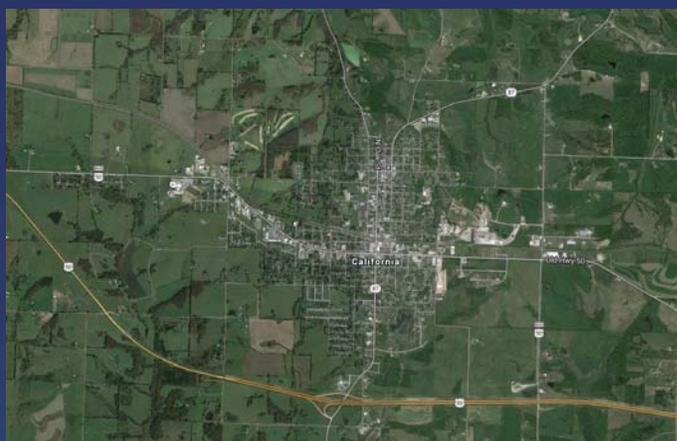




## Residential Demand Study (Revised)

**DREAM Study Area**  
**California, Moniteau County, Missouri 65018**

**Effective Date of Report**  
February 26, 2015



For  
**Missouri Housing Development Commission**  
Mr. Mark Boettcher, MAI  
3435 Broadway  
Kansas City, MO 64111

**Valbridge Property Advisors |  
Shaner Appraisals, Inc.**

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Valbridge File # KS01-15-0074-000



April 30, 2015

Mr. Mark Boettcher, MAI  
Missouri Housing Development Commission  
3435 Broadway Street  
Kansas City, Missouri 64111

Re: Residential Demand Analysis  
DREAM Study Area, California, Moniteau County, Missouri 65018

Valbridge File No: KS01-15-0074-000

Dear Mr. Boettcher, MAI:

In accordance with your authorization, we have conducted a residential demand study of California, Moniteau County, Missouri. The report that follows sets forth a brief identification of the market, the assumptions and limiting conditions, pertinent facts and demographics for the area, market data and statistics, the results of the investigation, and the reasoning leading to the conclusions set forth. We encourage the reader to pay particular attention to the Special Assumptions and Limiting Conditions.

The market study was prepared in accordance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP).

The report was prepared by Brock Hamlin and Daniel Kann, MAI who is a state certified real property appraiser. The market area was inspected on February 26, 2015, which is the effective date of this report.

Valbridge Property Advisors | Shaner Appraisals, Inc. has not performed services regarding the subject market area within the three-year period immediately preceding acceptance of the assignment. Valbridge Property Advisors is a disinterested third party and there is no identity of interest between our firm and the client and intended user for whom the report is prepared.

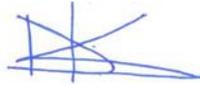
Our recommendations for the subject market area are summarized in the following Executive Summary and detailed in the attached report. The information included is accurate to the best of our knowledge and all recommendations and conclusions are based solely on professional opinion and our best efforts. This letter is invalid if detached from the report, which contains the text, exhibits and addenda.

---

Sincerely,  
Valbridge Property Advisors



Brock Hamlin  
Real Estate Analyst  
BHamlin@Valbridge.com



Daniel Kann, MAI  
Director - Multifamily Valuation  
Missouri Certified General Appraiser  
License # 2013034806  
DKann@Valbridge.com

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results. Furthermore, my engagement was not conditioned upon the market study producing a specific value, a value within a given range, or the approval of a loan.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this market study.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant professional assistance to the person(s) signing this report.
- Brock Hamlin made a personal inspection of the study area that is the subject of this report. Daniel Kann, MAI did not make a personal inspection of the study area that is the subject of this report.
- As of the date of this report, Daniel Kann, MAI has completed the continuing education program of the Appraisal Institute. Brock Hamlin has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.
- Valbridge Property Advisors | Shaner Appraisals, Inc. has not performed services regarding the subject property within the three-year period immediately preceding acceptance of the assignment.



Brock Hamlin  
Real Estate Analyst  
BHamlin@Valbridge.com



Daniel Kann, MAI  
Director – Multifamily Valuation  
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# TABLE OF CONTENTS

CERTIFICATION	3
TABLE OF CONTENTS	5
INTRODUCTION	6
I. EXECUTIVE SUMMARY	9
II. MARKET AREA DESCRIPTION	11
III. ECONOMIC PROFILE	19
IV. DEMOGRAPHIC PROFILE	23
V. REVIEW OF PREVIOUS DOWNTOWN HOUSING MARKET STUDIES	32
VI. EXISTING HOUSING	33
VII. IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS	41
VIII. POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND	47
EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS	60
ADDENDA	61

# INTRODUCTION

## Description of Market

The subject area is the City of California, Missouri within the specific geographic boundaries as described within this report.

## Purpose of Study

The purpose of this study is to determine if residential development would complement the downtown revitalization efforts, the household type(s) that would comprise the residential market, the type of housing that should be considered, and the approximate number of households that can be captured for residential units in the DREAM study area of California, Missouri. The DREAM Initiative is an innovative partnership between the Missouri Department of Economic Development, Missouri Development Finance Board and Missouri Housing Development Commission to provide communities across the state with access to technical and financial assistance for downtown revitalization.

## Effective Date

The effective date of this study is February 26, 2015.

## Date of Report

The date of this report is April 30, 2015. A comparison of the date of the report to the effective date of the study indicates that our conclusions are reflective of current market conditions.

## User(s) and Function

The study was prepared for the sole and exclusive use of the Missouri Housing Development Commission (MHDC) and the City of California, Missouri to assist with possible residential development strategies within the City of California, Missouri. It is not to be relied upon by any third parties for any purposes, whatsoever.

## Definitions

According to the *Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition*, the definition of market rent is:

- The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:
  1. Lessee and lessor are typically motivated
  2. Both parties are well informed or well advised, and acting in what they consider their best interests
  3. A reasonable time is allowed for exposure in the open market
  4. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease

contract

5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Additional definitions are included in the Glossary located in the Addendum to this report.

### **Competency**

No steps were necessary to meet the competency provisions established under USPAP. We have analyzed many residential properties and completed several market studies in the past several years. We certify that we have adequate experience and qualifications to prepare the study. Please refer to the qualifications at the end of our report.

### **Scope of the Investigation**

As part of this market study, we completed a thorough investigation and analysis of the data considered pertinent to evaluating the residential market in the City of California, Missouri and parts of Moniteau County and Cole County. This report was prepared to conform to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).

There are six basic steps to performing a residential demand study:

- Define the market area
- Define the market delineation
- Forecast demand factors
- Inventory and forecast competitive supply
- Analysis of supply and demand
- Forecast subject capture

The investigation included, but was not limited to, the following:

- Inspection of the market area
- Review of the provided data
- Gathering of information on local market conditions and trends including population, income, employment levels, growth rates, etc.
- Confirmation and analysis of the data

### **Sources of Information**

Market, rental, and demographic data were obtained from a number of sources, including but not limited to the following:

- The Site-To-Do Business, a service for demographic and analytic data
- Marcus Millichap 2015 National Apartment Report
- The City of California online databases
- The county of Moniteau and the county of Cole online databases

- United States Department of Labor
- U.S. Census Bureau
- Loopnet, CoStar and in-house database
- Market participants familiar with the market area
- California Area Chamber of Commerce
- Moniteau Regional Economic Development
- Property managers of residential properties in the market area
- Internal Revenue Service online data
- Novogradic & Company LLP
- Ribbon Demographics

## I. EXECUTIVE SUMMARY

### General Overview

- The City of California is the county seat of Moniteau County and is centrally located within the State of Missouri, approximately 20 miles west of Jefferson City, the state capital. The City of California is considered to be within the Metropolitan Statistical Area of Jefferson City, the largest city in the immediate area. The estimated population within the City of California is estimated to be 4,307.
- Population trends show a declining trend in the population growth rate for the City of California, which is well below the growth rate of the county and the state. The State of Missouri is expected to have a positive trend in population growth through 2019, while Moniteau County and California are expected to have less growth in the coming years than in the past 14 years. The number of households is estimated to increase minimally between 2014 and 2019 totaling 19 new households, which is slower than the growth rate reported from 2010 to 2014.
- The largest employment trades in the City of California are manufacturing and public administration, which are both significantly higher than the national rates of employment. The higher percentage of manufacturing and public administration jobs is common in rural communities and results in a lower median household income and a less educated workforce.
- The highest percentage of households is the less than \$15,000 bracket accounting for 23.8% of all households. Approximately 23.5% of the households earn between \$50,000 and \$74,999 per year making the city bimodal in income distribution.
- The unemployment rate for Moniteau County has generally been lower than the state and nation. A lower unemployment rate is typically considered to be a positive attribute regarding the economy of any market in general. However, Moniteau County has a less varied workforce when compared to the state and nation resulting in less employment growth and an increased economic risk if one or two major employers were to leave the market or downsize.
- According to business owners, the City of California, real estate agents and property managers, the majority of the workforce living within the city limits of California is employed outside of the city. California residents who are employed within California makeup only 29.2% of the California workforce.
- Homeownership in California, currently estimated at 59.4% of households in the City of California, experienced a decline between the years 2000 and 2010, which is primarily a result of the stuttering economy. There has been a slow and steady increase in homeownership that is expected to continue into the future due to the rural location with single family housing units being the primary housing type. The decrease in renter occupied housing units, currently estimated at 30.8% of households, for the City of California is opposite of the rest of the county, which reports increased rental demand and less homeownership growth.
- The cohort of greatest increase in rental household demand according to this analysis is the 15 to 54 years of age, five plus person households with an annual household income of greater than \$60,000. There is a noticeable trend within the data showing a significant

decrease being projected in the \$40,000 annual household income and lower categories across each of the age groups captured. The net decrease of renter households earning \$40,000 or less is negative 19 for all age groups. The net demand is 10 potential renter households through 2020 with the majority of the demand coming from the 62 plus age group.

- There is an anticipated overall increase in demand for owner households in the age categories of 55 to 61 years and the 62 years and older. There is a significant decrease in owner household demand for the age category of 15 to 54 years of age. The cohort of greatest increase in owner household demand is the 15 to 54 age group, three person households with an annual household income of greater than \$60,000.
- The diminished availability of mortgage financing for home purchases appears to have substantially slowed the transition of renters to homeownership, resulting in greater tenant retention. Tenants lacking a strong credit rating, income history and/or assets for down payment now have much greater difficulty in securing mortgage financing and graduating to homeownership. This appears to have been a catalyst for absorption of new supply over the past 5+ years.
- The potential market for households in the downtown California market would primarily come from within the city limits, as people may relocate for better and newer housing, which would be further promoted by a revival of the downtown commercial district. Migration patterns between 2009 and 2011 show more households relocating to surrounding counties that offer increased employment opportunities, which are nearly parallel with the places where residents are employed.
- There are three existing tax credit projects with no age restrictions. The three projects have an occupancy rate that ranges from 73% to 100% with the largest project totaling 40 units being 73% occupied. Based on the current performance of the existing tax credit units and the decline in households through 2020, an additional tax credit housing project is not recommended at this time.
- The one existing senior project is currently 100% occupied with a waiting list of five people. Management reported that occupancy is typically 100% indicating some demand for senior housing. As the population continues to age it is projected that additional, although limited demand is forecasted. Based on the gap in rental rates, the nominal amount of household formation for households aged 62 plus, and the current performance of the existing senior project, building a tax credit senior housing project could be a viable use. However, please note that the market for senior housing is very shallow and it is projected that building a new project would most likely impact the performance of the existing tax credit project due to the limited number of senior households.
- The critical factors that will ultimately drive the long-term demand for, and absorption of, additional housing units in the California area are the number of jobs that can be created and retained locally to reverse the out-migration and commuting to larger metropolitans for employment, which in turn takes a large portion of consumer spending to competing communities.

