



Housing Report

a 10 year plan

Presented by the Oak Ridge Chamber of Commerce

To Oak Ridge City Council

April 18, 2017



About This Report

- This report only reviews Oak Ridge as it compares to the five most popular communities where people who work in Oak Ridge choose to live (based upon analysis of over 7,000 zip codes provided by Oak Ridge employers)
- The communities include Farragut, Hardin Valley, Northshore, Karns and Cedar Bluff
- Competition for residents is fierce and Oak Ridge competes with some of the most desirable communities in the region
- Almost 1,000 employees who work in Oak Ridge voluntarily completed a survey that provided a “snapshot in time” of perceptions, preferences and attitudes related to housing
- 2016 estimates of 2010 US Census Data basis of demographic information




Data Highlights

Zip Code Analysis of Where Employees Live

Based upon the zip codes of 7,372 employees from 8 major employers in Oak Ridge, we learned that the employees' current places of residence were:

- ▶ 22% Oak Ridge
- ▶ 44% Knox County (majority in Farragut, Hardin Valley, Northshore, Karns and Cedar Bluff)
- ▶ 10% Roane County
- ▶ 6% Clinton
- ▶ 4% Loudon County
- ▶ 3% Blount County
- ▶ 2% Morgan County
- ▶ 2% other counties



Data Highlights - Demographics

When compared to competing communities, Oak Ridge has the:

- ▶ lowest percentage of population (28%) under 24 years old and the largest percentage of population (21%) over 64 years old
- ▶ lowest estimated population growth rate through 2021
- ▶ lowest median household income at \$50,764 compared to Northshore \$104,774, Farragut \$95,912
- ▶ lowest percentage of population who have attained a bachelor's degree



Data Highlights - Housing

When compared to competing communities, Oak Ridge has:

- ▶ the oldest housing stock and the lowest housing values
- ▶ only 8.6% of homes have been constructed since 2000 compared to over 40% in some competing communities
- ▶ only 54% of housing is owner occupied while 34% is rental and 12% is vacant
- ▶ about half (6,500 homes) of housing located in the Manhattan Overlay District where most housing is valued less than \$150,000 and renters significantly outnumber homeowners



Employee Survey: Factors determining where to live that were rated very important:

- 86% - Available housing at price that fits budget
- 85% - Quality of neighborhood homes
- 82% - Crime Rates
- 61% - Curb appeal of neighborhood
- 60% - Public services – police, fire, water, sewer
- 60% - Quality of public schools
- 60% - Commute time



Employee Survey: most common reasons (or perceptions) why respondents chose to live places other than Oak Ridge:

- No new housing stock, very few houses in their price range, no new subdivisions
- City is run down and looks dirty
- Houses are more expensive in Oak Ridge (perception)
- No retail shopping or restaurants (except fast food)
- No places to gather in community
- Small, old neighborhoods detract from city




Property Tax Rates

- ▶ None of the competing communities are in the city limits of Knoxville so they do not receive city services
 - ▶ Privately purchased fire protection cost averages \$350/year and fire insurance rates are significantly higher
 - ▶ Privately purchased trash pickup averages \$305/year
- ▶ when the cost of purchasing services not provided by Knox County is factored into the overall cost of ownership, the difference is significantly less




School Performance

- Oak Ridge schools perform very well when measured by standardized testing and reported in the 2014/2015 TN State Report Card; however several competing community schools performed equally well
 - More than half of Oak Ridge students are economically disadvantaged compared with 13 to 36% in the competing communities
 - Oak Ridge enjoys a proud heritage of excellence in public school education; the system is overwhelmingly perceived as one of the best in TN and the Nation
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Strengths

- ▶ Excellent City amenities
 - ▶ School system
 - ▶ Police & fire protection
 - ▶ Parks and recreation
 - ▶ Library
 - ▶ Healthcare facilities
 - ▶ Cultural Organizations
 - ▶ Visibility generated by National Park status
 - ▶ Close proximity to major employers
 - ▶ Resurgent retail/restaurant availability
 - ▶ Momentum from “Not In Our City” initiatives
 - ▶ Small, close-knit community that welcomes newcomers and diversity
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Weaknesses

