

City of Wharton 2020 Housing Summary

INTRODUCTION

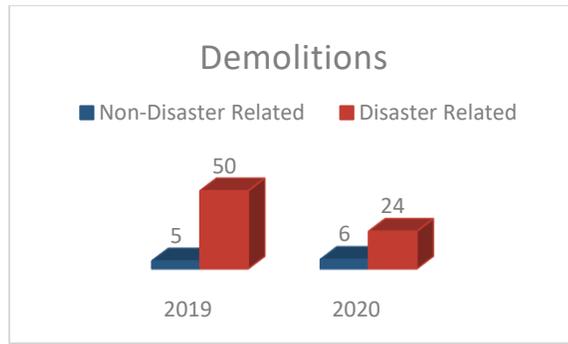
The City of Wharton has experienced a number of factors impacting the state of housing in the community over the past few years, including Hurricane Harvey, 2019 Flooding, HWY 59/I-69 expansion, buyouts & relocations for USACE levee project, and the COVID-19 pandemic. Many of the available housing options continue to be either at capacity or sub-standard, including multi-family apartment units that need repairs and upgrades, and have been impacted by flooding or are not affordable for the typical family. Furthermore, existing housing options for seniors remain at capacity, leaving older families and individuals in larger homes they may no longer be able to maintain physically or financially, without any local options to downsize. Local permitting data for 2020 show a shift from high disaster related repair counts to higher disaster related new/replacement construction counts when compared to 2019, with many of the disaster recovery agencies working towards exhausting replacement housing funds during the 2020 period. The City of Wharton is also starting to experience an increase in private development as the demand for housing increases. Growth from neighboring areas like Fort Bend and Harris County is made more accessible through the HWY 59/I-69 corridor expansion, making it easy for families escaping the city and suburbs to seek the 'small town life'. The COVID-19 pandemic trends of work from home further this desire and ability for families and individuals to leave more heavily populated areas, as the need for proximity to employment has been dramatically reduced. Existing housing inventory saw a severe decrease in availability with 8.01 months of inventory in 2019 to 3.2 months of inventory for 2020. This reduction of housing options available for purchase coupled with the increasing demand for housing has driven up costs by 6% with an average sales price of \$151,882 in 2019 to an average sales price of \$165,801 in 2020. These trends are further extended into 2021 with continued decreases in available inventory and steep increases in the average sales price. Continued investment in developing new housing opportunities, both single and multi-family, will be critical in meeting the communities housing needs in the year to come.

	2019	2020	2021 (as of 5/1/21)
Avg Inventory	8.01	3.2	2.3
Total Units Sold	93	87	36
Avg Sales Price	\$151,882	\$165,801	\$192,942

HOUSING PROJECT DATA

Demolitions

Data from the City of Wharton's Building Department on demolitions show that a total of 30 housing related demolitions were completed in 2020, compared to 55 in 2019. 80% of these demolitions were conducted by the GLO as part of the Harvey Homeowner Assistance Program (HAP). The remaining demolitions were completed either by the City or private owners, and not by other disaster related agencies.



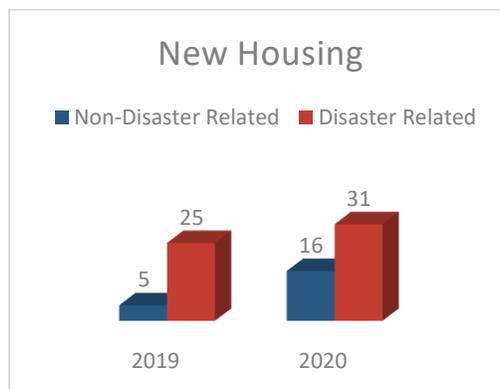
Repairs

The City of Wharton issued a total of 66 permits for repairs and remodels in 2020. Permits are required for both minor and major repairs, though it is not delineated as to what percentage of each were completed in this 2-year period. There were no recorded disasters during this period and none of the repairs or remodels can be attributed to damage from a disaster.

