the growing demand of housing that keeps pace with economic and growth. Another important factor that must be addressed is housing affordability and housing choice for all populations and demographics.

The Cities, Towns, County, and private sector business and industry, with CAC support must provide leadership in creating and enhancing a “**Market Niche**” that serves to retain businesses and residents to live and invest in their community and attracts new persons to make the Cullman area their choice as a place to live, work and conduct business.

Note: The comments of the participants and responses presented in the SWOT analysis are not necessarily representative of the Cullman Area Chamber of Commerce.

SWOT Analysis Results:

Strengths - The planning area has a competitive advantage as a place to live, when compared to other city neighborhoods: The Cullman Area strengths:

- Safe and secure, commercial and residential areas
- Low overall housing and living costs
- Served by good public schools and colleges
- Diverse, and somewhat recession-stable economy
- Great public infrastructure
- Adequate medical services, counseling and rehabilitation services
- Great public amenities (library, City Hall, Wallace State, Smith Lake)
- Commercial development reinvestment
- New homes being built and affordable to a number of purchasers.
- Great parks/open space in the area
- Great restaurants and retail that are being sustained
- Increases in industry and jobs
- Quality and affordable utilities and other infrastructure
- Great people and communities
- Proximity to major metropolitan areas of Huntsville and Birmingham
- Proximity to regional and international airports for travel and shipping
- Opportunities for rural lifestyles and housing

Weaknesses – The Planning Area has some weaknesses that can be addressed to improve future sustainability. The Cullman Area weaknesses:

- Areas not viewed as a preferred place to live, when compared to others
- Areas lacking quality neighborhood grocery stores, restaurants, or other small business in rural areas
- Inadequate “Alternative Transportation Infrastructure” (to be read as aging, underfunded and underdeveloped sidewalk infrastructure, non-existent bikeways) necessary to support corridor connectivity
- Lack of organized actively involving both residents and landlords to clean up, repair, and maintain properties that are causing blight

- Lack of Affordable Housing – there continues to be a lack of affordable housing both in the rental market and ownership housing market
- Incompatible industrial and commercial development
- Older homes remaining vacant too long, impacted by deferred maintenance.
- Blight and lack of property maintenance, and lack of code enforcement.
- Eyesores and vacant commercial and industrial buildings
- Slow progress in Infill housing development
 - Blighted/Dilapidated Homes, and homes boarded and abandoned
 - Properties that pose potential health, fire, criminal hazards threats
 - Lack of polices and fines for property maintenance and demolition
 - Building and zoning regulations that adversely impact development
 - Apartments blighted and dilapidated, and abandoned – boarded unit creating potential health, fire, criminal hazards threats, and eyesores
- Zoning regulations that allow incomparable land uses impact property values
- Concentrations of public and assisted housing in some areas
- Obsolete public and assisted housing built in the 1950's and 1960's
- **Opportunities** – The Planning Area has opportunities that contributes to its success. The Cullman Area opportunities:
 - Community and business organizations openly dialoguing about how to create a healthier sustainable community
 - Encouraging programs to involve civic involvement in developing public policy regarding community and neighborhood development
 - Opportunities to frequently share with the community the vital role played by providing well-planned housing and neighborhood development as a part of

mid-to-long range economic development

- Opportunities to engage various college and local school districts and their academic “brain trust” to helping the area become a more well-planned community and address the needs of people living in the area
- Encouraging a diverse group of citizens, civic organizations, industries, manufactures, government representatives, business, and professionals’ participation in community leadership and on major initiatives that provide both corporate and civic benefit in developing the area’s housing and neighborhoods
- Supporting partnerships to develop, organize and secure funding and resources that would enable growth
- Abandoned Buildings that are structurally sound can provide opportunities for creating housing and commercial development projects.
- Land availability to transform vacant parcels into needed amenities
- Quality Healthcare
- Opportunities for creation of gateways and a sense of arrival into areas

Threats – The Planning Area has some threats that can be addressed to improve future sustainability. The Cullman Area threats:

- Limited federal assistance to help plan, construct, and maintain affordable housing developments and associated infrastructure at a time when growth is demanding these vital activities
- Lack of priority for improving housing and neighborhood development
- Perceived lack of “community will” to embrace planning and development activities, and regulatory changes that will appropriately regulate and encourage development and support the goal of long-term sustainability
- Limited funding for first-time homebuyers and homeownership opportunities
- Sale of illegal drugs in the neighborhoods
- Dilapidated housing and premises if not cleaned and repaired quickly,

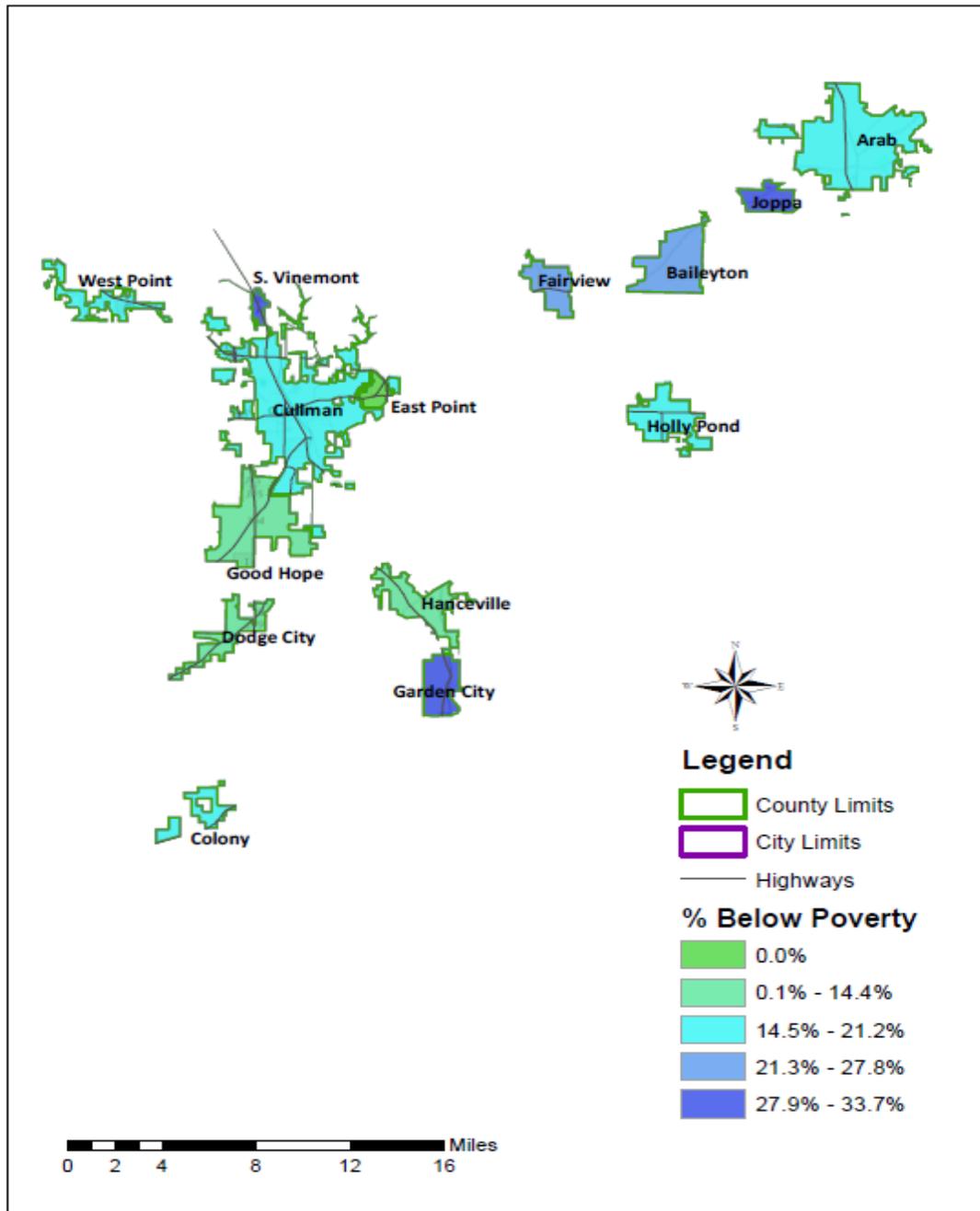
contributes to the perception and reality of crime in neighborhoods where they are located