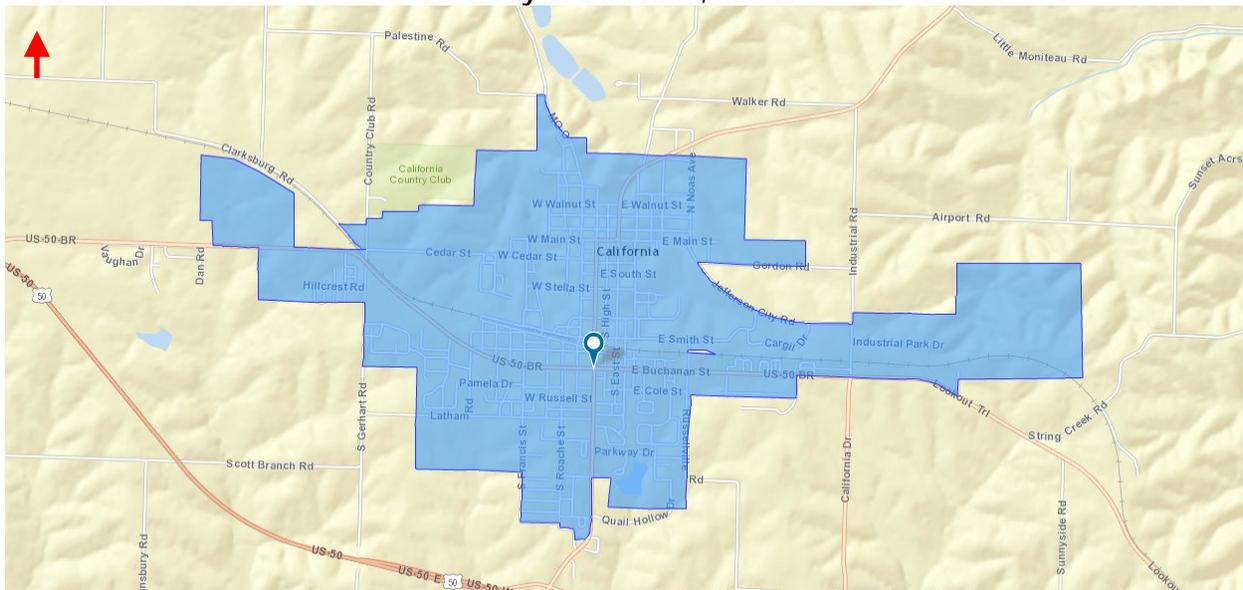
## II. MARKET AREA DESCRIPTION

According to *Market Analysis for Real Estate* published by the Appraisal Institute, the trade/market area is delineated by physical, political, and socioeconomic boundaries or by the time-distance relationship represented by travel times to and from common destinations. A market area is an area in which alternative, similar properties effectively compete with the subject in the minds of probable, potential users. It is further stated that the time-distance relationship to employment and support facilities is the primary determination for a multifamily property. For the purpose of this report the area of study is the City of California, Missouri. The following maps show the location of the city within the state, the general area of this analysis, and a map showing the boundaries determined to be the DREAM study area as defined by the City of California.

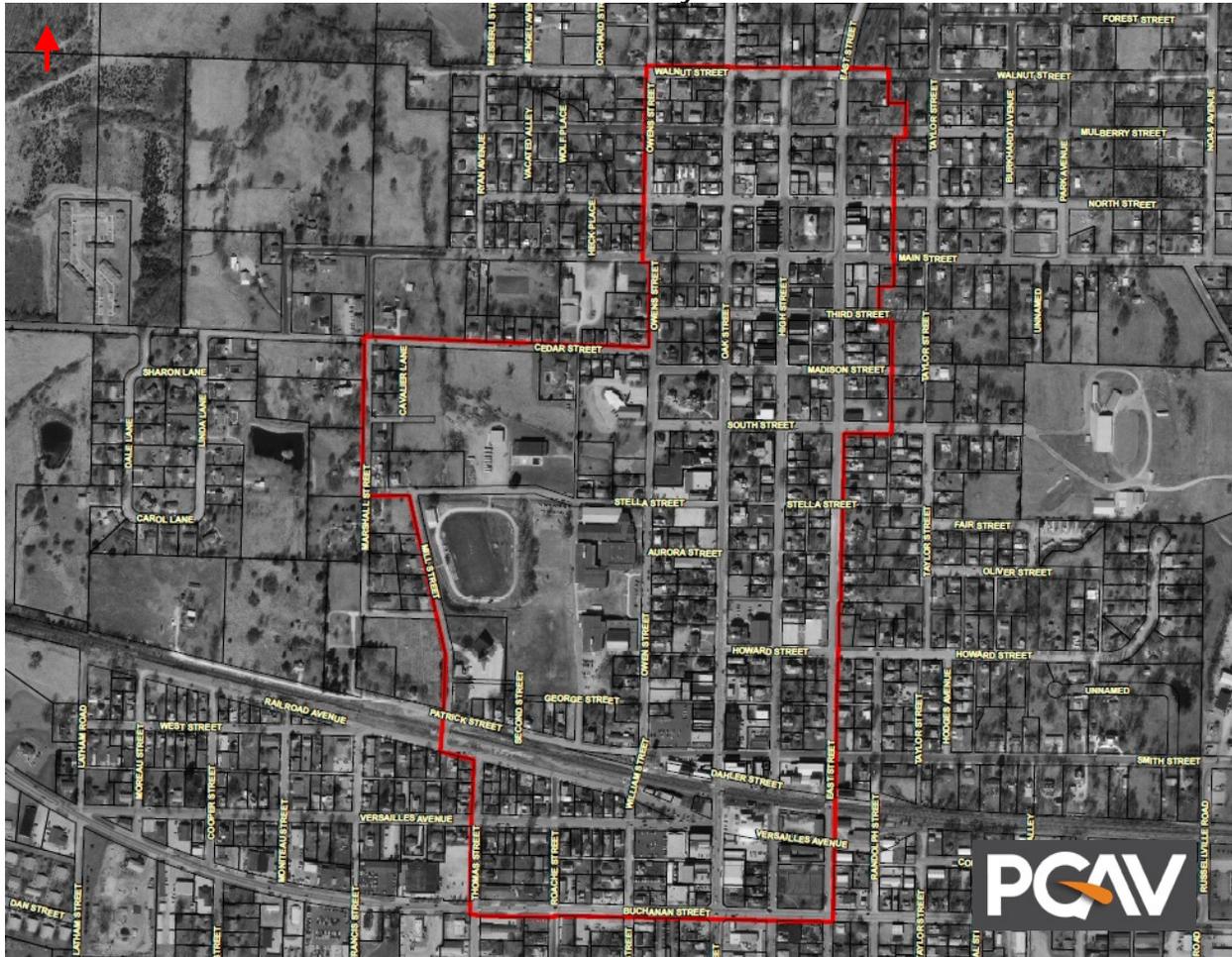
Area Map



The City of California, Missouri



The DREAM Study Area



**Area Overview**

The City of California is the county seat of Moniteau County and is centrally located within the State of Missouri, approximately 20 miles west of Jefferson City, the state capital. The City of California is considered to be within the Metropolitan Statistical Area of Jefferson City, the largest city in the immediate area. Similar to many smaller rural communities, the downtown area of California is the location of the municipal government and is the central corridor for many of the retail and service businesses.

The City of California was originally established in 1834. The county courthouse was constructed in 1868 on the downtown square, which is still in use today. The downtown square is generally defined by the streets of East Main Street as the southern boundary, East North Street as the northern boundary, North High Street as the western boundary, and North East Street as the eastern boundary. The downtown square is located in the northern portion of the DREAM study area, as the downtown area of California is generally regarded as encompassing the commercial areas located along Oak Street.

### **Existing Downtown Housing**

The majority of the existing housing units within the boundaries of the DREAM study area, as well as the city limits, are single family homes. There are some, although minimal apartment units within the downtown area, which predominantly consist of second floor units above retail space in and around the downtown square. Within the city limits of California, only four apartment complexes were found, three of which are Section 42 properties and vary in size from 16 to 40 units. We also identified several smaller apartment buildings outside of the downtown area and one senior housing community, which will be discussed later in the report.

### **Traffic Arteries**

Regional access to and from the local market area is average due to the presence of Highway 50 that extends east and west south of the city limits. The stretch of highway that extends south of California is part of a recent bypass, as the original Highway 50 extended through the city center and is now the Highway 50 Business Route. Highway 50 is the main transportation route that connects California to Jefferson City to the east and Sedalia to the west, as well as extending further east and west to St. Louis and Kansas City. Missouri Route 87 is the main north and south thoroughfare connecting California to Interstate 70 approximately 25 miles to the north, Highway 50 immediately to the south, and Highway 54 approximately 20 miles to the south.

### **Existing Land Uses**

Land use in the area consists of a bedroom community with most commercial development located along Highway 50 Business Route (also referred to as East Buchanan Street) and Missouri Route 87 (also referred to as North Oak Street). The remaining land use in California generally consists of vacant land and single family residential development. Available land for development within the downtown revitalization area is limited to sites on the west and northern most points of the designated boundaries with the area being mostly built-out due to its age and central location.

### **Parking**

Parking around the downtown area is adequate during daytime business hours and consists mostly of on street parking and minimal surface parking lots designated for specific buildings at the rear or sides of buildings. Parking does not appear to be under supplied in the downtown area or in other commercial areas of the city due to the small size of the city, which is common in rural communities. The apartment properties within the city limits all offer off street parking that is adequate for the size and type of properties in California.

### **Retail Shopping**

Retail shops in the downtown revitalization area are limited to North Oak Street and East Main Street. The existing retail shops appear to have a relatively high level of vacancy in the downtown area. Existing retail shops mostly consist of boutique style businesses including insurance offices, a bank, and two restaurants. The majority of retail uses are located outside of the downtown area along Highway 50 Business Route (Buchanan Street).

### **Entertainment**

Entertainment with California generally consists of a bowling alley on East Buchanan Street, a city park located on the east side of town on East Smith Street, the Moniteau County Fairgrounds located east of the downtown area on East South Street, the Wood Place Library, and the California Country Club located just outside the city boundaries. Of these aforementioned entertainment attractions, only the Wood Place Library is within the DREAM boundaries.

### **Dining Establishments**

The downtown area features two restaurants, a bar and grill and a Thai restaurant. The majority of the dining establishments are located outside of the downtown area on Buchanan Street, which is where most of the retail activity is occurring in California.

### **Parks and Recreation**

The City of California has four parks (City Park, Smith-Burke Park, Railroad Park, and Proctor Park) as well as an indoor city pool. Additionally, California features the Moniteau County Fairgrounds.

### **Schools**

Education in California is limited to the California R-1 School District, which consists of an elementary school and middle school on Owen Street, both within the downtown revitalization area and a high school, which is located on Buchanan Street on the western border of the city limits. The downtown area also contains Aurora Montessori School on Owen Street, which offers pre-kindergarten and kindergarten classes.

### **Downtown Area Photographs**



Vacant Building at the southeast corner of Smith Street and Oak Street



Vacant Building at the southwest corner of North High Street and East Main Street



View of east side of North Oak Street at West Smith Street



View of the west side of North High Street north of East 3<sup>rd</sup> Street



View of northwest corner of East Madison Street and North High Street



View of commercial buildings at northeast corner of North High Street and East North Street

### **Downtown Area Strengths and Weaknesses**

From a market perspective the following positive attributes relate to the downtown market area:

- Empty or underutilized buildings, vacant or underutilized tracts of land, and weakened real estate prices are negative attributes in the downtown market, but may also present an opportunity for business and residential development.
- The downtown area is the center of municipal, county, and federal government.
- The downtown area contains antique stores, gift shops, and specialty stores.
- The downtown area is compact with a street pattern conducive to a walkable environment.
- The downtown area benefits from ample parking to support existing and future businesses.

