

City of Jeffersonville

Employment Forecasting and Housing Build-out Scenarios

Department of Planning and Zoning
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Mike Moore, Mayor
Nathan Pruitt, Director of Planning



Introduction & Purpose

In 1998 the U.S. Congress deeded approximately 6,000 acres of the former Indiana Army Ammunition Plant to the River Ridge Development Authority, opening up a massive opportunity for redevelopment and investment in northeastern Jeffersonville. This unprecedented project, coupled with the Ohio River Bridges project, which is significantly increasing traffic capacity between Indiana and Kentucky, has positioned Jeffersonville for substantial growth in the next 10-20 years.

In order to guide City Council and other decision makers on how to best plan for growth and development in the coming years, the Department of Planning and Zoning determined that it was prudent to undertake a forecasting and scenario planning exercise to better determine what future growth will look like, where it might take place, and how it will impact the City in the next five years.

Specifically this report seeks to answer the following questions:

- How many **new jobs** can we expect to see in Jeffersonville by 2022?
- What is the projected **housing demand** created from those new jobs?
- How much **land** is potentially **available** for development or redevelopments?
- How much **land** is **required** to house the potential housing demand?
- How might the City of Jeffersonville better **plan to accommodate this growth** in a smart, sustainable and fiscally responsible way?

Growth Jobs River Ridge Ohio River Bridges Project

Zoning
Development
Land
Demand
Planning
Housing



Future Jobs Forecast:

How many new jobs are coming to the City?

Past trends

Every five years the U.S. Census Bureau conducts an Economic Census. The following table documents the most recent job growth data.

Year	Number of Jobs	Growth Rate
2002	16,955	-
2007	18,976	12% over 2002
2012	21,445	13% over 2007

Current projection

In mid-2017 the Census Bureau will release new numbers, but rather than wait a year for new data, we've created an estimate based on the past trends and local data. We have good reason to assume that the average rates of job growth in Jeffersonville over the last 10 years are still continuing today, so we are assuming a 12.5% increase over 2012's job numbers by 2017. That would equate to about 24,126 total jobs.

We also know that, since 2012, there has been significant job growth in River Ridge that is in addition to normal job growth. The River Ridge Development Corporation indicates that at full build-out the new development will employ around 40,000 people. At the end of 2015 they were estimated to be at about 15% build out with around 6,800 new jobs on site (River Ridge Annual Report 2015). If we add these 6,800 new jobs on top of the regular growth we estimate that the 2017 job numbers should be around 30,926. As it is nearly 2017 we can assume that most of these jobs have already been created, and can safely adopt this as the current job total.

Future projection 2022

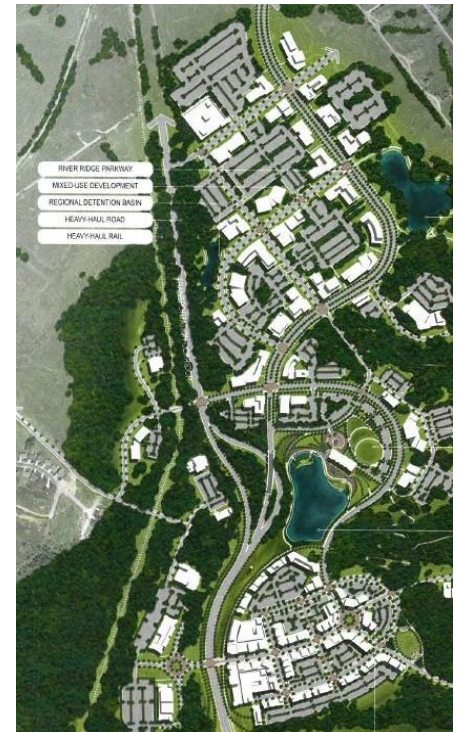
Assuming continued growth of 12.5% over the next five years and 50% build out of River Ridge by 2022 (13,200 additional jobs), we have created a projection for 2022. ***If all trends continue, we could expect nearly 48,000 jobs in Jeffersonville by 2022 and 70,600 by 2027.*** The table below summarizes this forecast.