- inappropriate placement of commercial development has undermined the fabric and sustainability of some neighborhoods
- Lack of planning and a “band-aid” attitude towards community revitalization
- Neighborhood and commercial decline, blight and lack of property maintenance

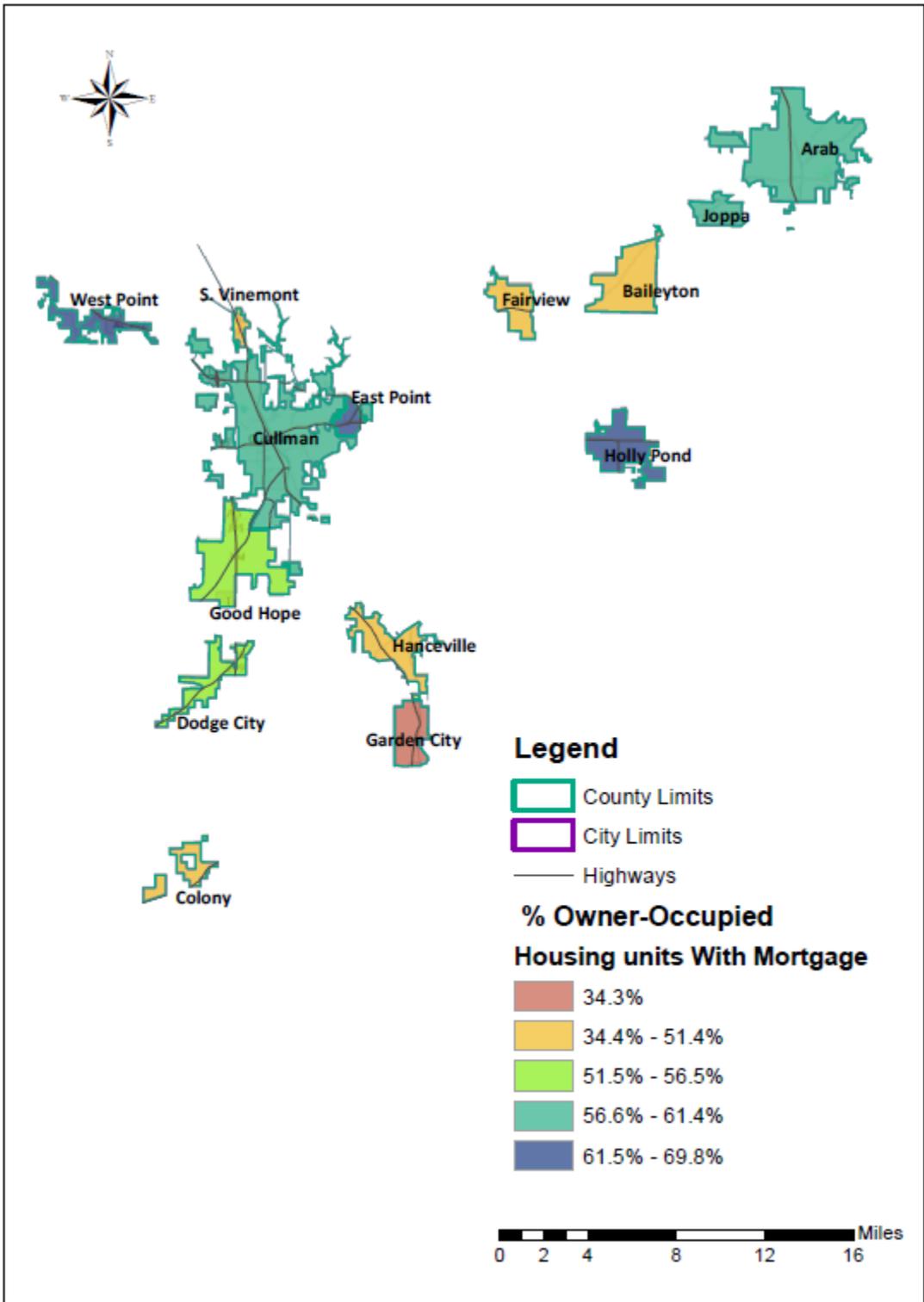


APPENDIX D: NEEDS ASSESSMENT MAPS

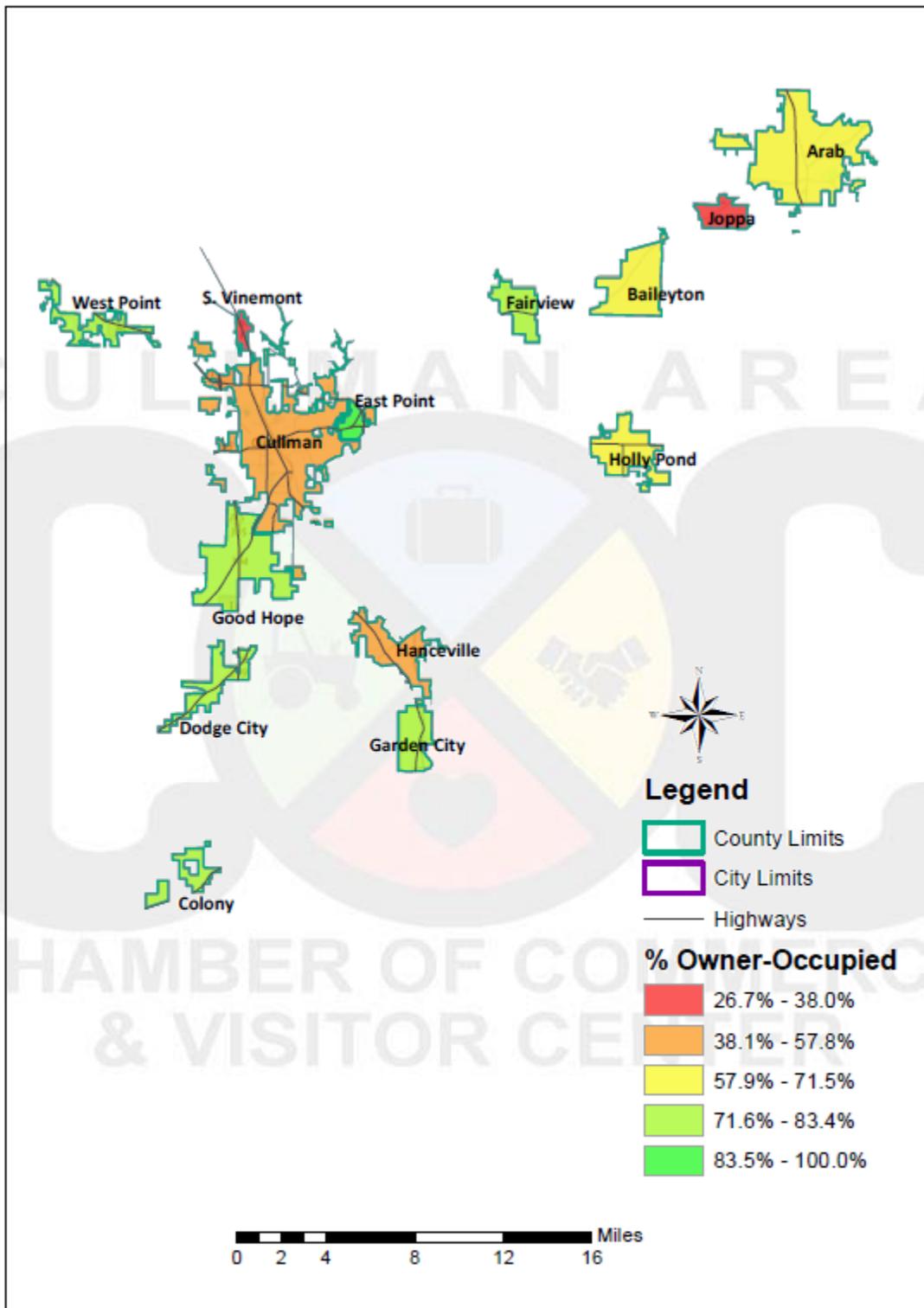
Data Source for Maps: U.S. Census, ACS 2013 – 2017, 2015 CHAS