From a market perspective the following negative attributes relate to the downtown market area:

- Access to and from the area is limited to one arterial road and three feeder streets due to the location of the railroad tracks that runs east and west through the southern portion of the DREAM designated area. The railroad tracks present an informal boundary for what local market participants refer to as the northern and southern downtown areas.
- The City of California would need to attract additional employment to allow for an increase in permanent residents in the downtown area to help support existing businesses and attract new businesses.
- As discusses in following sections, population and employment growth for California, Missouri is minimal. As such, many residents are employed outside of the city creating an

economic environment that leads to greater out-migration of residents seeking housing in closer proximity to growing economies with greater employment opportunities.

- The downtown area has very few neighborhood oriented businesses that would support the needs of area residents with several of the businesses being specialty shops.
- The downtown area has very few dining and entertainment venues for residents to utilize.

### III. ECONOMIC PROFILE

#### Overview

The following section includes an analysis of the economy of the local area. The analysis will focus on employment by industry, the areas of major employers, area employment, unemployment, and labor statistic trends. We have obtained economic information from the Missouri Department of Economic Development, the Bureau of Labor Statistics, the U.S. Census Bureau, and the California, Missouri Chamber of Commerce.

#### Major Employers

A majority of the jobs in California are in the meat packing and manufacturing sectors according to various sources. The numbers of employees for each major employer was not available for review.

Employer	Industry	Location
Burger’s Smokehouse	Packaged Meat Products	California, MO
Honeysuckle White, a division of Cargill Inc.	Packaged Meat Products	California, MO
Tana Wire Marker	Manufacturing	California, MO
Akansas Valley Feather	Feather Product Manufacturing	California, MO
Racker’s Manufacturing	Steel Fabrication	California, MO
Mo-Wood	Cabinetry and Wood Products	California, MO
California Manufacturing	Textile Manufacturing	California, MO

Source: Moniteau Regional Department of Economic Development

#### Employment Categories and Wages

The following table reports employment by industry in the City of California and the United States.

EMPLOYMENT BY INDUSTRY				
Industry	Subject Market Area		United States	
	Percentage	Number of Jobs	Percentage	Number of Jobs
Agriculture & Forestry	3.2%	57	1.4%	1,987,952
Mining & Oil an Gas	0.0%	0	0.5%	709,983
Construction	5.7%	102	6.5%	9,229,776
Manufacturing	18.9%	338	10.6%	15,051,634
Wholesale Trade	1.1%	20	2.8%	3,975,903
Retail Trade	8.5%	152	11.6%	16,471,600
Transportation & Warehousing	1.5%	27	4.1%	5,821,858
Utilities	0.6%	11	0.9%	1,277,969
Information	2.2%	39	2.2%	3,123,924
Finance & Insurance	2.9%	52	4.8%	6,815,834
Real Estate	1.7%	30	1.9%	2,697,934
Professional & Scientific	2.8%	50	6.4%	9,087,779
Management	0.0%	0	0.1%	141,997
Administrative	2.8%	50	4.1%	5,821,858
Educational	8.2%	147	9.4%	13,347,676
Health Care	10.3%	184	13.5%	19,169,534
Arts & Entertainment	2.0%	36	2.1%	2,981,928
Accomodation & Food Service	6.3%	113	7.1%	10,081,755
Other Service	6.1%	109	4.9%	6,957,831
Public Administration	15.1%	270	4.9%	6,957,831

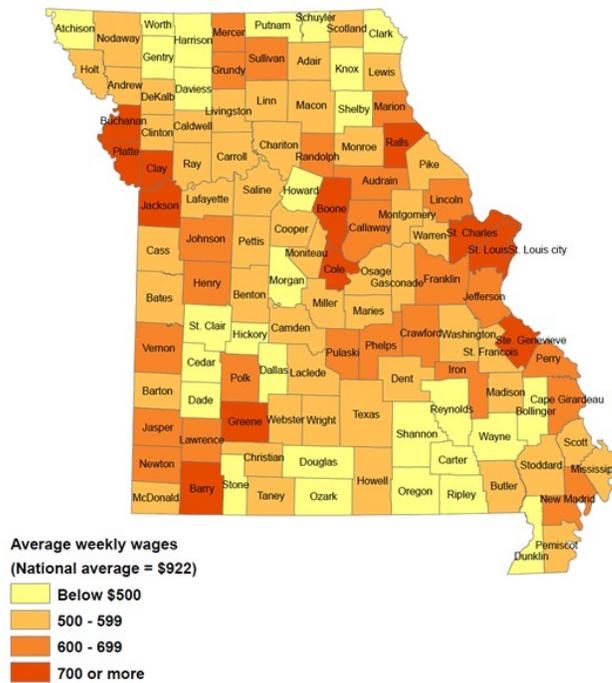
The largest employment trades in the City of California are manufacturing and public administration, which are both significantly higher than the national rates of employment. In comparison to the United States, the largest negative employment gap is in professional and scientific jobs and healthcare, both of which are high paying professions. The higher percentage of manufacturing and public administration jobs is common in rural communities and results in a lower median household income and a less educated workforce.

### Wage Labor Rates

The following table reports wage labor rates for various areas.

Occupation	Average Wage Labor Rates			
	Average Hourly Wage (Nation)	Average Hourly Wage (State of Missouri)	Average Hourly Wage (Central Missouri Nonmetro Areas)	Average Hourly Wage (Jefferson City, MO)
Management	\$53.15	\$45.67	\$35.61	\$34.59
Business & Financial Operations	\$34.14	\$30.33	\$25.05	\$23.57
Computer & Mathematics	\$39.43	\$34.95	\$25.66	\$26.14
Architecture & Engineering	\$38.51	\$34.92	\$30.20	\$31.14
Life, Physical, & Social Sciences	\$33.37	\$29.26	\$27.98	\$24.03
Community and Social Services	\$21.50	\$18.79	\$17.47	\$17.72
Legal	\$47.89	\$42.48	\$31.52	\$25.12
Education	\$24.76	\$22.38	\$19.62	\$18.63
Arts	\$26.72	\$21.56	\$16.44	\$20.16
Healthcare	\$35.93	\$31.09	\$28.19	\$27.13
Healthcare Support	\$13.61	\$12.28	\$10.87	\$12.57
Protective Services	\$20.92	\$17.88	\$14.84	\$16.75
Food Preparation	\$10.38	\$9.63	\$9.52	\$9.21
Building & Maintenance	\$12.51	\$11.90	\$10.84	\$11.50
Personal Care and Service	\$11.88	\$10.66	\$10.81	\$11.16
Sales	\$18.37	\$16.35	\$13.13	\$14.15
Administrative	\$16.78	\$15.82	\$13.71	\$14.40
Farming, Fishing, & Forestry	\$11.70	\$12.49	\$14.57	\$11.73
Construction	\$21.94	\$23.45	\$18.93	\$21.93
Installation, Maintenance, & Repair	\$21.35	\$19.89	\$18.88	\$19.62
Production	\$16.79	\$16.24	\$14.53	\$16.82
Transportation	\$16.28	\$15.58	\$13.78	\$14.30
<b>All Occupations</b>	<b>\$22.33</b>	<b>\$22.12</b>	<b>\$21.92</b>	<b>\$17.71</b>
<b>Percentage Difference from National Rate</b>	<b>-</b>	<b>-0.94%</b>	<b>-1.84%</b>	<b>-20.69%</b>

The most relevant wage labor data available for the California market is for the non-metro areas of Central Missouri and Jefferson City, Missouri. The average weekly wages in Moniteau County for the third quarter of 2013 according to the U.S. Bureau of Labor Statistics was \$535, while the average weekly wage for the State of Missouri was \$805. According to the Bureau of Labor Statistics, Jefferson City has a median hourly wage of \$17.71, which is 21% less than the national average. We have also included a map showing the average weekly wages for counties throughout the State of Missouri. As shown in the following map, the neighboring counties of Cole County and Boone County, which benefit from the larger cities of Jefferson City and Columbia, Missouri.



Source: U.S. Bureau of Labor Statistics.

While the average hourly rates for employment by industry are not available for the City of California, we have estimated the average wage based on the percentage variance of median household incomes between California and Jefferson City, where wages by industry are reported. According to

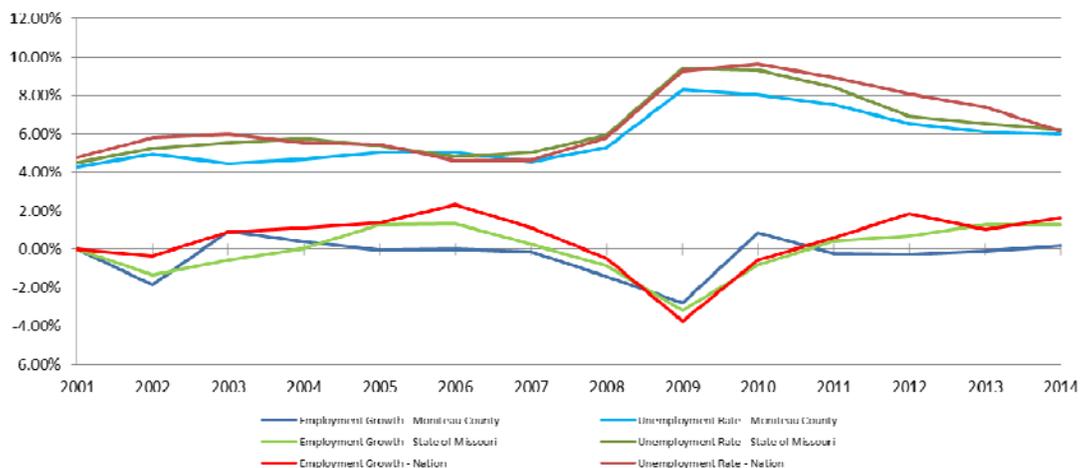
ESRI, Jefferson City had a 2014 median household income of \$51,007 and the City of California had a median household income of \$37,318 (26.8% lower than Jefferson City). Jefferson City reports an average hourly wage of \$17.71; therefore indicates an average hourly wage of \$12.96 for California (73.2% of \$17.71), which is significantly less than the state, metro, and nation.

**Labor Force and Unemployment**

The table below shows employment in Moniteau County since 2001, which is the smallest statistical area available for review. Employment in the county has been declining since 2001 due to a lack of large employers and the rural location.