Year	Est. No. of Total Jobs	Growth Rate	River Ridge Completeness
Current	30,926	44% over 2012	17% or 6,800
2022	47,991	55% over 2017	50% or 20,000
2027	70,600	47% over 2022	100% or 40,000

Total new jobs in Jeffersonville by 2022 = 17,066

17,000+

New jobs created in Jeffersonville by 2022



Housing Demand Forecast:

How does job growth relate to housing demand?

We know that there will be significant growth in the number of jobs in Jeffersonville over the next five years, but how does that growth translate into demand for housing units? In order to determine the relationship we need to look at **commuter trends**, **regional demand patterns** and **household status**.

Commuter Trends:

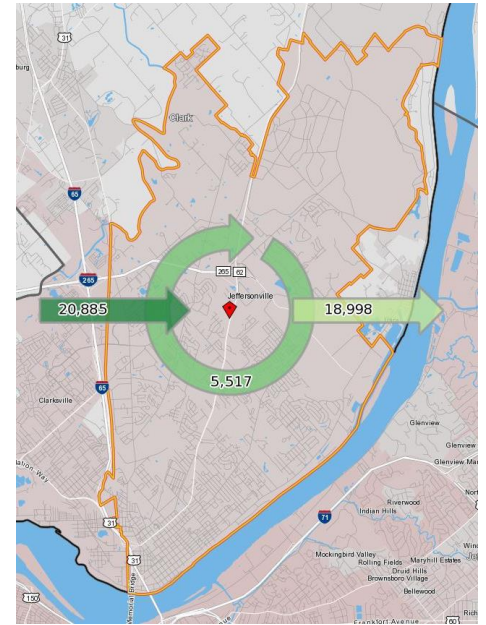
The U.S. Census Bureau also collects data on commuter trends. The graphic in the sidebar shows the trends as of 2014. The dark green arrow shows the estimated number of people commuting into Jeffersonville for work (20,885). The light green arrow shows the estimated number of workers who live in Jeffersonville but commute to jobs outside the city (18,998). The circular arrow shows the number of Jeffersonville Residents who live and work in the City. This circle represents 21% of the population of Jeffersonville and serves as a basis for our housing calculations.

If we assume that this trend will continue unchanged through 2022, then it could be projected that 21% of our forecasted 17,066 new jobs (about 3,584) will demand housing in Jeffersonville. There are, however, other forces at work.

Regional Demand Patterns:

There are several reasons that we expect housing demand from future job growth to be higher in Jeffersonville than the existing commuter trends suggest. These include:

- People increasingly like to **live near where they work**.
- Commuters may choose to avoid **tolls** on new bridges.
- **Taxes** are **higher** in KY.
- Nearby properties in KY that are newly **accessible** via the new east-end bridge are much more expensive than other parts of the region – **affordability** will be a problem for many of the medium to low paying blue-collar jobs in River Ridge.
- Some development will occur in Charlestown and Sellersburg, but Jeffersonville has more **existing infrastructure** which is more **attractive** for **developers**.
- People **seek amenity rich communities** such as Jeffersonville that provide places to recreate, shop, dine and entertain.
- Additional housing demand will come from people moving to Jeffersonville for **housing cost relief** even though they work across the river thanks to better **connectivity** to the Louisville market of services and amenities.



Commuter Trends in Jeffersonville
(U.S. Census Bureau)

Housing Unit: A measure of housing equivalent to the living quarters intended for one household. A housing unit may refer to a single house or an individual apartment, condominium or townhome in a larger building or complex. All housing units that are vacant are included in the total number of housing units.



Due to these realities we feel that actual demand may be up to 50% higher than the existing commuter trends suggest. This translates to a demand for approximately 5,400 units.

Household Status:

One other trend that must be examined is household status. Since some families might have two or more members who live and work in Jeffersonville, not every job created translates directly into a housing unit.

We know that about 47% of current Jeffersonville households are either a single person (29%) or are a single parent with kids (18%) (U.S. Census Bureau). We expect this trend to continue, if not grow, in coming years as this is a national and regional trend. Therefore, at least 47% of the projected new employees will need their own housing unit. This translates to 2,500 new housing units for single person or single parent households. This demographic is more likely to rent an apartment and may translate into greater demand for multi-family units and should be taken into consideration in planning for additional residential developments.