	2019 <i>166 Total</i>	2020 <i>66 Total</i>
Non-Disaster Related	19	66
Disaster Related	147	0

New Housing

The City saw a 56% increase in new housing construction permits, with a total of 47 new housing unit permits issued in 2020 compared to 30 in 2019. The estimated value of new housing units added to the City during the last year is around \$2.5 million, as based on average construction costs. Out of the new construction permits, there were 44 new single-family homes, 29 of which were constructed by disaster recovery agencies for 2017 Hurricane Harvey damage. Other new housing added to the community includes 3 new manufactured homes for 2020.



	2018-2019 <i>30 Total</i>	2020 <i>47 Total</i>
SF Homes	28	44
MF Homes	1	0
Manufactured Homes	0	3
Homes Relocated	1	0

HOUSING PROJECTS

1. City

City staff and local committees play a vital role in the future development of the City of Wharton. Staff, committees, and commissions work together to improve and enhance communities through housing and commercial development, planning, and infrastructure. Each group has a key role in furthering the opportunities that will help the City of Wharton grow and prosper.

Committees

Housing Committee – The Housing Committee was established in 2004 as a sub-committee for the City Council and is comprised of 3 City Council members and terms renew annually on June 30th. This Committee is designed to develop housing related issues, infrastructure needs as they relate to housing development, and to review and recommend housing initiatives that will be going before City Council for a vote. To date, the Housing Committee has assisted in supporting the City Council through establishing the Wharton Housing Finance Corporation in 2018, application of housing grant funding applications in 2017 through both the CDBG-DR and TDHCA HOME programs and oversight on the TDHCA HOME program in 2005.

Housing Finance Corporation – The City of Wharton created the Housing Finance Corporation in 2018 in an effort to further housing development activities. This Corporation includes 7 positions appointed by the City Council and Mayor. The Housing Finance Corporation has begun working with the City and private developers on infill housing development. Moving forward, the Housing Finance Corporation will grow to serve as a trustee for city owned lots that can be leveraged for developing affordable housing, provide support through land assemblage, and will be able to issue tax bonds that can be utilized to provide resources like down payment assistance, repair grants, and mortgages.

Planning Commission – The Planning Commission is comprised of 7 members and was established in 1987 as a group to review and provide recommendations regarding requests to replat and subdivide land in the City of Wharton, provide recommendations on variances to building ordinance and codes and provide recommendation on subdivision ordinances. The recommendations to approve or deny requests are forwarded to City Council, which determines the final outcome.

City Staff Departments

Community Development Department provides support in creating places and spaces that make Wharton a desirable and feasible place to live, work, and play. This can include anything from working with private developers to public infrastructure, such as utility lines, parks, trails, and more. The Community Development Department helps support and oversee the functions of the Housing Committee and Housing Finance Corporation. The Department will continue to provide this support in growing and improving the housing development activities supported through other City groups as well as non-profit partners and private developers.

Building Department assists with ensuring that new home construction and repairs are consistent with current adopted codes, conduct inspections, follow up on complaints, and enforce property maintenance codes. Code Enforcement is also a component of the Building Department for enforcing ordinances on vacant and derelict lots.

Public Works Department has worked in the area of housing to provide installation, maintenance, and support for utility related activities. This includes installing new water and sewer lines, replace outdated and damaged lines, providing taps to water and sewer utilities, assisting with demolitions and debris removal and storm and drain line installation and repair. The Public Works Department has also worked closely with the Community Development Department when it comes to negotiating developer agreements and in providing the utility support necessary to these developments.