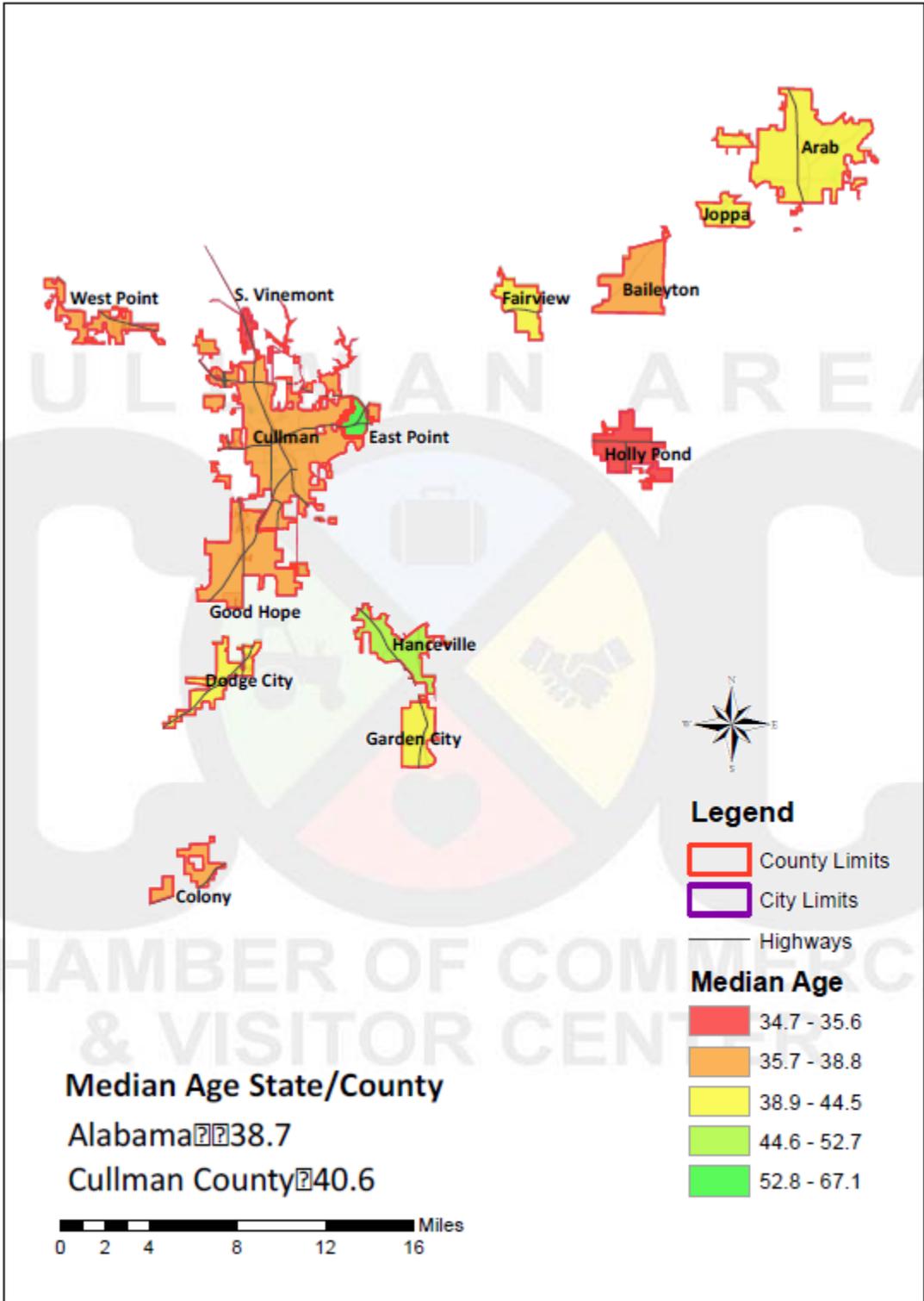
% Below Poverty



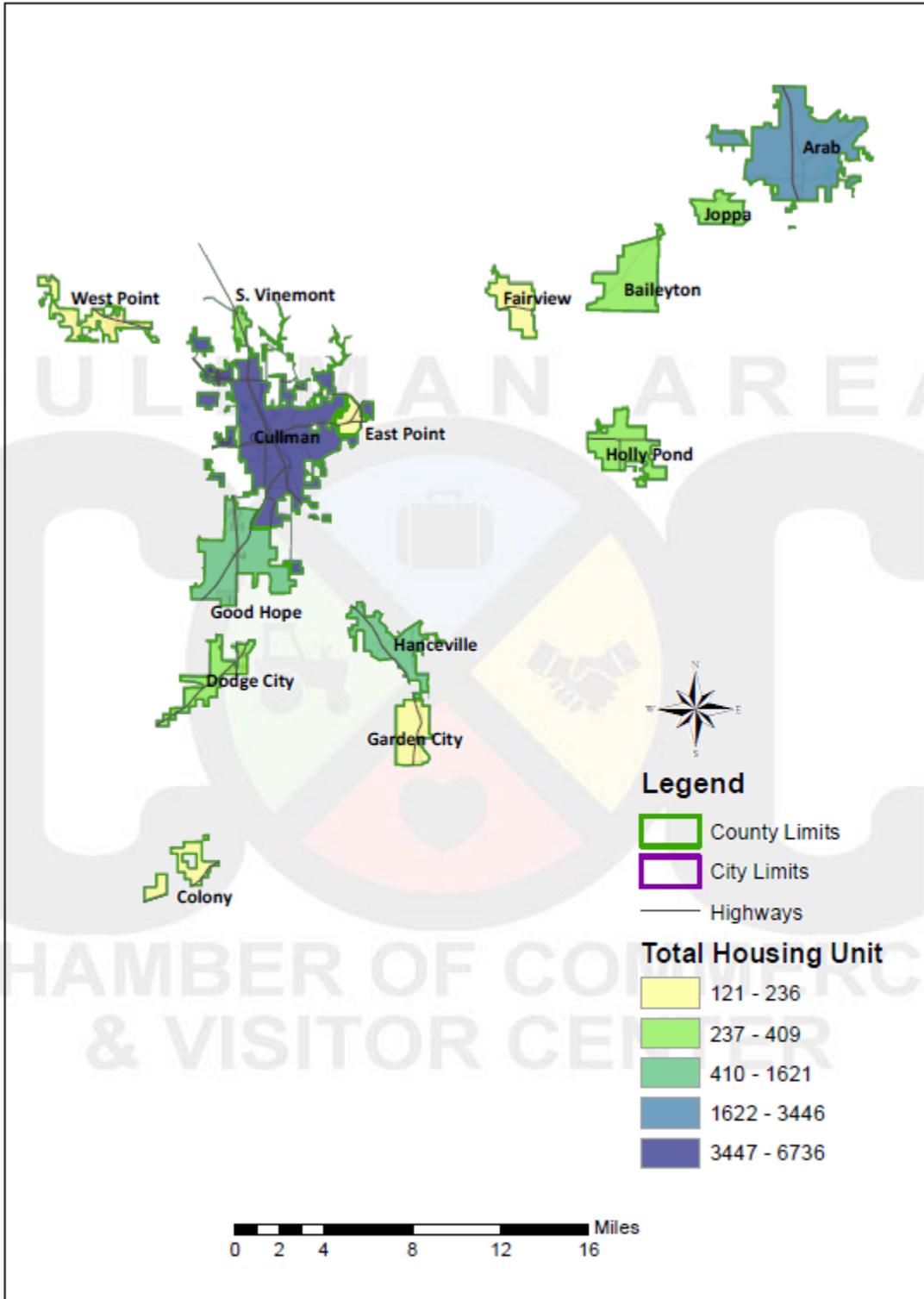
% Owner-Occupied Housing units With Mortgage