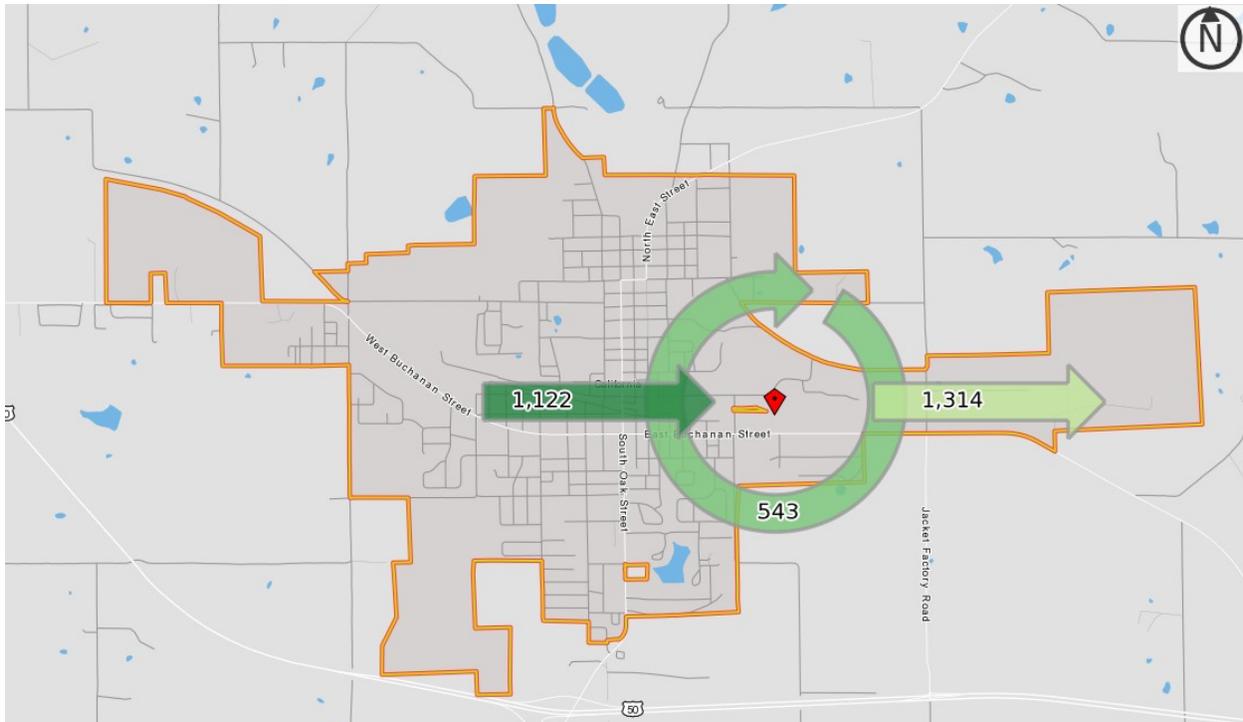
Moniteau County	Labor Force - Moniteau County	Employment - Moniteau County	Employment Growth - Moniteau County	Unemployment - Moniteau County	Unemployment Rate - Moniteau County
2001	7,563	7,237	-	326	4.3%
2002	7,469	7,101	-1.88%	368	4.9%
2003	7,502	7,167	0.93%	335	4.5%
2004	7,547	7,193	0.36%	354	4.7%
2005	7,569	7,189	-0.06%	380	5.0%
2006	7,569	7,189	0.00%	380	5.0%
2007	7,522	7,178	-0.15%	344	4.6%
2008	7,473	7,077	-1.41%	396	5.3%
2009	7,503	6,880	-2.78%	623	8.3%
2010	7,548	6,940	0.87%	608	8.1%
2011	7,489	6,925	-0.22%	564	7.5%
2012	7,390	6,906	-0.27%	484	6.5%
2013	7,347	6,899	-0.10%	448	6.1%
2014	7,349	6,909	0.14%	440	6.0%

The unemployment rate for Moniteau County has generally been lower than the State and nation. A lower unemployment rate is typically considered to be a positive attribute regarding the economy of any market in general. However, Moniteau County has a less varied workforce when compared to the state and nation resulting in less employment growth and an increased economic risk if one or two major employers were to leave the market or downsize. A smaller labor market can present challenges for existing businesses to expand and for the area to attract new businesses in employment sectors that would benefit from a larger available workforce. The following chart reports employment data for various areas.



**Commuting Patterns**

The map below, obtained from the Census Bureau, indicates that approximately 1,122 workers who live outside of the city limits commute into the City of California for employment each day, while 543 residents live and work within California. The remaining 1,314 California residents commute to areas outside of California for work, most notably Jefferson City located approximately 20 miles to the west.



The table below shows the cities where California residents are employed, which supports information relayed to us by market participants. According to business owners, the City of California, and real estate agents and property managers, the majority of the people living within the city limits of California are employed outside of the city. California residents who are employed within California makeup only 29.2% of the California workforce.

Places Where California Residents are Employed	2011	
	Cities	Share
All Places	1857	100.0%
Jefferson City, MO	546	29.4%
California, MO	543	29.2%
Columbia, MO	82	4.4%
Tipton, MO	40	2.2%
Sedalia, MO	32	1.7%
Jamestown, MO	22	1.2%
Eldon, MO	20	1.1%
Fulton, MO	17	0.9%
Kansas City, MO	14	0.8%
Versailles, City	13	0.7%
All Other Cities	528	28.4%

Source: U.S. Census Bureau

## IV. DEMOGRAPHIC PROFILE

The following demographic data generally pertains to the city, county, and state and was obtained from ESRI, a demographic source.

### Population

The following table reports population data for various places.

Year	Population					
	City of California	Annual Change	Moniteau County	Annual Change	State of Missouri	Annual Change
2000	4,070	-	14,827	-	5,595,211	-
2010	4,278	0.51%	15,607	0.53%	5,988,927	0.70%
2014	4,307	0.17%	15,976	0.59%	6,074,504	0.36%
Estimated 2019	4,332	0.12%	16,322	0.43%	6,195,148	0.40%

The population trend obtained from ESRI shows a declining trend in the population growth rate for the City of California, which is well below the growth rates of the county and the state. The State of Missouri is expected to have a positive trend in population growth through 2019, while Moniteau County and California are expected to have less growth in the coming years than in the past 14 years.

### Population by Age

The following table reports population by age group for the City of California.

Age Cohort	Population By Age Group					
	2010	Percent	2014	Percent	2019	Percent
<b>Total</b>	<b>4278</b>	<b>100%</b>	<b>4307</b>	<b>100%</b>	<b>4329</b>	<b>100%</b>
0-4	338	7.9%	312	7.3%	312	7.3%
5-9	321	7.5%	308	7.2%	291	6.8%
10-14	291	6.8%	304	7.1%	295	6.9%
15-24	569	13.3%	548	12.8%	518	12.1%
25-34	535	12.5%	556	13.0%	582	13.6%
35-44	539	12.6%	543	12.7%	501	11.7%
45-54	548	12.80%	543	12.70%	518	12.10%
55-64	381	8.90%	432	10.10%	501	11.70%
65-74	334	7.80%	338	7.90%	342	8.00%
75-84	261	6.10%	240	5.60%	265	6.20%
85+	163	3.80%	158	3.70%	154	3.60%
18+	3,153	73.70%	3,191	74.60%	3,213	75.10%

The most significant decrease in age occurs within the age group of 35-44 with an expected decrease of 7.7% through 2019. The greatest anticipated increase through 2019 is expected in the 25-34 year old cohort with a growth of 4.6%.

### Average Age of Population

The following table reports average age for various years.

Population Average Age - California, MO	
Year	Average Age
2010	36.5
2014	37.1
2019	37.8

The average age of the population has been increasing and is projected to continue to increase between 2014 and 2019 due to an aging population, most notably the Baby Boomers generation.

**Average Age Comparison 2014-2019**

The following table compares average age for various areas.

Average Age Comparison			
Community	Population		
	2014	2019	Change (Years)
California	36.5	37.1	0.6
Tipton	38.3	38.2	-0.1
Sedalia	34.7	34.4	-0.3
Jefferson City	37.4	37.9	0.5
Columbia	27.0	27.9	0.9
Missouri	37.8	38.4	0.6
United States	37.1	37.7	0.6

The average age of the residents of California is comparable to the competing nearby communities. California is an aging community similar to larger cities in the immediate area. Sedalia and Tipton have a decreasing trend in median age indicating that seniors are relocating to others cities for retirement. Columbia, Missouri is significantly younger than the surrounding markets due to the presence of the University of Missouri, which is the main economic driver in the community.

**Population by Gender**

The following table reports population by gender for the City of California.

Population By Gender						
Gender	2010	Percent	2014	Percent	2019	Percent
Male	2,002	46.8%	2,044	47.5%	2,068	47.8%
Female	2,276	53.2%	2,263	52.5%	2,261	52.2%

The table population gender distribution indicates that the city has slightly more females than males with this trend expected to remain through 2019.

**Educational Attainment**

The following table reports educational attainment for the City of California.

2014 Population 25+ by Educational Attainment	
Total	2,828
Less than 9th Grade	6.2%
9th - 12th Grade, No Diploma	8.3%
High School Graduate	35.0%
GED/Alternative Credential	5.0%
Some College, No Degree	19.7%
Associate Degree	5.7%
Bachelor's Degree	14.6%
Graduate/Professional Degree	5.6%

According to ESRI, 14.6% of the population has a bachelor’s degree, which is less than the 20.7% reported in the nation. The less educated workforce has resulted in an increase in manufacturing employment, which is the main employment industry in the city.

**Marital Status**

The following table reports population by marital status for the City of California.

2014 Population 15+ by Marital Status	
Total	3,379
Never Married	20.4%
Married	58.2%
Widowed	11.7%
Divorced	9.7%

The majority, 58.2% of the population are married resulting in fewer renter households and an increase in single family homeownership and housing units.

**Total Households**

The following table reports the number of households in the City of California.

Households		
Year	Number	Change %
2010	1,909	-
2014	1,929	1.04%
2019	1,948	0.98%

The number of households is estimated to increase minimally between 2014 and 2019 totaling 19 new households, which is slower than the growth rate reported from 2010 to 2014.

**Average Household Size**

The following table reports the average household size in the City of California.

Average Household Size	
Year	Average Size
2014	2.42
2019	2.42

The average household size in California is expected to remain unchanged in the coming years and is slightly lower than the county average of 2.58.

### Households by Age

The following table reports households by age in the City of California.

Households by Age		
Age Cohort	2010	Percent
Total	1,727	100.0%
Under 25	111	6.4%
25-34	264	15.3%
35-44	290	16.8%
45-54	332	19.2%
55-64	236	13.7%
65-74	228	13.2%
75-84	173	10.0%
85+	93	5.4%

The age group with the most households is the 45-54 age group followed by the 35-44 age group. Approximately 20% or 300 households in the city are between the age of 20 and 34, which are the prime renter years.

### Households by Size

The following table reports the household size in the City of California.

Households by Size		
Household Size	2010	Percent
1 Person	553	32.0%
2 Persons	564	32.7%
3 Persons	234	13.5%
4 Persons	203	11.8%
5 Persons	100	5.8%
6 Persons	43	2.5%
7+ Persons	30	1.7%
Total	1,727	100.0%

One and two person households comprise the majority of the households in the city with one, two, and three person households accounting for over 75% of the total number of households. A higher percentage of one and two person households generally results in increased demand for one, two, and three person housing units.

### Household Type and Presence of Own Children

The following table reports households by type in the City of California.

2010 Households by Type		
Type	Households	Percentage
Total	1,727	100.0%
Households with 1 Person	553	32.0%
Households with 2+ People	1,174	68.0%
Family Households	1,097	63.5%
Husband-wife Families	794	46.0%
With Related Children	351	20.3%
Other Family (No Spouse Present)	300	17.4%
Other Family with Male Householder	76	4.4%
With Related Children	54	3.1%
Other Family with Female Householder	225	13.0%
With Related Children	168	9.7%
Nonfamily Households	78	4.5%

The city is comprised of 63.5% family households and 46.0% husband-wife families. Approximately 4.5% of the households are nonfamily households. Family households tend to prefer single family housing due to privacy and size concerns with nonfamily households preferring single family and or apartment housing units.

**Tenure by Occupancy of Housing Units**

The following table reports housing units by tenure in the City of California.