The remaining households currently living in Jeffersonville consist of a Married Couple (47%) or 2 or more adults cohabitating (6%) (U.S. Census Bureau). We assume, for this analysis, this percentage will also remain constant into the foreseeable future. Given existing trends we expect that a high percentage of these households will be two-worker households. What we don't know is how many two-worker households there are and of these two-worker households how many of them have both householders working in Jeffersonville (versus one working here and one commuting elsewhere). To make the math simple we made an assumption that half of these householders will consist of two employees who live and work in Jeffersonville; the other half will consist of one employee who works in the City, while the other member either doesn't work or works outside of Jeffersonville.

Housing Demand:

Based on existing commuter trends, increased desirability of Jeffersonville due to regional patterns, and household composition, we project that the **17,066 new jobs projected by 2022** will translate into demand for nearly 4,700 new housing units in Jeffersonville in the next five years. The City currently has about 20,000 housing units; **adding 4,700 new units over the next several years would equate to a 23% growth rate in housing in Jeffersonville.**

This accelerated growth will have significant physical, fiscal, economic, and social impacts on the community. We need to begin planning for these impacts.



17,000+

New jobs created in Jeffersonville by 2022

4,700

Additional housing demand in Jeffersonville due to job growth by 2022

24,700

Projected housing units in Jeffersonville by 2022

23%

Potential growth rate for housing 2017-2022

2,500

Potential demand for housing for singles and single-parent families

Housing Build-out Scenario:

How and where will we house new residents?

Understanding that we have a *significant demand for new residential units* in Jeffersonville, staff wanted to get a better handle on what the impacts of that growth might look like. To do that we set up four scenarios based on the amount of land suitable for residential development/redevelopment and current zoning and development patterns.

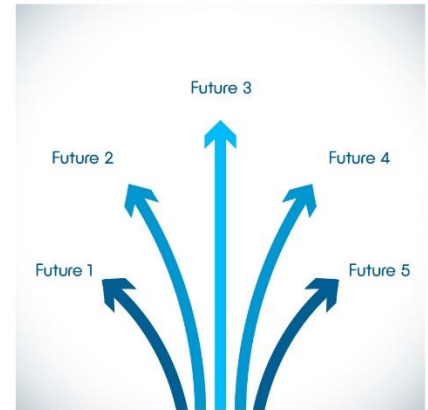
Available Land

Before starting our scenario planning we identified land within the City that had the potential to be developed or redeveloped as residential housing. We noted all parcels on a map that were suitable for residential development. We eliminated parcels in the 100-year floodplain and a few parcels that are multi-generational farms that have indicated no desire to sell for development any time soon and tabulated acreage for all the remaining parcels. We estimate that there are approximately 1,735 developable acres for residential development.

Currently the Parks department is working with a consultant on a master plan for the City's Park System. Based on state and national recommendations of park space per resident, the consultant has noted that *the City could use an additional 500-1,000 acres of parks and open space to support the current population* (not counting future growth). Some of this developable land, therefore, should be slated for this purpose. For our scenarios we're deducting *780 acres for future parks and open space*. This amount of land on top of our current park acreage would get us close to 20 acres per current resident. When we subtract out this park land we end up with *a total of 955 acres of buildable land for residential development*.

Scenario 1 – Current Development Pattern Unchanged

Today, about 55% of all residential properties in the City are zoned R1 with a minimum of 10,000 square feet per lot. In this scenario we assume that this percentage does not change and that 55% of the future housing units continue to be constructed on R1 lots. We also assume that the percentages of the other residential classifications (R2, R3, M1, M2 & M3) also remain unchanged and almost no residential units are constructed in the Downtown Commercial zones. The percentages of each zoning classification for each of the four scenarios are listed in the table at the bottom of the following page. If the City were to add 4,700 housing units in this same pattern, we would need at least 1,175 Acres - almost 2 square miles of land.



Scenario Planning: The process of visualizing what future conditions or events are probable, what their consequences or effects would be like, and how to respond to, or benefit from them. In Scenario Planning a person or organization creates a number of possible futures from which decisions can be made.