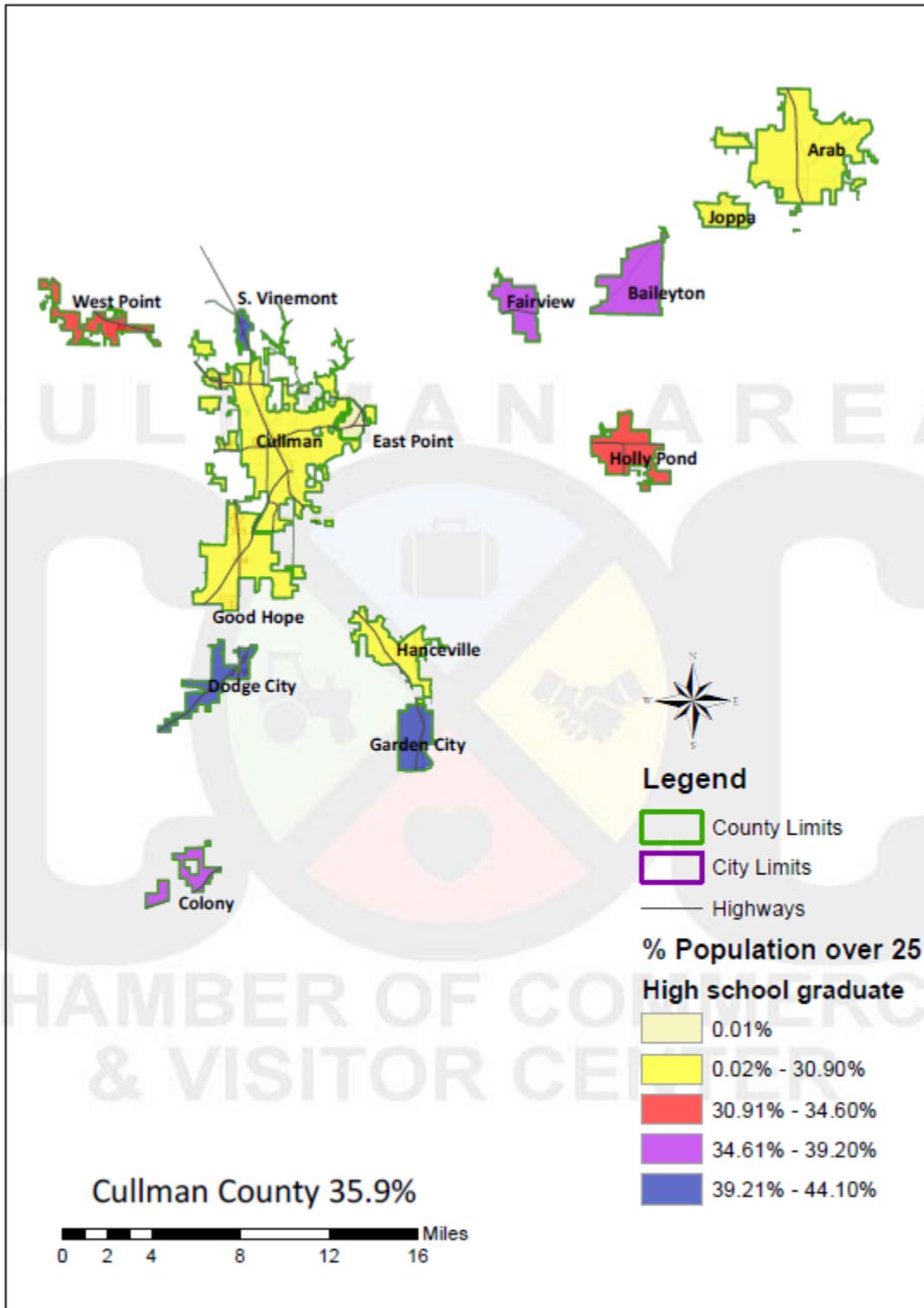
% Owner-Occupied



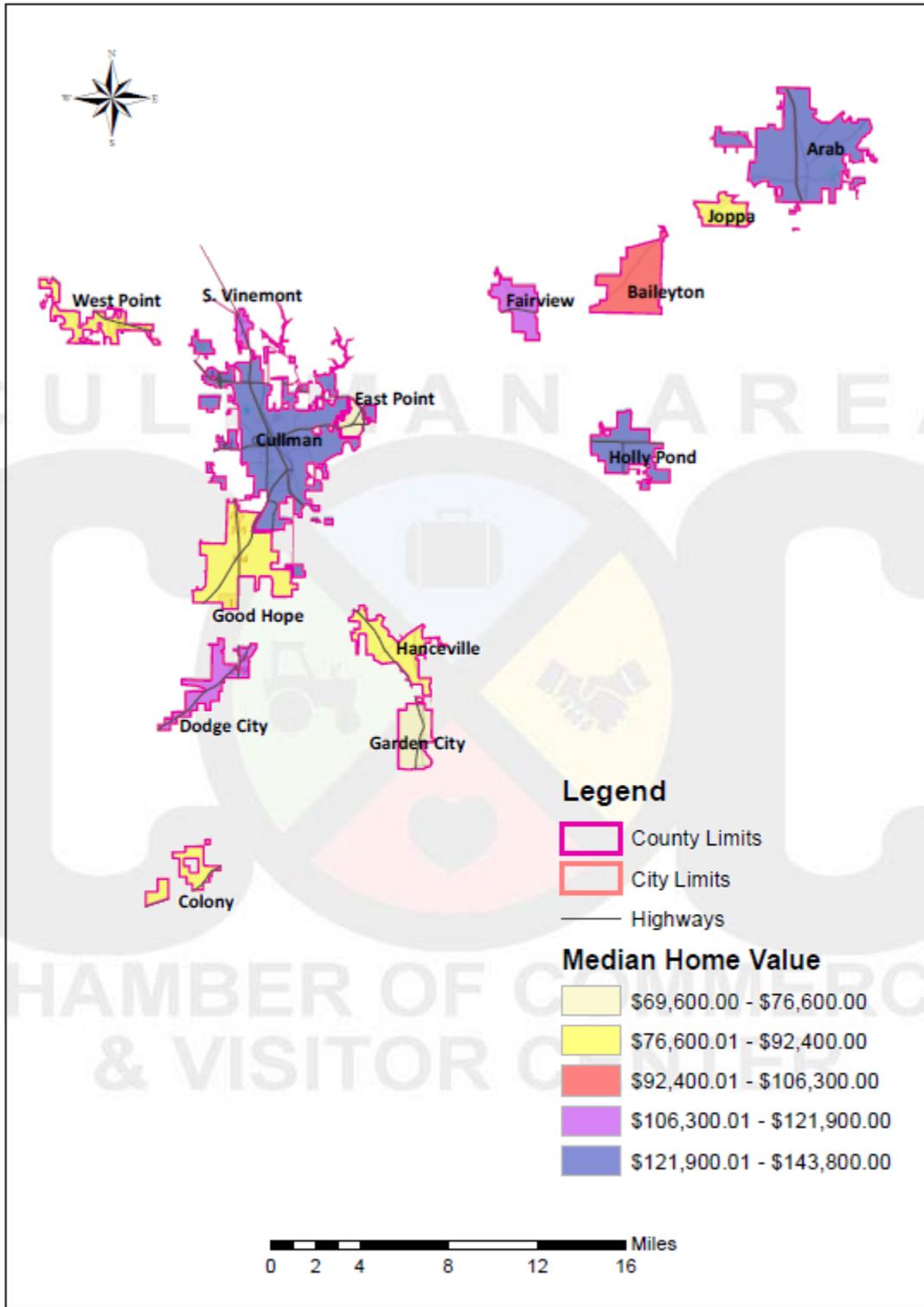
Median Age



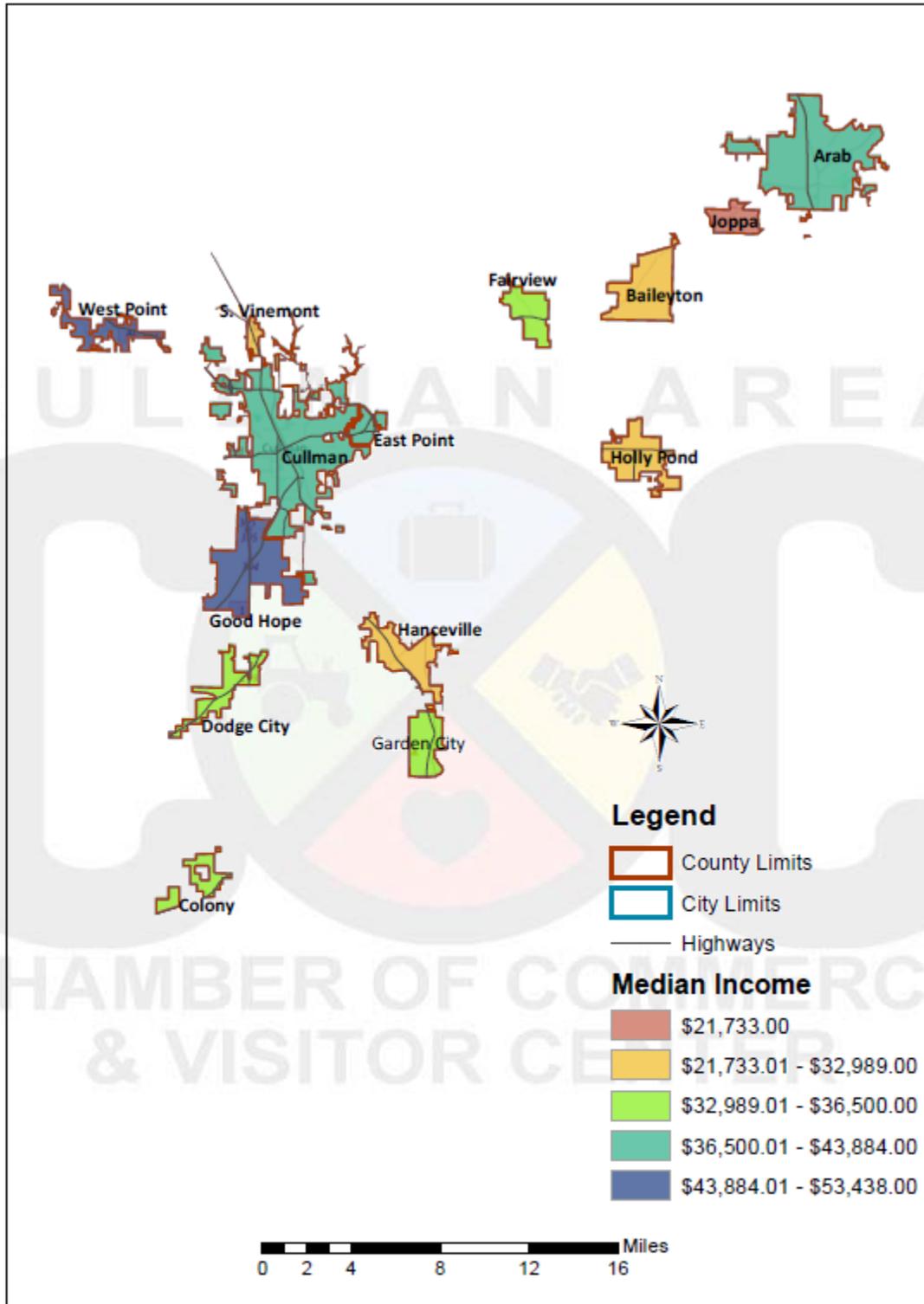
Total Housing Unit



% Population over 25 - High school graduate



Median Home Value



Median Income

APPENDIX E: APPLICATION OF HOUSING NEEDS ASSESSMENT PROJECTIONS, STRATEGIES - SOLUTIONS

The Housing Needs Assessment identifies future housing needs based on population, economic, housing, and other trends that predict growth patterns over time. Each jurisdiction is expected to evaluate the report to determine how and if the Projections, Trends, Strategies and Solutions are then applied to specific geographies or areas within the planning area. Determination of where and how those predictions will most likely occur or should be encouraged to occur will be based on current and future conditions in individual Jurisdictions. To help guide the implementation, JQUAD's recommendation for implementation includes the application of a classification scheme that examines specific geographies in relationship to projections and trends, and current conditions of existing housing, commercial corridor, downtowns, neighborhoods and housing market.