Tenure by Occupancy of Housing Units								
Type	2000	Percent	2010	Percent	2014	Percent	2019	Percent
Owner Occupied	1,157	64.8%	1,109	58.1%	1,146	59.4%	1,163	59.7%
Renter Occupied	498	27.9%	619	32.4%	594	30.8%	590	30.3%

Homeownership in California experienced a decline between the years 2000 and 2010, which is primarily a result of the stuttering economy, which was common on a national level. There has been a slow and steady increase in homeownership that is expected to continue into the future due to the rural location with single family housing units being the primary housing type. The decrease in renter occupied housing units is opposite of the rest of the county, which reports increased rental demand and less homeownership growth.

**Tenure by Bedroom Size (Owner Occupied)**

The following table reports the number of owner occupied households by bedroom in the City of California.

Tenure By Bedrooms (Owner Occupied)		
Bedrooms	Households	Percentage
No Bedroom	40	3.6%
1	58	5.2%
2 or 3	845	76.2%
4 or more	166	15.0%

The majority, 76.2% of the owner occupied housing units are comprised of two and three bedrooms due to an increase in the number of family units when compared to single and couples.

**Tenure by Household Size (Renter Occupied)**

The following table reports the number of renter occupied households by bedroom in the City of California.

Tenure By Bedrooms (Renter Occupied)		
Bedrooms	Households	Percentage
No Bedroom	43	7.0%
1	76	12.2%
2 or 3	483	78.0%
4 or more	17	2.8%

The majority, 78.0% of the renter occupied housing units are comprised of two and three bedroom due to an increase in the number of family units when compared to single and couples.

### Households by Income Distribution

The following table reports households by income in the City of California.

Households by Income Distribution				
Income Cohort	2014	Percent	2019	Percent
Household Income Base	1741	100.0%	1752	100.0%
<\$15,000	414	23.8%	390	22.4%
\$15,000 - \$24,999	218	12.5%	160	9.2%
\$25,000 - \$34,999	190	10.9%	165	9.5%
\$35,000 - \$49,999	247	14.2%	261	15.0%
\$50,000 - \$74,999	409	23.5%	399	22.9%
\$75,000 - \$99,999	145	8.3%	195	11.2%
\$100,000 - \$149,999	85	4.9%	113	6.5%
\$150,000 - \$199,999	14	0.8%	24	1.4%
\$200,000+	19	1.1%	31	1.8%
Average Household Income	\$46,064	-	\$53,057	-

The highest percentage of households is the less than \$15,000 bracket accounting for 23.8% of all households. Approximately 23.5% of the households are between \$50,000 and \$74,999 per year making the city bimodal in income distribution.

### Gross Rent and Monthly Household Income

The following table reports households by the percentage of gross rent that is paid towards housing each month in the City of California.

Gross Rent as a % of Monthly Household Income		
Status	Number	Percentage
Occupied units paying rent	755	100.0%
Less than 15 percent	61	8.1%
15 to 19 percent	176	23.3%
20 to 24 percent	74	9.8%
25 to 29 percent	69	9.1%
30 to 34 percent	76	10.1%
35 percent or more	299	39.6%
Not computed	30	4.0%

Approximately 50% of renter households in California have a gross rent (rent plus utilities) that exceeds 30% of their monthly household income. Housing is considered to be affordable when the gross rent does not total more than 30% of your income. Based on these calculations, approximately 40% of the renter households in California are rent burdened and pay more than 35% of their income towards housing.

**Area Maximum Affordable Housing Income and Rents**

The following tables report income and rent restrictions for Section 42 properties in Moniteau County. As shown below and later in the report, the maximum allowable rents according to HUD are above the asking rents for market rate properties in California.

Section 42 - Low Income Housing Tax Credit (LIHTC)									
Unit Type	30% Max Rent	30% Max Income	40% Max Rent	40% Max Income	50% Max Rent	50% Max Income	60% Max Rent	60% Max Income	FMR
One Bedroom	\$364	\$14,595	\$486	\$19,460	\$608	\$24,325	\$729	\$29,190	\$446
Two Bedroom	\$438	\$17,500	\$584	\$23,360	\$730	\$29,200	\$876	\$35,040	\$604
Three Bedroom	\$505	\$20,220	\$674	\$26,960	\$842	\$33,700	\$1,011	\$40,444	\$772

**Cost Burdened Households**

The following table reports cost burdened households in the City of California.

Cost Burdened Households - California, Missouri			
	Renter	Owner	Renter & Owner
<b>Total</b>			
Cost Burdened >30%	20.1%	12.9%	15.4%
Severely Cost Burdened >50%	4.4%	3.7%	3.9%
<b>Elderly 1 &amp; 2 Persons</b>			
Cost Burdened >30%	25.0%	9.0%	14.5%
Severely Cost Burdened >50%	3.1%	5.6%	4.7%
<b>Single Person Non-Elderly</b>			
Cost Burdened >30%	2.7%	33.3%	18.8%
Severely Cost Burdened >50%	0.0%	8.3%	3.5%
<b>Small Family 2-4 Persons</b>			
Cost Burdened >30%	31.6%	12.2%	7.8%
Severely Cost Burdened >50%	8.7%	0.8%	4.0%
<b>Large Family 5+ Persons</b>			
Cost Burdened >30%	0.0%	11.9%	22.9%
Severely Cost Burdened >50%	0.0%	6.0%	5.5%

According to the most recently published CHAS data, 20.1% of the renter households in California are cost burdened with only 12.9% of the owner occupied households being cost burdened. Small family households with two to four people are the most cost burdened due to fewer income earning individuals in the households to carry the cost of larger living space.

Cost Burdened Households - State of Missouri			
	Renter	Owner	Renter & Owner
<b>Total</b>			
Cost Burdened >30%	30.9%	16.7%	20.9%
Severely Cost Burdened >50%	14.8%	6.2%	8.8%
<b>Elderly 1 &amp; 2 Persons</b>			
Cost Burdened >30%	39.4%	17.4%	23.9%
Severely Cost Burdened >50%	18.4%	7.3%	10.6%
<b>Single Person Non-Elderly</b>			
Cost Burdened >30%	31.5%	26.3%	18.8%
Severely Cost Burdened >50%	15.7%	10.6%	3.5%
<b>Small Family 2-4 Persons</b>			
Cost Burdened >30%	27.1%	14.0%	7.8%
Severely Cost Burdened >50%	12.7%	4.6%	4.0%
<b>Large Family 5+ Persons</b>			
Cost Burdened >30%	26.4%	15.7%	22.9%
Severely Cost Burdened >50%	12.6%	5.1%	5.5%

In comparison to the State of Missouri, California has fewer cost burdened households due to a lower cost of living and cheaper housing options.

**Migration Patterns**

Following are tables that show the latest available migration patterns into and out of Moniteau County and the net migration totals between 2009 and 2011.

Gross Annual Household In- Migration Moniteau County, Missouri						
County of Origin	2009		2010		2011	
	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	354	100%	306	100%	316	100%
Total In-Migration Same State	282	80%	261	85%	242	77%
Total In-Migration Out of State	72	20%	45	15%	74	23%
Cole County	78	22%	92	30%	73	23%
Morgan County	42	12%	21	7%	37	12%
Boone County	19	5%	20	7%	16	5%
Callaway County	14	4%	18	6%	17	5%
Pettis County	18	5%	0	0%	17	5%
Cooper County	22	6%	19	6%	13	4%
Miller County	16	5%	13	4%	0	0%

The following table reports out-migration from 2009 through 2011 at the county level.

Gross Annual Household Out- Migration Moniteau County, Missouri						
County of Origin	2009		2010		2011	
	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	374	100%	303	100%	345	100%
Total Out-Migration Same State	313	84%	242	80%	270	78%
Total Out-Migration Out of State	61	16%	61	20%	75	22%
Cole County	97	26%	93	31%	93	27%
Morgan County	42	11%	16	5%	34	10%
Boone County	23	6%	20	7%	21	6%
Callaway County	10	3%	0	0%	17	5%
Pettis County	14	4%	10	3%	14	4%
Cooper County	12	3%	16	5%	13	4%
Miller County	18	5%	15	5%	14	4%

According to the most recent Internal Revenue Service data, Moniteau County attracted an average of 325 new households annually and lost an average of 341 households annually. The three years captured in this analysis have a net migration of negative 46 households and an average of negative 15 households annually indicating that more people are leaving the county than move into the area.

Net Annual Household Migration Moniteau County, Missouri			
	2009	2010	2011
<b>Total Migration</b>	<b>-20</b>	<b>3</b>	<b>-29</b>
Total Migration Same State	-31	19	-28
Total Migration Out of State	11	-16	-1
Cole County	-19	-1	-20
Morgan County	0	5	3
Boone County	-4	0	-5
Callaway County	4	18	0
Pettis County	4	-10	3
Cooper County	10	3	0
Miller County	-2	-2	-14

**Units in Structure**

The following table reports existing housing units by type in the City of California.

Units in Structure		
Type	Number	Percentage
Total	2,007	100.0%
1, detached	1,319	65.7%
1, attached	27	1.3%
2	117	5.8%
3 or 4	310	15.4%
5 to 9	14	0.7%
10 to 19	117	5.8%
20 to 49	0	0.0%
50 or more	9	0.4%
Mobile home	94	4.7%

While the data provided by the Census in regard to units in structure varies slightly from our findings in our due diligence and market research, the data included in the table is the best available information on units in structure for the City of California. The information provides perspective that the most common type of housing is single unit detached structures, followed by three or four units structures, which combined make up over 80% of the housing units in California.

**Year Structure Built**

The following table reports year structure built in the City of California.

Year Structure Built		
Year	Number	Percentage
Total	2,007	100.0%
Built 2010 or later	0	0.0%
2000 to 2009	137	6.8%
1990 to 1999	331	16.5%
1980 to 1989	283	14.1%
1970 to 1979	197	9.8%
1960 to 1969	268	13.4%
1950 to 1959	363	18.1%
1940 to 1949	47	2.3%
Built 1939 or earlier	381	19.0%

The city has a fairly even distribution of year built ranging from 1939 and earlier to 1999. The majority of housing was built between 1950 and 1999 comprising nearly 80% of the housing units.

**Building Permits**

The following table reports building permits in Moniteau County, which is the smallest available geographic area for this data. According to the Census Bureau, permitting has been minimal with one to three single family units being built each year and no new multifamily housing. The lack of building is representative of a city with stagnant population growth and an aging housing stock as shown earlier in the report.

Building Type	2013	2012	2011	2010	2009	2008
Single Family	3	1	1	1	1	2
Two Family	0	0	0	0	0	0
Three and Four Family	0	0	0	0	3	0
Five or More Family	0	0	0	0	0	0
Total	3	1	1	1	4	2

## **V. REVIEW OF PREVIOUS DOWNTOWN HOUSING MARKET STUDIES**

To our knowledge, there have been no previous market studies prepared that pertain to the City of California, Missouri.