955

Buildable acres for
residential development
in Jeffersonville

20

Recommended number of
acres of park land per
1000 residents
(Indiana Outdoor
Recreation Plan
2016-2020)



As noted earlier, we only have approximately 955 acres of land available for residential development. In this scenario we have a **deficit of 220 acres** that does not fully accommodate all the demand. Furthermore there is **no room for other essential community functions such as schools, libraries, churches, roads and other infrastructure and/or amenities that often accompany residential development**. It also does not leave us room for additional residential growth in the future as River Ridge adds the remaining 20,000 jobs predicted at full build-out. While there is some opportunity for annexation between Jeffersonville and Charlestown, adding more land to the City comes with significant infrastructural, economic, and political costs and therefore should be undertaken with cautious planning

Scenario 2 – Smaller Lots & Slightly More Multi-Family

In the second scenario we significantly reduced the percentage of single-family zones on large suburban lots. Instead, we look at increasing the amount of R2 and R3 zoned single-family lots, slightly increasing the amount of multi-family housing and allowing for a bit of growth in the Downtown Commercial zones. Doing so would help free up land in the City for other amenities and future growth, but also provide more affordable properties and rental units for many of the blue-collar workers at River Ridge who are looking to raise families in Jeffersonville. In this scenario, we need 1,007 acres of land in order to build 4,700 housing units. These adjustments still leave us with a **deficit of 52 acres**, however, and we may need to look to other options to fully account for housing demand.

Build-out Percentages for each Scenario				
Zoning Type	Scenario 1	Scenario 2	Scenario 3	Scenario 4
R1	55%	30%	15%	15%
R2	20%	30%	35%	30%
R3	10%	15%	20%	20%
M	15%	20%	20%	20%
DC	0%	5%	10%	15%
	100%	100%	100%	100%

Share (percentage) of all new housing units assumed to be built to the standards of each residential zoning district.



Outcomes:

Scenario 1:

- Large land deficit
- Annexation needed short-term
- No room for future growth
- No room for needed community facilities

Scenario 2:

- Smaller land deficit
- Annexation needed short-term
- No room for future growth
- No room for needed community facilities



Scenario 3 – Moderate Downtown Density & More Multi-Family

The current zoning code makes it rather difficult to develop residential properties in and around our Downtown core. Changing these policies and building more downtown residential units would both help improve the business environment in Downtown Jeffersonville and maximize the return on recent investments in the area. The third scenario looks at revising these standards to open up the Downtown area for more residential investment. The scenario also looks at raising the maximum densities on *multi-family construction that are currently not any higher on average than our historic R3 single-family residential neighborhoods*. This would allow developers to build a few more units on each acre in order to minimize the land requirements for each unit and thereby help keep *unit costs affordable* for new workers and their families.

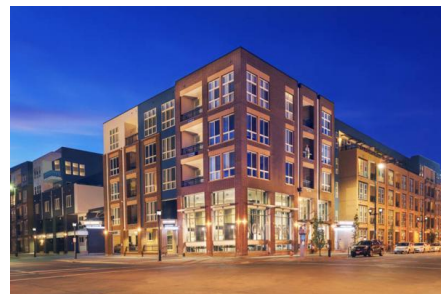
By continuing to lower the percentage of large-lot construction and shifting residential construction toward projects that more fully utilize the land available, we are able to reduce the footprint for the development of 4,700 homes to 848 acres. This is the first scenario that leaves us with a *surplus of available land (107 acres)* for amenities and/or future development. Unfortunately 107 acres does not allow for much development.

Scenario 4 – Significant Downtown & Multi-Family Density

In the final scenario, we pave the way for additional residential density in Downtown Jeffersonville through policies that allow for additional height, reductions in parking requirements, and increases in residential densities. These policies maximize the return on investments in the Downtown and fully energize the local business environment. The scenario builds upon the increased density within suburban multi-family units proposed in Scenario 3, by further increasing or perhaps eliminating maximum densities (in favor of form, height, setback, and/or parking-based regulations that mitigate negative impacts to neighboring single-family residences). In this scenario, 4,700 units only require 765 acres giving us a full *190 acres of extra land* for schools, churches, additional parks/open space and/or future development. This scenario works to maximize the use of existing infrastructure in the City and limit the amount of expansion, through annexation, needed to supply adequate housing for new workers in Jeffersonville.