Perceived direction of current change in an area is based socio-economic composition of census data, market conditions, housing, neighborhood and commercial corridor conditions, and other factors that create stress on planning area's stability and can contribute to decline. Within this matrix, each jurisdiction or sub-district planning area will be placed in one of the 12 cells based on these two factors. Some area currently has major deterioration but undergoing some recent improvements in the form of renovation or redevelopment activities. Similarly, some areas are in good to fair condition but experiencing stress from aging infrastructure, current residents, and businesses, institutional and other investors unable to maintain their properties. By understanding where the planning area conditions are currently and where they are likely heading, a fundamental policy direction can be set to facilitate reinvestment and revitalization and implementation of the Needs Assessment projections and recommendations. Based on the twelve cells in the classification model, five area classifications are included in the system. One or more of the five approaches or classifications can be applied to the planning areas and used to guide implementation of the Needs Assessment within specific planning area boundaries, or jurisdictions.

Basis for Application of Planning Area Projections and Recommendations -

Understanding where sub-districts planning area and individual jurisdictions in Cullman County ranks on the sustainability spectrum, will determine the policy orientation as to which, how and to what extent strategies and policies should be applied to the sub-geography of the area to meet future housing needs, and maintain stability or reverse decline in existing areas. Once a fundamental policy direction and specific sustainability scheme was determined, the classification system is applied considering current conditions in the area and the direction of change perceived to be occurring.

Direction of Change Current Conditions	Improving ++	Beginning Improvement +	Beginning Decline -	Declining --
Good - Fair • Steady Maintenance • Reinvestment	• Stabilization	• Stabilization	• Stabilization + • Enhancement	• Stabilization + • Enhancement + Selective Renovation and Reinvestment
Minor Deterioration • Minor repairs • Delayed maintenance • Scattered major repairs	• Enhancement	• Enhancement	• Selective Renovation and Reinvestment	• Selective Renovation and Reinvestment + • Selective Redevelopment
Major Deterioration • Major repairs needed • Little or no maintenance • Disinvestment	• Selective Renovation and Reinvestment	• Selective Renovation and Reinvestment + • Selective Redevelopment	• Redevelopment + • Selective Renovation and Reinvestment	• Redevelopment

Four Orientations:

Stable Planning Areas - The Stable or Stabilization strategy is used in those areas that are in good to fair condition and that show some evidence of, at least sustaining or beginning improvement. It is also used in conjunction with enhancement and other strategies when neighborhoods are showing some beginning decline.

Transition Planning Areas - The Transition or Enhancement strategy is the next step up, in terms of intervention or participation in the commercial corridor or neighborhood reinvestment process. It is used in conjunction with stabilization strategies in areas

currently in good to fair condition and represents the primary strategy for those areas with minor deterioration, but which are already showing signs of improvement. These are generally area where private economic and public intervention are already at work and it is evident that market forces are still at work. Public intervention or participation is used to facilitate, compliment and assist the revitalization process already underway.

Declining Planning Areas - The Declining or Renovation - Reinvestment strategy is used in those planning areas where minor deterioration is prevalent and where decline is underway; and in those areas where there is major deterioration and where improvement has already started. The rationale for this strategy is that there needs to be a more active level of intervention or participation in these neighborhoods to either turn them around, or in those cases where there is sever deterioration, but some improvements, keep the process going. In some cases, this strategy is combined with selective redevelopment where existing conditions are such that renovation is too costly or where external pressures to change land use patterns are too great.

Deterioration Planning Areas - The Deterioration or Renovation - Reinvestment strategy is used where pockets of severe problems exist that are too expensive to renovate. Where edges of target area are under pressure for land use changes that can threaten the stability of the entire area, selective redevelopment can be used to accommodate the land use change desired and to establish a more defined neighborhood boundary that can withstand further pressure for de stabilizing changes. This planning model is then applied to the study area geography to determine the key issues and opportunities and strategies and recommendations to address these findings.

Vision - The Vision for the Housing Needs Assessment and resulting plan creates a unique perspective of how and what housing solutions best serve as opportunities for residents, institutions, merchants, and other stakeholders to work together with City-County Governments and the Cullman Area Chamber to address future housing needs and create sustained reinvestment. Implementation envisions all stakeholders working together across individual interest to build consensus on how to address housing needs throughout Cullman County.

The planning area consists of both residential areas and commercial corridors and focuses on both incorporated and unincorporated areas of Cullman County. The plan area was established by the Cullman Area Chamber and the analysis is part of a multi-discipline approach to improving regional sustainability. The vision embraces seven basic principles that guided the planning process and the development of recommendations and strategies that evolved. The vision is to offer a range of housing choices that appeal to all demographics, income levels and stages of life.