## VI. EXISTING HOUSING

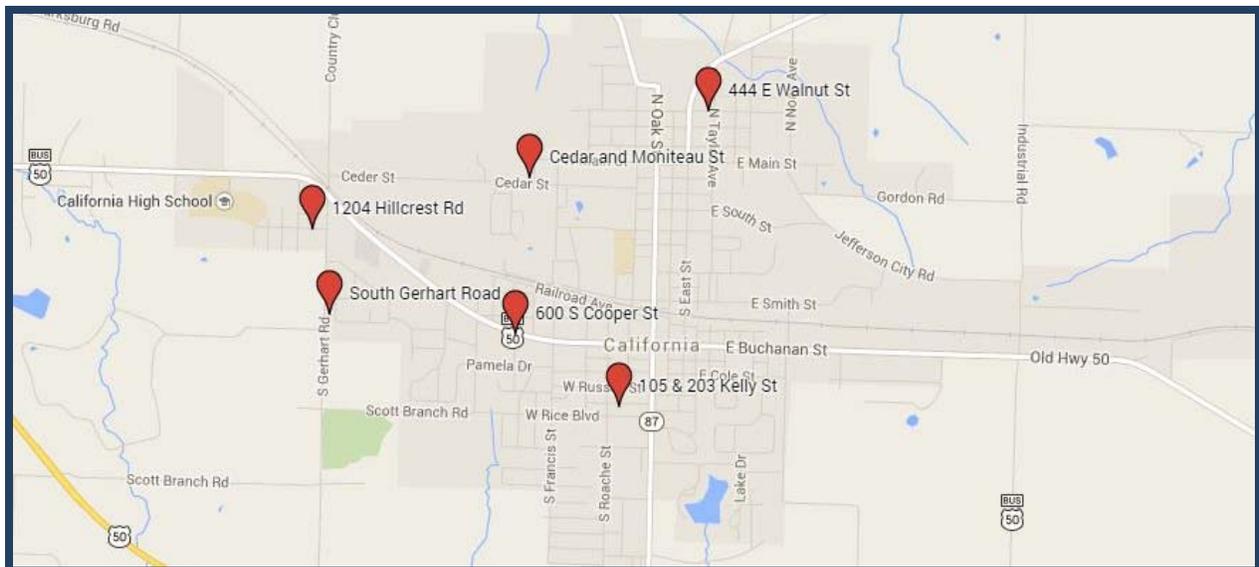
### Single Family Market

Demographic data indicates that nearly 60% of the occupied housing units in California are owner occupied. On the Multiple Listing Service website Realtor.com, there are currently 37 residential listings in the California market that have asking prices that range from a low of \$28,900 to a high of \$339,900. The upper end of the range represents homes with acreage on the fringe of the city and are not representative of the market as a whole. The typical price range of average quality homes in the California market is from \$40,000 to \$180,000.

The lack of amenities in the downtown area has limited the appeal and marketability of rental homes in the area. Additionally, a consistent theme heard from the market participants interviewed is that the city of California is primarily a bedroom community with many of the residents finding employment outside of California, as evidenced by the demographic data covered in earlier sections of this report. According to brokers and other market participants, housing is affordable in California and many of the residents prefer the benefits of detached single family homes by way of renting or ownership as opposed to multifamily housing. The information revealed by market participants supported our research that revealed very few duplex, townhomes, and apartment buildings in the market area. The primary preferred housing option was consistently found to be single family detached properties with a preponderance being owner occupied.

### Market Rate Rental Housing

Demographic data indicates that less than half of the occupied housing units in California are renter occupied. The rental units do not have any primary concentration within the city boundaries, although it was noted there were fewer rental properties within the downtown revitalization area. The majority of market rate rental housing in California was found to be single family detached housing with very few multiunit buildings. Following is a map showing the location of market rate housing and a survey of the market rate housing options in the community.



The following pictures depict current housing options in the City of California.

Single Family Homes



203 Kelly Street

This single family rental features three bedrooms and one bath. The asking rent is \$600 per month.



105 Kelly Street

This single family rental features two bedrooms and one-and-one-half bathroom with a full basement and two car garage. The asking rent is \$695 per month.



600 Cooper Street

This single family rental features three bedrooms and two bathrooms and a single car garage. The asking rent is \$600 per month.



444 Walnut Street

This single family rental is newly constructed as part of three identical single family rentals built on the same block. The home features two bedrooms and one bathroom. The asking rent is \$525 per month.

Multi-family Properties



1204 Hillcrest Road

This four unit apartment building has one unit available, representing 75% occupancy. The available unit features two bedrooms and one bathroom. The asking rent is \$395 per month.



Cedar Street and Moniteau Street

This apartment property contains two buildings with a total of eight, two bedroom and one bathroom apartment units. Of the eight units, there is currently one vacancy representing a current occupancy level of 87.5%. The current asking rate is \$395 per month.



Assured Property Management – South Gerhart Road

This apartment property contains three buildings with a total of twenty apartment units. The units consist of one and two bedroom units with one bathroom. According to the property owner, the property was purchased last year and significant capital improvements have been made. The anticipated occupancy level has yet to be reached and is currently around 75%. The current asking rate is \$395 per month for the two bedroom units and \$350 per month for the one bedroom units.

Loft style apartment units were found to exist in the downtown area on the upper floors of several of the commercial buildings. However rental signs could not be found and property owners could not be reached for information on the rental market of these properties. Conversations with several local brokers and market participants indicated that the upper floor apartments in the downtown area lack amenities and are not in high demand due to the preference of single family homes for area residents.

#### Typical Rental Range

Based on our analysis, the typical rental range for single family homes is \$525 to \$695 per month for two and three bedroom homes. The typical rental range for market rate multifamily properties is \$350 to \$395 per month for one and two bedroom units.

#### Occupancy

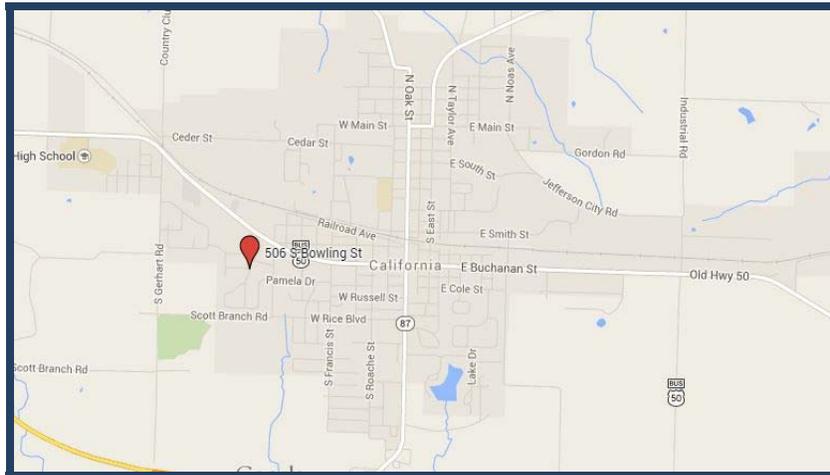
Occupancy for single family rental homes could not be identified; however, demand was reportedly strong according to market participants. The three identical homes on Walnut Street are owned and managed by Zumwalt Investments Company. According to James Zumwalt, of Zumwalt Investments, two of the three homes were leased before completion and they have received over twenty inquiries in leasing the remaining home.

#### Under Construction/Consideration

According to officials within the county and city, there is currently no construction of market rate housing in the local area due to stagnant population growth.

### Senior Tax Credit Rental Housing

There is one senior housing project in California. The following briefly discusses the project.



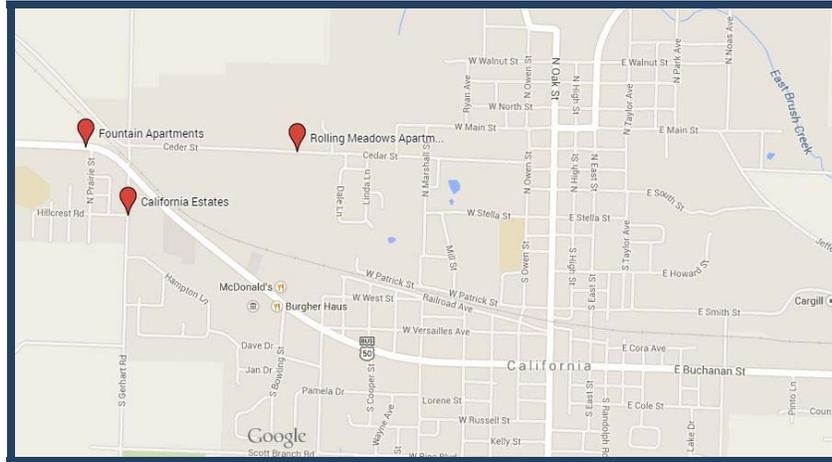
California Senior Housing is the only senior housing project within California, Missouri. The project consists of 33 duplexes with one bedroom and one bathroom units. The income restriction was not available for this property. The project has an age restriction of 62 years and older. Occupancy is currently 100% with fewer than five people on a waiting list, which is common according to property management. The current rent is \$315 per month.

Under Construction/Consideration

According to officials within the county and city, there is currently no new construction of senior housing.

**Family Tax Credit Rental Housing**

The following briefly discusses affordable rental housing in California, MO.



California Estates



California Estates is a Section 42 housing project within California, Missouri. The income restriction was not available for this property. The project consists of 16 units with one and two bedroom units with one bathroom. Occupancy is currently 100%, which is common according to property management. The current rent is \$415 per month for two bedroom units and \$365 per month for one bedroom units.

Rolling Meadows Apartments



Rolling Meadows Apartments is a Section 42 housing project within California, Missouri. The property is the most recent construction of the affordable housing project in the market area, having been constructed in 1999. The project consists of 32 units with two and three bedroom units with two bathrooms. The income restriction was not available for this property. Occupancy is currently 100%, which is common according to property management. The current rent is \$400 per month for two bedroom units and \$455 per month for three bedroom units.

Fountain Apartments





Fountain Apartments is a Section 42 housing project within California, Missouri that was constructed in 1989. The credit percentage was not available for this property. The project consists of 40 units among three buildings with two and three bedroom units with one bathroom. Occupancy is currently 72.5%, which is common according to property management. The current rent is \$270 per month for two bedroom units and \$320 per month for three bedroom units.

#### Typical Rental Range

The typical rent range for affordable housing is \$270 to \$415 per month for two bedroom units and \$320 to \$455 per month for three bedroom units. California Estates is the only affordable housing property that offers one bedroom units with an asking rent of \$365 per month. According to property management, the demand is much higher for two and three bedroom units due to an increase in family housing units.

#### Occupancy

The occupancy for affordable housing ranges from 72.5% to 100% among the three projects within California, Missouri, with an average of 91%. Two of the three affordable housing properties were at full occupancy on the effective date of this report.

#### Under Construction/Consideration

According to officials within the county and city, there is currently no new construction or plans for additional affordable housing in the area.

## VII. IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS

### Primary Market Area – City of California

The primary market is considered to be the area that the majority of the market demand for downtown housing in California is expected to be drawn from. Demographic data indicates that approximately 16% of the households living in California move to another residence each year. Local real estate professionals in the market indicate that the majority of home seekers are current residents of the city. Based on the opinions of the informed participants in the market and the demographic data, it is the opinion of the analyst that the primary market area for residential units in the city of California is the municipal boundaries of the community.