River Ridge Completed

As full build out of River Ridge occurs, another 20,000 jobs will be added in Jeffersonville. With even modest growth in jobs outside River Ridge there is the possibility for having over 70,000 jobs in Jeffersonville by 2027. This growth of nearly 40,000 jobs over today's figure would translate into demand for nearly 10,000 housing units over what we have today. None of our scenarios presented above would accommodate that type of demand and it is likely that we will see significant growth outside the current borders of Jeffersonville.



Outcomes:

Scenario 3:

- Small land surplus
- Minimal room for future growth
- Annexation needed long-term
- Much reduced capacity for needed community facilities

Scenario 4:

- Moderate land surplus
- Modest room for future growth
- Moderately reduced capacity for needed community facilities



Further Considerations

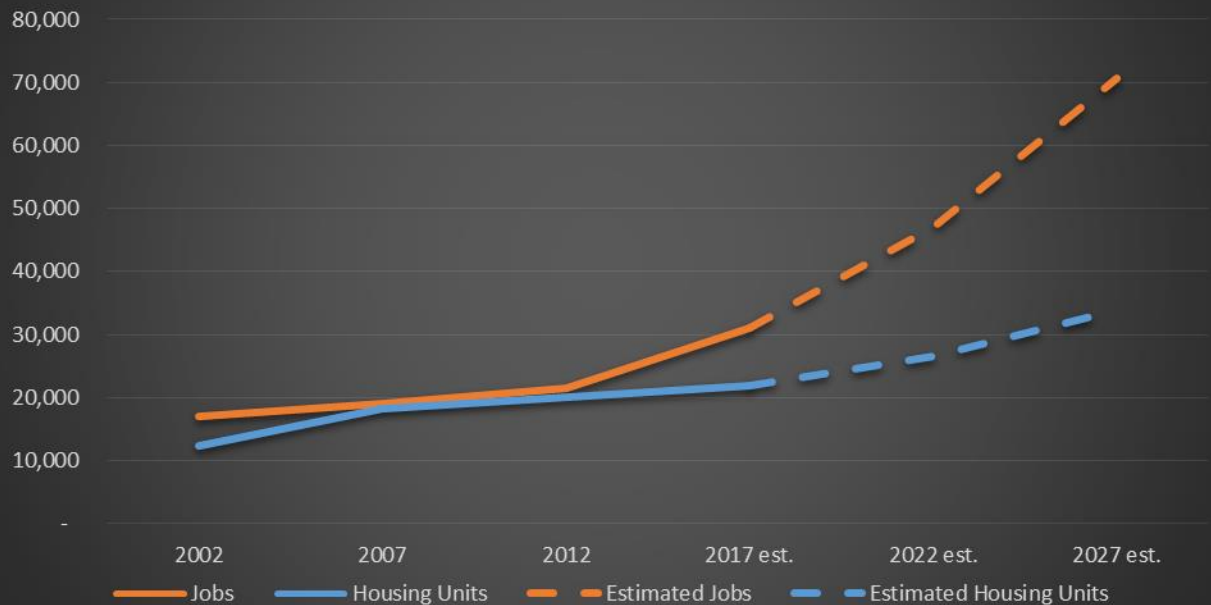
Any one of these development scenarios can come to fruition. There are certainly other future scenarios as well. It will be up to the decision-makers of this community to determine which scenario is right for Jeffersonville. Given some recent trends including:

- Increased interest by millennials, seniors and empty-nesters for city living within walking distance of shops and restaurants,
- Higher percentages of single-parent or single-person households,
- Increased land values in walkable urban/suburban areas,
- Increases in costs for upkeep and maintenance of large homes on large lots,
- A general decline in single family home ownership, and
- Increases in job mobility (people changing jobs and/or moving for employment more often),

There is good reason to shift away from the historical pattern of development in Jeffersonville to one that allows more multi-family developments, denser single-family subdivisions and increased opportunities for downtown living.