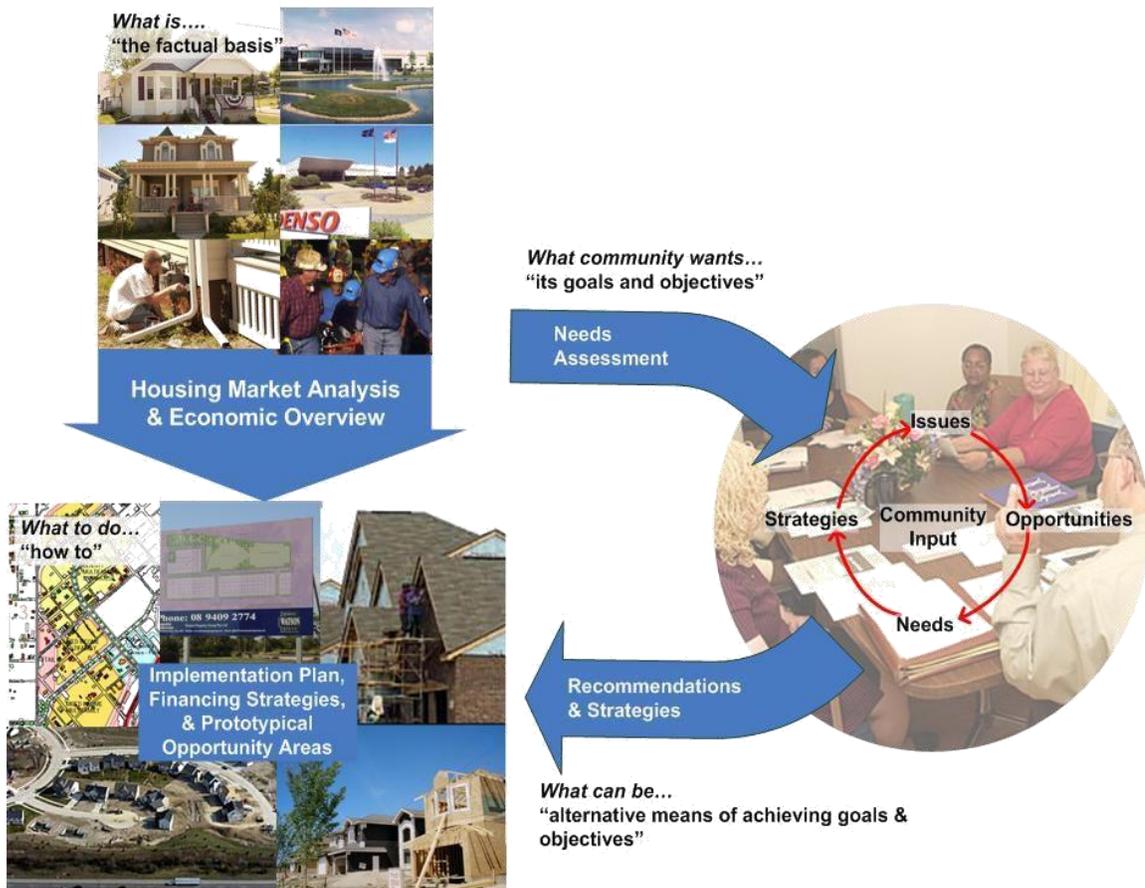
The Cullman Area offers a unique opportunity and attraction for persons seeking quality housing, walkability, and live-work-play environments. In addition, the vision and needs assessment supports revitalization and preservation of the existing housing, neighborhoods, downtowns, and retail and commercial areas in four critical ways. First, increased residential densities can help to create critical mass in development to support local non-residential uses. Second, residential units in a downtown setting and in mixed use developments help to create street level activity and visual characteristics expected in mixed use cores. Third, existing blight will be replaced with new housing development and a renewed sense of community and neighborhood. Fourth, housing will be affordable to a wide range of incomes helping to form a community that does not ignore the need to ensure that current area residents and new residents seeking housing can find housing of their choice. The vision and needs assessment recognize that the Cullman Area is home to a population with diverse incomes. Housing alternatives and products must provide alternatives for persons of all incomes.

Goals and Objectives

1. To maintain neighborhood and commercial corridor stability and reverse trends toward neighborhood decline with a focus on sustainability;
2. To encourage diversity of housing types and retail and commercial uses, priced to meet the diverse needs of the community;
3. To encourage the sustained involvement of diverse interest and stakeholders in the future development of community and neighborhoods;

4. To improve the living conditions of lower income and elderly residents;
5. To support job creation through economic development and small businesses;
6. To create new housing that meets the diverse needs of the area demographics, by responding with a mix of housing that reflects the way people live today;
7. To replace images of unsafe and obsolete area to a destination com

Project Approach



munity;

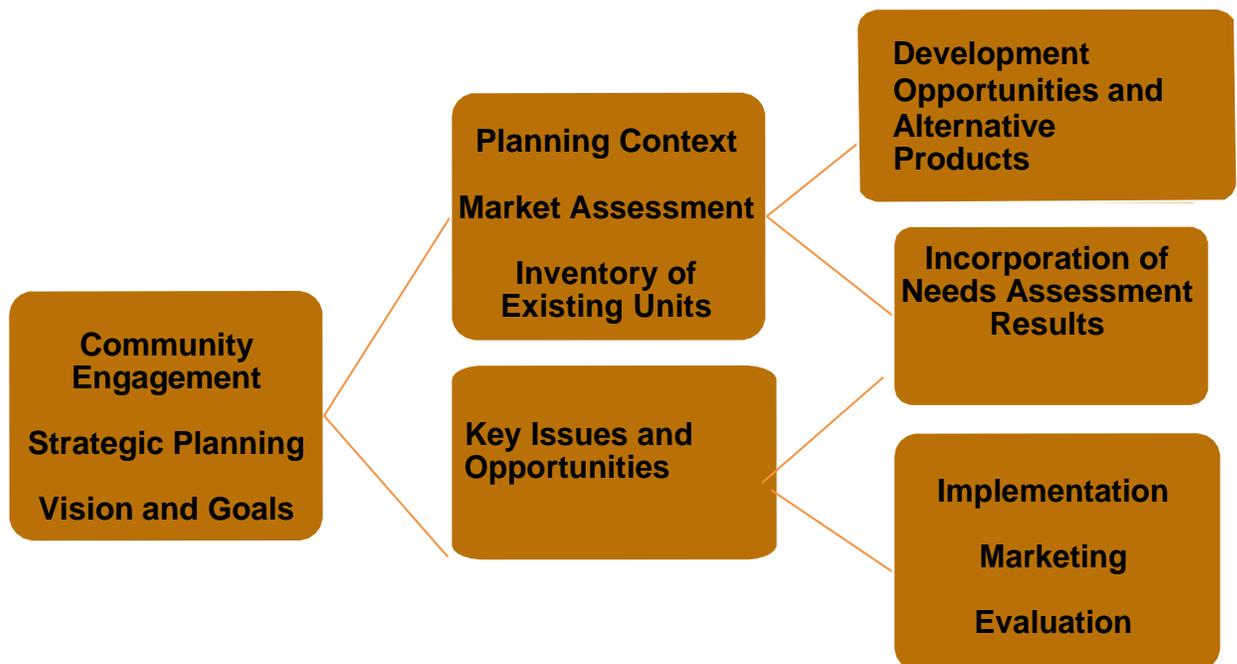
8. Encourages creation of new housing development that meets needs identified.

Needs Assessment Approach

Approach and Methodology

Our approach is effective as a planning and development tool with deliverables including projection of housing needs, development opportunities and alternative housing products, financing alternatives and resources, and policy and regulatory options that encourage future housing development and help maintain neighborhood stability for current and future residents and businesses. The approach includes three critical steps:

Our technical analysis utilized to assess the housing needs for the Cullman area provides guidance in projecting the number and types of units needed; price points and affordability based on market conditions and economic projections. Identifies opportunities, locations, and best practices for achieving the goals and implementation.



Community Engagement – During this phase, we gather input on the purpose, approach, methodology and scope of the planning process, and sought broad community support in establishing the vision and desired products and outcomes for the planning and needs assessment. Strategic planning sessions were held to help identify issues, priority needs and gather an understanding of the existing conditions.

Tools and Data Sources – Project Initiation, Work Plan Refinement, and Initial Data Collection initiated the project and establish the factual basis within the planning area and identify critical issues based on these facts. The team evaluated existing conditions in the Cullman Area and identified preliminary opportunities and options for addressing key issues, shared vision and in response to the needs identified in stake holder forums and surveys. Existing data and planning documents were utilized, supplemented with data collected by the planning consultant.