2. Levee Acquisition and Relocation

-The City has commenced with the acquisition process started in August of 2019 after completing the initial phases for conducting surveys and appraisals. The City of Wharton is currently in the acquisition process of Phase 1 of the USACE Levee project, with a total of 36 out of 62 tracts purchased, including 13 City owned lots. Of these 62 tracts to be acquired for Phase 1, 9 families & 5 businesses will be receiving relocation assistance. As of this update, 6 relocated families have remained in the City of Wharton with 5 purchases of existing properties and 1 moving of structure to new property. An additional property owner relocated their home structure to lot outside Wharton County.



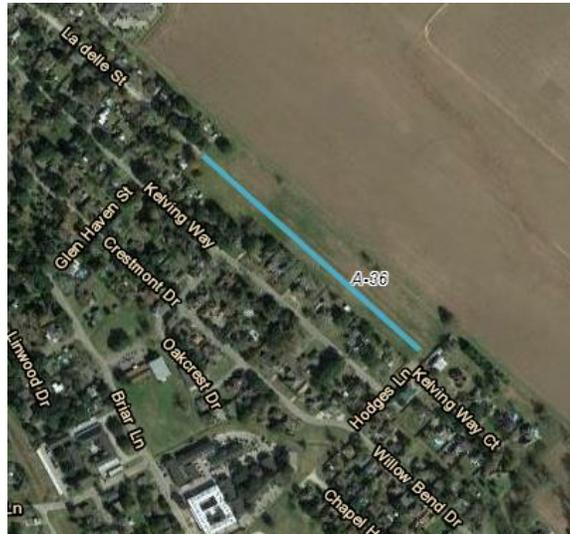
3. Private Development

-Exuma Construction & Development – Local private developer and landlord, Steve Griffin, is working to complete some infill development. At the close of 2019, Exuma Construction & Development had permits for 3 new single-family builds, but none have resulted in completed construction as these lots were purchased by another area developer. Exuma has 1 permit in process as of 2020 with a total of 0 builds for the past year. At this time Exuma is requesting consideration by the Wharton Housing Finance Corporation to take on 3 lots for new construction projects planned to begin in 2021.

<map – Not available>

-Patio Homes @ La Delle Street – Private developer, Brett Rowley of BSR Properties, has worked with the City to complete a signed developer agreement on approximately 34 patio homes to be constructed

between the end of La Delle Street and connecting through to Hodges Lane. BSR Properties did not see any development in 2020 but broke ground in February of 2021 to install required infrastructure for the planned extension of the street, including water/waste-water lines, storm drainage, and street construction. The homes to be constructed are anticipated to have a listing price of approximately \$200,000. The City is currently awaiting the house plans to be submitted for review and approval by the City's Building Official.

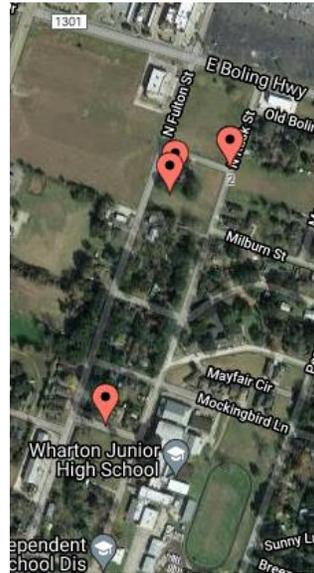


-Subdivision @ FM 1301/HEB – The City has continued negotiations to complete a development agreement with Mr. He to construct an estimated 600 single family homes in the 193 acres located off of FM 1301 behind HEB. Construction is currently planned to be completed in 6 phases, with phase 1 including single family houses and commercial frontage on FM 1301 phase 2 to include multi-family apartment buildings and additional single-family homes, phases 3-6 to include the remaining single family residences. There have been no significant changes in the status of this project from 2019 to 2020.