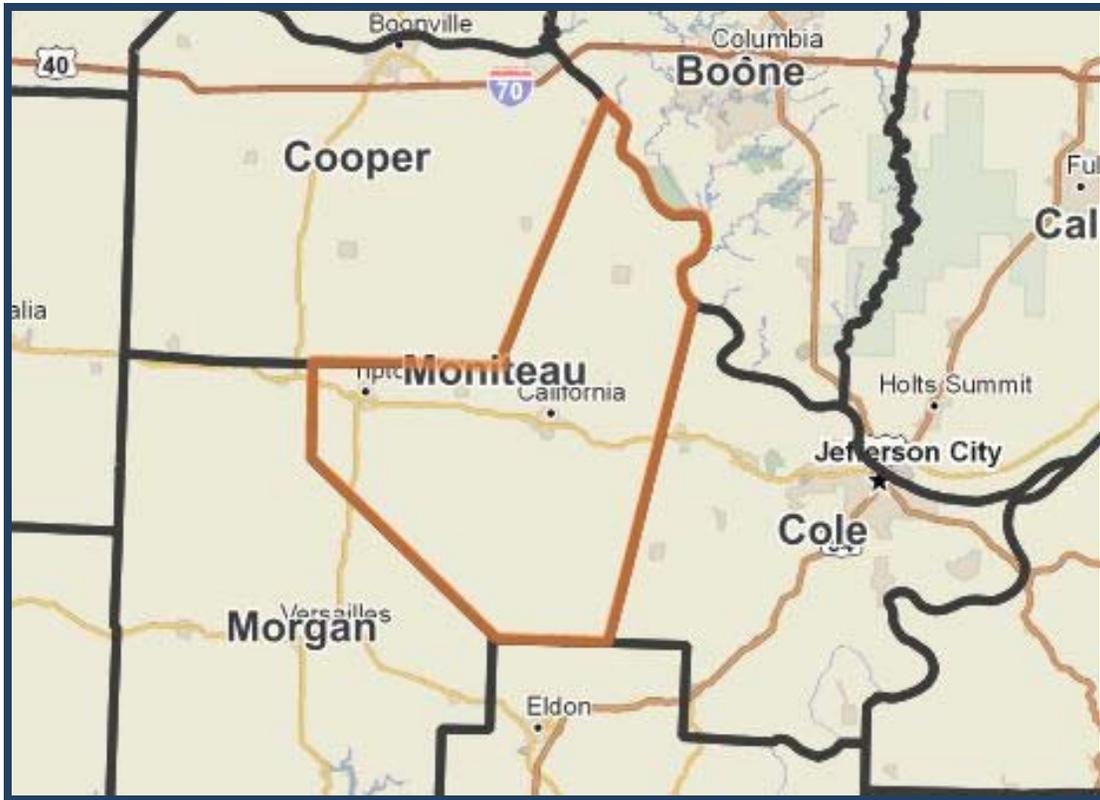
The following map shows the area that is considered to be the primary market area for purposes of this report.



### Secondary Market Area – Moniteau County, MO

The secondary market area of California is the area outside of the primary market area that also contains households that could be attracted to residential housing in the city of California. The number of households attracted to residential units in California will typically be less than in the primary market area. Based on the opinions of markets participants in the city and considering migration patterns, it is the opinion of the analyst that the secondary market area for California is the balance of Moniteau County.

The following map shows the area that is considered to be the secondary market area for purposes of this report.



#### HISTA Demographic Data

Ribbon Demographics, has developed a data product that is designed specifically for housing analysis. The product called HISTA breaks households down by income, household size, tenure and broad age groups. It is a custom four-way cross tabulation of household data.

On the following pages are the HISTA tables for the primary market area for 2015 estimations and 2020 projections. They will be used in the rental housing demand analysis that follows. The tables contain current household estimates for the Primary Market Area by tenure (renter or homeowner), income, and household size for age groups 15 to 54 years, 55 to 61 years, and 62 years plus. The differences in the number of households in each of the categories provides a good indication of future potential residential growth or decline.

The primary market area has been delineated as the City of California, which includes U.S. Census Tracts 3852 and parts of 3851.

The following tables summarize the current year estimates for owner households by age group.

<b>Owner Households</b>						
Age 15 to 54 Years						
Year 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	0	0	0	0	<b>0</b>
\$10,000-20,000	23	0	0	0	15	<b>38</b>
\$20,000-30,000	7	19	12	0	0	<b>38</b>
\$30,000-40,000	19	0	8	31	0	<b>58</b>
\$40,000-50,000	0	0	28	0	0	<b>28</b>
\$50,000-60,000	0	12	13	21	0	<b>46</b>
\$60,000+	<u>23</u>	<u>46</u>	<u>82</u>	<u>88</u>	<u>105</u>	<b>344</b>
<b>Total</b>	<b>72</b>	<b>77</b>	<b>143</b>	<b>140</b>	<b>120</b>	<b>552</b>

<b>Owner Households</b>						
Aged 55 to 61 Years						
Year 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	1	11	0	0	0	<b>12</b>
\$10,000-20,000	8	1	0	0	0	<b>9</b>
\$20,000-30,000	0	12	0	0	0	<b>12</b>
\$30,000-40,000	2	9	2	2	0	<b>15</b>
\$40,000-50,000	0	16	0	6	0	<b>22</b>
\$50,000-60,000	0	4	0	0	0	<b>4</b>
\$60,000+	<u>1</u>	<u>42</u>	<u>18</u>	<u>13</u>	<u>0</u>	<b>74</b>
<b>Total</b>	<b>12</b>	<b>95</b>	<b>20</b>	<b>21</b>	<b>0</b>	<b>148</b>

<b>Owner Households</b>						
Aged 62+ Years						
Year 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	7	22	1	0	0	<b>30</b>
\$10,000-20,000	111	13	0	0	0	<b>124</b>
\$20,000-30,000	30	35	1	0	0	<b>66</b>
\$30,000-40,000	37	22	2	0	0	<b>61</b>
\$40,000-50,000	8	27	0	0	0	<b>35</b>
\$50,000-60,000	4	6	0	1	0	<b>11</b>
\$60,000+	<u>17</u>	<u>107</u>	<u>1</u>	<u>1</u>	<u>0</u>	<b>126</b>
<b>Total</b>	<b>214</b>	<b>232</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>453</b>

The following tables summarize the year 2020 projections for owner households by age group.

<b>Owner Households</b>						
Age 15 to 54 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	0	0	0	0	<b>0</b>
\$10,000-20,000	22	0	0	0	11	<b>33</b>
\$20,000-30,000	5	17	13	0	0	<b>35</b>
\$30,000-40,000	19	0	8	24	0	<b>51</b>
\$40,000-50,000	0	0	23	0	0	<b>23</b>
\$50,000-60,000	0	11	13	20	0	<b>44</b>
\$60,000+	<u>23</u>	<u>42</u>	<u>77</u>	<u>92</u>	<u>108</u>	<b>342</b>
<b>Total</b>	<b>69</b>	<b>70</b>	<b>134</b>	<b>136</b>	<b>119</b>	<b>528</b>

<b>Owner Households</b>						
Aged 55 to 61 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	1	9	0	0	0	<b>10</b>
\$10,000-20,000	8	0	0	0	0	<b>8</b>
\$20,000-30,000	0	17	0	0	0	<b>17</b>
\$30,000-40,000	4	7	3	2	0	<b>16</b>
\$40,000-50,000	0	18	0	9	0	<b>27</b>
\$50,000-60,000	0	6	0	0	0	<b>6</b>
\$60,000+	<u>4</u>	<u>45</u>	<u>29</u>	<u>16</u>	<u>0</u>	<b>94</b>
<b>Total</b>	<b>17</b>	<b>102</b>	<b>32</b>	<b>27</b>	<b>0</b>	<b>178</b>

<b>Owner Households</b>						
Aged 62+ Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	6	21	1	0	0	<b>28</b>
\$10,000-20,000	104	12	0	0	0	<b>116</b>
\$20,000-30,000	37	41	1	0	0	<b>79</b>
\$30,000-40,000	32	19	2	0	0	<b>53</b>
\$40,000-50,000	11	27	0	0	0	<b>38</b>
\$50,000-60,000	9	6	0	0	0	<b>15</b>
\$60,000+	<u>23</u>	<u>112</u>	<u>2</u>	<u>1</u>	<u>0</u>	<b>138</b>
<b>Total</b>	<b>222</b>	<b>238</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>467</b>

The following tables summarize the current year estimates for renter households by age group.

<b>Renter Households</b>						
Age 15 to 54 Years						
<i>Year 2015 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	<b>Total</b>
\$0-10,000	48	1	0	14	0	<b>63</b>
\$10,000-20,000	30	36	5	28	17	<b>116</b>
\$20,000-30,000	29	0	10	0	0	<b>39</b>
\$30,000-40,000	7	18	10	0	0	<b>35</b>
\$40,000-50,000	33	0	35	0	0	<b>68</b>
\$50,000-60,000	16	39	2	0	0	<b>57</b>
\$60,000+	<u>7</u>	<u>3</u>	<u>6</u>	<u>1</u>	<u>43</u>	<b><u>60</u></b>
<b>Total</b>	<b>170</b>	<b>97</b>	<b>68</b>	<b>43</b>	<b>60</b>	<b>438</b>

<b>Renter Households</b>						
Aged 55 to 61 Years						
<i>Year 2015 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	<b>Total</b>
\$0-10,000	0	0	0	0	0	<b>0</b>
\$10,000-20,000	21	9	0	0	0	<b>30</b>
\$20,000-30,000	0	0	0	0	0	<b>0</b>
\$30,000-40,000	4	0	0	0	0	<b>4</b>
\$40,000-50,000	0	0	0	0	0	<b>0</b>
\$50,000-60,000	0	0	0	0	0	<b>0</b>
\$60,000+	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b><u>7</u></b>
<b>Total</b>	<b>32</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>

<b>Renter Households</b>						
Aged 62+ Years						
<i>Year 2015 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	<b>Total</b>
\$0-10,000	17	4	0	0	0	<b>21</b>
\$10,000-20,000	31	0	0	0	0	<b>31</b>
\$20,000-30,000	2	26	0	0	0	<b>28</b>
\$30,000-40,000	3	0	0	0	0	<b>3</b>
\$40,000-50,000	2	15	0	0	0	<b>17</b>
\$50,000-60,000	2	0	0	0	0	<b>2</b>
\$60,000+	<u>10</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<b><u>16</u></b>
<b>Total</b>	<b>67</b>	<b>50</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>118</b>

The following tables summarize the year 2020 projections for renter households by age group.

<b>Renter Households</b>						
Age 15 to 54 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	41	2	0	16	0	<b>59</b>
\$10,000-20,000	25	29	7	24	13	<b>98</b>
\$20,000-30,000	32	0	10	0	0	<b>42</b>
\$30,000-40,000	7	12	9	0	0	<b>28</b>
\$40,000-50,000	35	0	35	0	0	<b>70</b>
\$50,000-60,000	16	43	2	0	0	<b>61</b>
\$60,000+	<u>9</u>	<u>3</u>	<u>7</u>	<u>3</u>	<u>53</u>	<b><u>75</u></b>
<b>Total</b>	<b>165</b>	<b>89</b>	<b>70</b>	<b>43</b>	<b>66</b>	<b>433</b>

<b>Renter Households</b>						
Aged 55 to 61 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	0	0	0	0	<b>0</b>
\$10,000-20,000	22	7	0	0	0	<b>29</b>
\$20,000-30,000	0	0	0	0	0	<b>0</b>
\$30,000-40,000	4	0	0	0	0	<b>4</b>
\$40,000-50,000	0	0	0	0	0	<b>0</b>
\$50,000-60,000	0	0	0	0	0	<b>0</b>
\$60,000+	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b><u>11</u></b>
<b>Total</b>	<b>37</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>

<b>Renter Households</b>						
Aged 62+ Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	17	4	0	0	0	<b>21</b>
\$10,000-20,000	30	0	0	0	0	<b>30</b>
\$20,000-30,000	3	32	0	0	0	<b>35</b>
\$30,000-40,000	5	0	0	0	0	<b>5</b>
\$40,000-50,000	2	17	0	0	0	<b>19</b>
\$50,000-60,000	1	0	0	0	0	<b>1</b>
\$60,000+	<u>13</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<b><u>19</u></b>
<b>Total</b>	<b>71</b>	<b>58</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>130</b>

## VIII. POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

### Overview

The purpose of this study is to determine if residential development would complement the downtown revitalization efforts, the household types that would comprise the residential market, the type of housing that should be considered, and the approximate number of households that can be captured for residential units in the downtown market area.

In order for the downtown area to attract permanent residents it first has to become an area that does a better job of attracting people in general. A complex mix of businesses and attractions must be present to attract people to the area. Presently, the area lacks many of the businesses that are important to local residents like a grocer, pharmacy, hardware store, greater choice of eating establishments, and other retail amenities.