Task - The assessment of local housing markets and needs and preferences of potential homebuyers and renters included city, county and sub-area market conditions and preferences and housing needs and opportunities in anchor assets such as downtowns, college campus housing, undeveloped land, lakefronts and other upscale development, and in support of industry and economic development initiatives. This included an analysis of the housing market supply and demand; housing and neighborhood conditions including age, location, pricing, and absorption for new and existing housing units, land uses, public infrastructure, transportation needs, and developable lots

Other factors considered included potentially available land for development, and opportunities to support acquisition land strategy; demographic on housing, income, employment, infrastructure, economic and workforce characteristics, property conditions, development trends, public policy, and housing and financing products/programs available to help meet residents' existing and future needs. Results can be utilized in formulating future development decisions and serve as a basis for creating housing policies, recommendations for revitalization of existing neighborhoods.

Key Issues and Opportunities – The Key Issues and Opportunities include alternative approaches for solving problems and capitalizing on opportunities identified. Strategies identified for achieving the housing needs and goals are primarily based on market conditions, regulatory changes, reinvestment in infrastructure, and housing finance strategies that achieve the price point and affordability goals established for the Cullman Area. Housing policies, regulatory changes, and private public partnerships are recommended for implementation with prototypical projects scenarios and development strategies identified and illustrated for specific jurisdictions and areas and potentially for

replication in other sub-areas in Cullman County.

APPENDIX F: DOWNTOWN - MAIN STREET DESIGN GUIDELINES

Design Guidelines and Standards - The goal of the Needs Assessment as it related to downtowns and main streets is to become successful in attracting people to points of interest, downtown-main street opportunities, and entertainment and commercial districts to live, work, play, shop and be entertained. Success in achieving downtown / main street renaissance is in part attributable to the authentic quality and diverse character and history of downtowns and main streets. To be successful and sustain success, cities such as Hanceville, Cullman and other jurisdictions in the study area are encouraged to develop and implement design standards preserving downtown and main street urban characteristics. Design Standards are needed to improve and protect the appearance, value and function of downtown properties. The design standards should allow creativity and variety within a framework of basic design parameters that will reinforce the best attributes of downtown or main streets. This prototypical design standard is intended to serve as a basis for developing specific guidelines that can be adopted by cities and towns as part of implementing recommendations of the Housing Needs Assessment. Once a jurisdiction has final design guidelines and standards developed and adopted, all future projects should be evaluated in accordance with such design standards.

General Design Principles

1. **Promote a pedestrian oriented urban form.** The Design Standards should focus on promoting a walkable urban form of development consistent with the character suited to a downtown or main street district. The focus on form promotes buildings that conform to tested urban design principles and that adapt to changing conditions over time.

2. **Maximize connectivity and access.** The continued success of downtowns and commercial districts requires a multi-modal circulation network in which visitors, employees and residents may conveniently walk, drive, or bike to destinations within and outside of the district. Urban Design Standards should be considered as a means of

promoting walkable blocks and street designs that balance these transportation intersections while ensuring accessibility for all residents and visitors, including those with disabilities.

3. Require excellence in the design of the public realm. Most successful downtown environments are those in which streetscapes are appealing and memorable. Streets, plazas, parks, and other public spaces should be comfortable and inviting. Buildings fronting such spaces should be active and visually interesting at the pedestrian level.

4. Support existing businesses. The Design Standards should support the success of existing businesses, by maintaining consistency in design, encouraging reinvestment, and helping to market the area's unique character.

5. Encourage adaptive reuse and support the preservation of historically significant buildings. Downtown-Main Street areas generally includes historically significant buildings. The standards and guidelines are intended to work in conjunction with any Landmarks and Historic Districts Ordinance to encourage preservation and adaptive reuse of significant buildings.

6. Encourage creativity, architectural diversity and exceptional design. The Design Standards and Guidelines should promote high-quality design. Standards and the development review process are intended to support creativity and exceptional design while discouraging uniformity.

Design and Streetscape Standards:

- **Frontage Zone:** The Frontage Zone is located immediately adjacent to buildings, walls, fences or property lines fronting a street or public space. Typically includes landscape, awnings, benches, and outdoor café seating.
- **Pedestrian Way:** The Pedestrian Way serves as the area dedicated to walking and should be kept clear of all fixtures and obstructions. The clearance provided in the Pedestrian Way should generally be straight for the convenience of all pedestrians and those using a wheelchair. This zone is located between the Frontage Zone and the Furnishing Zone.

- **Furnishing Zone:** The Furnishing Zone lies between the Pedestrian Way and the Street. This zone includes street trees and utility poles, Parking and transit sign-age, bike and news racks, benches, transit shelters, waste receptacles, and out-door seating depending on sidewalk width.
- **Walkway Landscape:** Increase the quality of life for business owners, residents and visitors.

Building Standards:

- **Roof Standards** - Shape and roofing materials shall be harmonious with existing buildings and building design. Parapets shall be high enough to screen all roof-mounted equipment from the view of pedestrians.
- **Exterior Lighting Standards** - Building-mounted lighting on facades or other accent lighting on architectural features are encouraged. Building lights shall be compatible with the architecture of the building. Lighting shall be designed in a manner to avoid disturbances and glare onto adjacent properties.
- **Building Equipment and Outside Service Standards** - Building equipment and service area include but are not limited to rooftop equipment, mechanical and electrical equipment and conduit, ducts, piping, fire equipment, water backflow devices, trash facilities, recycling facilities, utilities, satellite dishes, solar collectors, antennas, loading and unloading areas, and draining facilities.
- **Temporary Construction Facilities** - Temporary construction offices, storage sheds, trailers, barricades, fences and the like should be allowed as necessary during the construction of a permanent building.

Single Family Area Standards - Areas that are largely single-family or mixed housing and commercial will have distinct characteristics that are worthy of preserving. The preservation of the homes and character of these neighborhoods are important to the cities and towns. Some areas may be characterized primarily by single-family and multi-family homes where there is limited existing commercial activity. Both new and older

housing located within the downtown or main streets may require some variation of certain design standards. The following are standards that may vary. All other standards in this document should apply to these districts.

- Sidewalks: New sidewalks should be a minimum of 4 feet in width and consistent with the prevailing sidewalk width on the block.
- Setbacks: Setbacks for new developments should be consistent with the prevailing setback on the block.
- Driveway width should be consistent with the prevailing driveway width on the block facade.
- Off-street parking should be carefully accessed for development impact, along with front lawns and right-of-way other than the sidewalk.
- One-lane circular drives should be allowed where property has sufficient feet-in-width for its frontage.
- Garage location should be consistent with the prevailing pattern on the block.
- Allowed maximum height should be evaluated based on desired development
- Heights of two to four floors are typical to ensure project financial feasibility.
- Roof pitch should be consistent with the prevailing roof pitch in the district.
- Single family property development may require that fencing be consistent with the local standard for single family use.
- Modifications (excluding normal maintenance) to trees, lighting and sidewalks within the public right-of-way are subject to these standards.
- Landscape and other non-structural improvements on private property outside of the public right-of-way should not subject to these standards or review.

Development Review - The Design Standards should apply to projects located within downtown, commercial corridor and target area housing plan districts. The recommended standards are intended to encourage a high level of design quality and provide the flexibility to encourage creativity on the part of the project designers.

**APPENDIX G: CONDENSED VERSIONS OF NEEDS
ASSESSMENT - GOVERNMENT DEVELOPERS PUBLIC**