-Homes by Villa – Private developer, George Villareal of Homes by Villa began construction of 2 out of 4 new Homes in the 1500 block of N Fulton St., with 2 additional builds on Rusk St. adjacent to the backside of the first two. At this time, all 4 new construction builds have been completed with 1 sold, 1 under contract, and the remaining 2 listed for up to \$300k. Homes by Villa is currently in the process of

constructing 1 multi-family unit at the corner of Rusk St. and Kelley St. This project is planned to have 2 buildings with a total of 16 units (or 8 units per building). The estimated rental value of these future units is unknown at this time.



4. Non-Profit Development

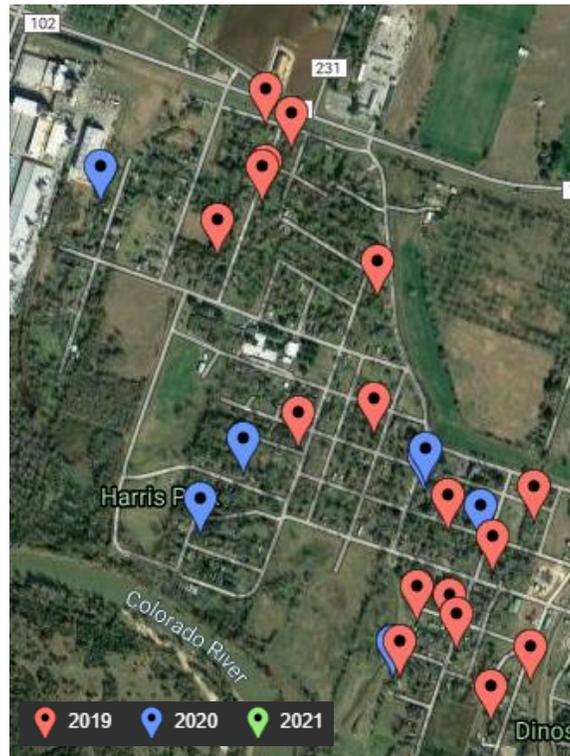
-Habitat for Humanity – Wharton Habitat for Humanity was under construction in 2020 for 1 new single-family residence, with completion in early 2021, leaving 2 remaining lots in the Habitat subdivision. One of the remaining 2 lots will be utilized by a property owner who anticipates relocating their existing home structure in 2021 as part of the USACE Levee project. Habitat does not currently have new construction plans scheduled on the last remaining lot in this block at this time.



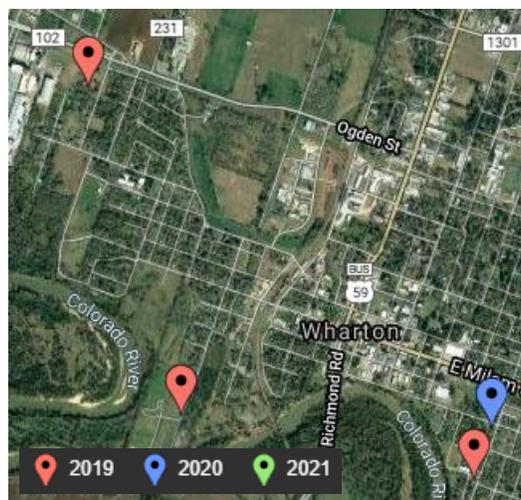
5. Disaster Recovery Development

-Wharton County Recovery Team: The WCRT has completed a total number of 24 new construction homes since the program started replacing disaster damaged homes in 2019. The majority the 24 homes

built by the WCRT were constructed during 2019, with 7 in 2020, and 0 in 2021. At this time, the WCRT has completely exhausted all grant funds to provide new construction homes to replace disaster related damages from Hurricane Harvey and the organization has plans to cease operations.