City of Jeffersonville Employment and Housing Growth



Wrap-Up

The City of Jeffersonville is poised for significant job and housing growth over the next several years. Specifically we have the potential to see over 17,000 new jobs in Jeffersonville over the next five years. Additional jobs will come online as full build-out of River Ridge continues to occur. Based on existing and projected future trends this job growth can be expected to generate demand for nearly 4,700 new housing units. These housing units may come in the form of single-family homes, apartments, condos, or townhouses based on market demand and city zoning policies.

Currently, the City has approximately 1,735 acres of land that could potentially be developed as residential buildings. Of this land a significant amount (780 acres) needs to be set aside for parks and recreation development to help address deficiencies in our park system. Therefore, *the real amount of property available for residential development may be closer to 955 acres.*

If the City continues to develop in the same manner that we are developing today, we will not be able to fully accommodate the demand for *4,700 new housing units* without significant annexation. Changes in zoning and development policy, including *removing barriers to residential building in Downtown Jeffersonville* (as recommended in the City's Comprehensive Plan), *increasing maximum densities for multi-family projects* and *reducing the quantity of large lot subdivisions* will help *free up additional land for development of churches, schools, libraries, municipal services*, etc. and/or *allow for future residential development* due to future growth forecasted from River Ridge at full-build out.

Current trends suggest a need for more multi-family units especially in well-developed, walkable areas, single-family homes on smaller lots and a need for generally affordable housing. By responding to these trends, and creating a sensibly denser community we can:

- Maximize investment in existing infrastructure,
- Save room for future development without annexing additional land,
- Increase land values and property tax revenues,
- Provide a mix of housing for a diverse workforce, and
- Create a stronger, more vibrant Downtown

These actions would ensure that Jeffersonville continues to grow in a smart and sustainable manner and remains competitive with neighboring communities for years to come.



Appendix A: 2022 Forecast Calculation Tables

Job Growth Forecast					
	2002	2007	2012	2017	2022
Total Number of Jobs (U.S. Econ. Census)	16,955	18,976	21,445		
New jobs over previous count	-	2,020	2,469		
Percent growth over 5 years	-	12%	13%		
estimated growth at 12.5%				24,126	34,791
Percent buildout at River Ridge				15%	50%
New Jobs at River Ridge				6,800	13,200
Total estimated Number of Jobs				30,926	47,991
Difference over 2017					17,066

Housing Demand Forecast		
Total New Jobs by 2022	17,066	
Less 79% commuters	3,584	(See Page 4 "Commuter Trends")
50% locational increase in demand	5,376	(See Page 4 "Regional Demand Patterns")

Housing Demand Forecast: Corrections for Household Characteristics (See page 5 "Household Status")			
	No. of workers	Workers per HU	HU Needed
Total number of workers	5,376		
47% of workers in Single Adult Household	2,527	1	2,527
26.5% in Two worker HH, one works in Jeff	1,425	1	1,425
26.5% in Two Worker HH, both work in Jeff	1,425	2	712
Total housing units demanded			4,663
Total housing units existing			19,991
Total housing units forecasted 2022			24,654
Percent change			23%

Build out Scenarios (see pages 6-8)												
	Scenario 1			Scenario 2			Scenario 3			Scenario 4		
	Build-out pct.	Housing Units	Acreage	Build-out pct.	Housing Units	Acreage	Build-out pct.	Housing Units	Acreage	Build-out pct.	Housing Units	Acreage
Projected HU Demand	100%	4,663		100%	4,663		100%	4,663		100%	4,663	
R1	55%	2565	785	30%	1,399	428	15%	699	214	15%	699	214
R2	20%	933	214	30%	1,399	321	35%	1632	375	30%	1399	321
R3	10%	466	71	15%	699	107	20%	933	143	20%	933	143
M	15%	699	104	20%	933	139	20%	933	93	20%	933	58
DC	0%	0	0	5%	233	12	10%	466	23	15%	699	29
Total Acres Needed			1175			1007			848			765
Acres Available			955			955			955			955
Remaining Buildable Acres			(220)			(52)			107			190