- Unmet need for new housing stock, especially in the \$180,000 – \$280,000 range
- Unmet need for rental properties in the \$900-\$1,200 per month range
- Housing stock currently concentrated in WWII era neighborhoods with very small homes valued at less than \$150,000
- Perception that the city neighborhoods are run down and old with no curb appeal
- Perception that Oak Ridge housing is more expensive than West Knoxville competitors
- Very limited retail shopping and restaurants (although this is quickly changing)
- Limited places for friends and families to gather



Opportunities

- ▶ Create new housing stock in the City with a price point between \$180,000.00 - \$280,000.00
- ▶ Increase rental properties for the City's median income (+) population
- ▶ Focus on intense neighborhood revitalization
 - ▶ Areas where there are "Good Bones" provide opportunities for some fixes
 - ▶ Areas where there are "Bad Bones" provide opportunities for total makeovers
 - ▶ Investigate independent living options for people looking for locations where their needs can be met in close proximity to their homes (aged, disabled, ill, etc.) – Perhaps close to the Guest House/Alexander Inn
- ▶ Provide additional gathering spaces for all ages (Jackson Sq., Grove Center, etc.)
- ▶ Partner with the Oak Ridge Housing Authority to improve low income housing and eliminate blight via the Housing Authority's statutory powers




Threats

- ▶ Continued growth of West Knoxville communities to supply housing desired by today's families
- ▶ Complete blight of Manhattan District Overlay (MDO)
- ▶ Not enough tax revenues to maintain current City services



Proposed Vision

- The City of Oak Ridge leads efforts to grow and improve housing stock so that home values increase, owner occupancy increases and average household income rises.
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Proposed Mission: The City of Oak Ridge will develop and implement a housing plan that:


- Attracts, encourages and supports private developers to build new subdivisions with housing in the \$180,000 – \$280,000 range; build homes buyers want and that will sell at competitive and profitable prices.

Suggested strategies

- Catalog and prioritize property with development potential
- Compare Oak Ridge and West Knox County building codes to identify, evaluate and implement changes that would make Oak Ridge a more competitive option for new subdivisions
- Bring in high volume East Tennessee builders to assess current/future paths



Proposed Mission: The City of Oak Ridge will develop and implement a housing plan that:

- ▶ Attracts, encourages and supports private developers to build new apartments that rent for \$900-\$1,200 per month
 - ▶ Attracts, encourages and supports private developers to create convenient mixed use gathering spaces
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Proposed Mission: The City of Oak Ridge will develop and implement a housing plan that:

- Improve the appearance of existing neighborhoods through aggressive codes enforcement and beautification projects

Suggested strategies

- Develop and heavily publicize a vehicle for citizens to report code violations in their neighborhood
- Increase number of city inspectors dedicated to addressing code violations
- Continue blight elimination efforts through the Oak Ridge Land Bank with state and federal grant programs
- Assess optional approaches for new development and stalled development via the land bank and the Oak Ridge housing Authority
- Develop/implement beautification projects for public spaces and neighborhood entrances in concert with community partners and volunteers



Proposed Mission: The City of Oak Ridge will develop and implement a housing plan that:

- Identify and implement ways to incentivize home improvements in the Manhattan District Overlay
- Develop and implement a consistent brand for Oak Ridge that encompasses livability, economic development and tourism
- Develop public/private partnerships working in concert to enhance all efforts



Next Steps

- ▶ If we band together as a community and comprehensively address housing in Oak Ridge, change will happen
 - ▶ City Council must make housing a priority
 - ▶ City must lead efforts to fully develop and implement a comprehensive housing strategy
 - ▶ Integrate housing strategy into the City Blueprint Initiative
 - ▶ Residents as well as business/industry leaders and community stakeholders must take ownership and be an active part of the solution
 - ▶ The Chamber of Commerce looks forward to partnering with the City and other stakeholders as appropriate