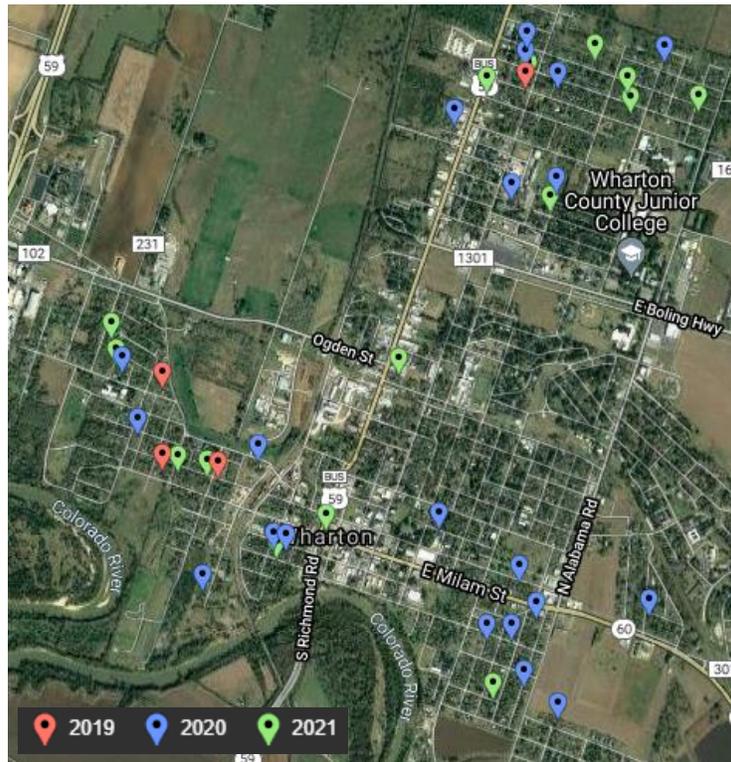


-Samaritan's Purse: Samaritan's Purse Conducted disaster related clean outs, home repairs and some rebuilds across the City in response to Hurricane Harvey. A total of 4 new construction builds have been completed by Samaritan's Purse since Harvey, with 3 in 2019 and 1 in 2020. The Samaritan's Purse program has concluded as of 2020 and will no longer be conducting new construction projects.

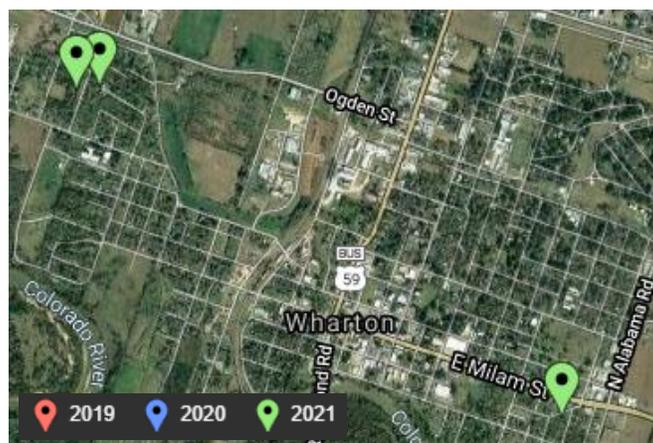


-GLO Homeowner Assistance Program (HAP): The GLO began constructing new homes in 2019 and is continuing to replace Hurricane Harvey disaster damaged homes. A total of 40 new homes have been constructed by the GLO for Hurricane Harvey damages, with 4 in 2019, 21 in 2020, completed construction

on 21 new construction homes in 2020 compared to 4 in 2019, and 15 as of mid-2021. The GLO HAP program is no longer accepting applications but is processing existing applications for additional construction in 2021.

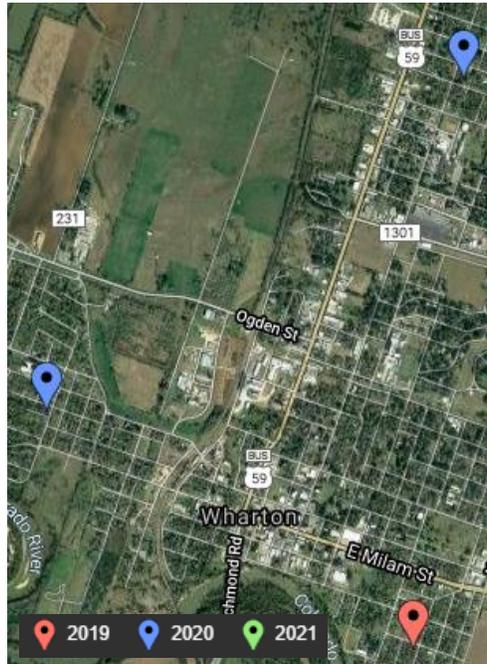


-2016 CDBG-DR Funds: GrantWorks conducted outreach and held an intake session in 2019 for funding to repair or rebuild homes damaged by the 2016 floods. Of the 6 applicants, 3 were approved for new construction homes with the remaining not being eligible or not having completed the application process. New construction on 2 of the 3 homes began in 2020 with the final home being in the permitting process. All 3 of these new construction homes are estimated to be completed in 2021.



-2017 TDHCA HOME Program: The program has been in process since June of 2017 for general disaster recovery. There were 73 applicants from throughout the city that submitted applications to participate in the program. Due to various requirements some applicants were disqualified, and some applicants failed to complete the process by providing all the required documentation. The TDHCA HOME Program

completed construction on 1 home in 2019 and 2 new homes in 2020. This program is no longer actively building and does not have any additional homes being constructed.



-Other GLO Projects:

-Abell Street: 34 new rental homes are scheduled to be constructed on the site of the existing Abell Street school building (formerly Minnie May Hopper Elementary). According to the developer, these 1 to 3 room bedroom homes are expected to rent for \$700 - \$1,500. This project will result in the full restoration of the historic building in the creation of high-ceiling loft apartments, as well as will have new single-family homes constructed along the street. Construction is scheduled to begin at the end of 2021 and be completed by early 2023.



-Brooks at Caney Creek: 9 new rental homes will be constructed on 2 sites. According to the developer, these 1 to 3 room bedroom homes will rent for \$700 - \$1,100. Site 1 is located next to the Chamber of Commerce. These single-family cottage homes are designed with front porches, a gazebo and a little trickling brook integrated into the landscaping. Site 2 will have a 2-story

Victorian with a unit upstairs and one downstairs. Construction is scheduled to begin this summer and the homes should be completed by early 2022.



-Emerson Heights: 44 new rental homes will be constructed on 6 sites. According to the developer these 1 to 3 room bedroom homes will rent for \$700 - \$1,100. The homes will be built in a variety of styles and configurations to offer the widest variety of choices to residents. Although the site plans are still under design, the grant outlines that Site 1 will be a 2-story house with a handicap accessible unit on the first floor and a second unit on the second floor. Site 2 will have 4 single-family homes. Sites 3 – 6 are on the north and south sides of Milam. The 2 – 3 story buildings will be designed to match Wharton’s historic downtown buildings and revitalize the connection between the downtown and the historic train depot. Construction is estimated to begin in fall 2021 and be completed by the end of 2022.



CONCLUSION

The City of Wharton is showing signs of shifting from responding to disaster in housing to attracting opportunities for housing growth. While most of the housing constructed in 2020 was disaster related replacement of single-family homes, signs of investment from private development investments have started to show. A total of 79 units of single-family housing units have been constructed since 2019, of which all but 5 were disaster related. The increasing demand for housing is forecasted to continue and the City anticipates that 2021 will continue to build on the shift to developing more opportunities with an increase in both single family and multi-family construction projects in the works. Private investment plans for future housing include upwards of 637 single-family new construction units and a sum of 103 rental units slated for future construction. The City of Wharton looks to expand upon attracting housing in working with the Housing Finance Corporation in a proposed program to encourage developer proposals for city-owned lots and will continue efforts to improve the quality of life in the communities through proposed projects and events.