While there is minimal attraction for tourists to the City of California, the downtown area could potentially serve as an entertainment center for the local community, although there are currently no plans for entertainment, arts or dining establishments in the downtown corridor. According to market participants, the greatest demand and interest for commercial uses are outside of the downtown market area. Many downtown areas have suffered from sprawl as new shopping centers and commercial strip malls have been developed outside of the Central Business District, attracting people and businesses away from downtown. This is the case of California as most shopping is now found along Buchanan Street. In many cities the trend is being reversed as communities began to value walkable urban opportunities. Walkable urbanity is a new trend where people have convenient walking access to many of their typical daily destinations, such as a park, a grocery store, a movie theatre, employment, restaurants, shopping, nightlife and civic institutions. California has the available space within its downtown area to create an urban village and unique residential opportunities, although the demand as previously discussed is greatest in other areas of the city limits where emphasis on walkable amenities are not a coveted feature. Market participants describe the City of California as being a rural community that has the greatest interest in single family home ownership with little interest in an urban village setting.

As part of the strategy to revitalize the downtown area special attention should be given to Oak Street/Missouri Highway 87 because of its high visibility and access to the northern and southern portions of the city, serving as the primary thoroughfare across the railroad tracks. The railroad tracks are considered to be the dividing line to what are the northern and southern portions of town and Oak Street carries a lot of weight in defining the area. It would be beneficial to the downtown revitalization to cure or remove some of the deteriorated, vacant and underutilized buildings by mandating that owners make improvements and implement strategies to make the best use of the land and buildings. Part of the strategy could include utilizing some of the space for unique housing opportunities. Improvements along Oak Street could be the catalyst for improvements to properties in the surrounding neighborhoods.

From a market perspective the following positive attributes relate to the downtown market area:

- Empty or underutilized buildings, vacant or underutilized tracts of land, and weakened real estate prices are negative attributes in the downtown market, but may also present an opportunity for business and residential development.
- The downtown area is the center of municipal, county, and federal government.
- The downtown area contains antique stores, gift shops, and specialty stores.

- The downtown area is compact with a street pattern conducive to a walkable environment.
- The downtown area benefits from ample parking to support existing and future businesses.

From a market perspective the following negative attributes relate to the downtown market area:

- Access to and from the area is limited to one arterial road and three feeder streets due to the location of the railroad tracks that runs east and west through the southern portion of the DREAM designated area. The railroad tracks present an informal boundary for what local market participants refer to as the northern and southern downtown areas.
- The City of California would need to attract additional employment to allow for an increase in permanent residents in the downtown area to help support existing businesses and attract new businesses.
- As discussed in following sections, population and employment growth for California, Missouri is minimal. As such, many residents are employed outside of the city creating an economic environment that leads to greater out-migration of residents seeking housing in closer proximity to growing economies with greater employment opportunities.
- The downtown area has very few neighborhood oriented businesses that would support the needs of area residents with several of the businesses being specialty shops.
- The downtown area has very few dining and entertainment venues for residents to utilize.

Although there are some employers in the downtown area of California, it does not seem likely that the difficulty or cost involved in getting existing employers to relocate downtown would induce many households to move to the downtown area. In California, the primary motivations for households to move to the downtown area would be for additional single family residential, which is less common.

### **What is the estimated number of households that could create residential household demand in Downtown California?**

In the previous section we summarized current year estimations as well as projected year 2020 rental households and owner households by age and income level for the primary market area. The total differences in households for each of the categories provide a reasonable indication of future potential residential growth and housing demand.

Following are tables showing the difference between the previously summarized 2015 and 2020 renter household estimations. The data indicates an overall decrease in demand for rental households in the 15 to 54 age group, an increase of three households for the 55 to 61 age group, and an increase of 12 households for the 62 years and older age group.

The cohort of greatest increase in rental household demand according to this analysis is the 15 to 54 years of age, five plus person households with an annual household income of greater than \$60,000. There is a noticeable trend within the data showing a significant decrease being projected in the \$40,000 annual household income and lower categories across each of the age groups captured. The net decrease of renter households earning \$40,000 or less is negative 19 for all age groups. The net demand is 10 potential renter households through 2020 with the majority of the demand coming from the 62 plus age group. The following tables summarize the previous data.

<b>Renter Households Potential Demand</b>						
Age 15 to 54 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	-7	1	0	2	0	-4
\$10,000-20,000	-5	-7	2	-4	-4	-18
\$20,000-30,000	3	0	0	0	0	3
\$30,000-40,000	0	-6	-1	0	0	-7
\$40,000-50,000	2	0	0	0	0	2
\$50,000-60,000	0	4	0	0	0	4
\$60,000+	<u>2</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>10</u>	<u>15</u>
Total	-5	-8	2	0	6	-5

<b>Renter Households Potential Demand</b>						
Aged 55 to 61 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	0	0	0	0	0
\$10,000-20,000	1	-2	0	0	0	-1
\$20,000-30,000	0	0	0	0	0	0
\$30,000-40,000	0	0	0	0	0	0
\$40,000-50,000	0	0	0	0	0	0
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Total	5	-2	0	0	0	3

<b>Renter Households Potential Demand</b>						
Aged 62+ Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	0	0	0	0	0
\$10,000-20,000	-1	0	0	0	0	-1
\$20,000-30,000	1	6	0	0	0	7
\$30,000-40,000	2	0	0	0	0	2
\$40,000-50,000	0	2	0	0	0	2
\$50,000-60,000	-1	0	0	0	0	-1
\$60,000+	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Total	4	8	0	0	0	12

Following are tables showing the difference between the previously summarized 2015 and 2020 owner household estimations, showing an overall increase in demand for owner households in the age categories of 55 to 61 years and the 62 years and older. There is a significant decrease in owner household demand for the age category of 15 to 54 years of age. The cohort of greatest increase in

owner household demand is the 15 to 54 age group, three person households with an annual household income of greater than \$60,000. This age group reported an increase in demand of 11 households. The 55 to 61 age group shows an overall demand of 30 households through 2020. The net potential demand across all demographic groups is 20 potential owner households through 2020 with the majority of the demand coming from the 55 to 61 age group. The following tables summarize the previous data.

<b>Owner Households Potential Demand</b>						
Age 15 to 54 Years						
<i>Year 2020 Projections</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	0	0	0	0	0
\$10,000-20,000	-1	0	0	0	-4	-5
\$20,000-30,000	-2	-2	1	0	0	-3
\$30,000-40,000	0	0	0	-7	0	-7
\$40,000-50,000	0	0	-5	0	0	-5
\$50,000-60,000	0	-1	0	-1	0	-2
\$60,000+	<u>0</u>	<u>-4</u>	<u>-5</u>	<u>4</u>	<u>3</u>	<u>-2</u>
Total	<b>-3</b>	<b>-7</b>	<b>-9</b>	<b>-4</b>	<b>-1</b>	<b>-24</b>
<b>Owner Households Potential Demand</b>						
Aged 55 to 61 Years						
<i>Year 2020 Projections</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	0	-2	0	0	0	-2
\$10,000-20,000	0	-1	0	0	0	-1
\$20,000-30,000	0	5	0	0	0	5
\$30,000-40,000	2	-2	1	0	0	1
\$40,000-50,000	0	2	0	3	0	5
\$50,000-60,000	0	2	0	0	0	2
\$60,000+	<u>3</u>	<u>3</u>	<u>11</u>	<u>3</u>	<u>0</u>	<u>20</u>
Total	<b>5</b>	<b>7</b>	<b>12</b>	<b>6</b>	<b>0</b>	<b>30</b>
<b>Owner Households Potential Demand</b>						
Aged 62+ Years						
<i>Year 2020 Projections</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	-1	-1	0	0	0	-2
\$10,000-20,000	-7	-1	0	0	0	-8
\$20,000-30,000	7	6	0	0	0	13
\$30,000-40,000	-5	-3	0	0	0	-8
\$40,000-50,000	3	0	0	0	0	3
\$50,000-60,000	5	0	0	-1	0	4
\$60,000+	<u>6</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>12</u>
Total	<b>8</b>	<b>6</b>	<b>1</b>	<b>-1</b>	<b>0</b>	<b>14</b>

**Where are the households that form the potential market for housing in the California Downtown Market likely to come from?**

The primary sources of housing demand are positive migration, the removal of existing housing units due to obsolescence (1% to 2% per year), and the formation of new households from employment (increase in basic jobs), population growth, and demographic trends (declining household size, increase in renters vs. homeowners, etc.). In the subject area we anticipate that most demand will come from household growth due to the outlying location and increase in employment. The turnover of existing multifamily properties, the renovation of former vacant buildings, the demolition of obsolete buildings (1% to 2% of the housing stock annually), and demographic changes will provide additional demand and growth of households in the market area.

The potential market for households in the downtown California market would primarily come from within the city limits, as people may relocate for better and newer housing, which would be further promoted by a revival of the downtown commercial district. Migration patterns between 2009 and 2011 show more households relocating to surrounding counties that offer increased employment opportunities, which are nearly parallel with the places where residents are employed.

**Tax Credit Senior Rental Housing Demand Analysis**

To capture the future demands of affordable senior housing we have relied upon the 2014 published low income housing tax credits limits for Moniteau County and have excluded households earning less than \$10,000 per year, which would qualify for Section 8 housing. Of the qualified income households projected for the year 2020, there is a net increase of six, two-person households in the 62 years of age and older category earning less than \$30,000, and a zero one-person qualifying households. There is no projected increase in households across any income bracket for 62 years and older, three person and larger households. Overall, there is a projected demand for six affordable senior rental households.

<b>LIHTC Qualifying Senior Renter Households Demand</b>						
Aged 62+ Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$10,000-20,000	-1	0	0	0	0	-1
\$20,000-30,000	1	6	0	0	0	7
\$30,000-40,000			0	0	0	0
<b>Total</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

Based on the existing rental rates within California for senior housing (\$315 for an older project), it is reasonable to assume rents for a new project would be higher than currently achieved in California. The 2020 projections for senior households indicate that 50% of the households will earn between \$10,000 and \$30,000, with a median income of \$20,000 annually. The low-income housing tax credit (LIHTC) program is an indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing. Washington lawmakers created this as an incentive for private developers and investors to provide more low-income housing. Without the incentive, affordable rental projects do not generate sufficient profit to warrant the investment. A comparison of the

actual costs of the development to the market value of the project as a test of feasibility would deter any prudent investor from building such a project.

The one existing senior project is currently 100% occupied with a waiting list of five people. Management reported that occupancy is typically 100% indicating some demand for senior housing. As the population continues to age it is projected that additional, although limited demand is forecasted. Based on the gap in rental rates, the nominal amount of household formation for households aged 62 plus, and the current performance of the existing senior project, building a tax credit senior housing project could be a viable use. However, please note that the market for senior housing is very shallow and it is projected that building a new project would most likely impact the performance of the existing tax credit project due to the limited number of senior households.

**Tax Credit Family Rental Housing Demand Analysis**

To capture the future demands of affordable senior housing we have relied upon the 2014 published low income housing tax credits limits for Moniteau County and have excluded households earning less than \$10,000 per year, which would qualify for Section 8 housing. Of the qualified income households projected for the year 2020, there is an overall net decrease of 16 households for ages 15 to 61 years of age. There are three existing tax credit projects with no age restrictions. The three projects have an occupancy rate that ranges from 73% to 100% with the largest project totaling 40 units being 73% occupied. Based on the current performance of the existing tax credit units and the decline in households through 2020, an additional tax credit housing project is not recommended at this time.

<b>LHHC Qualifying Renter Households Demand</b>						
Age 15 to 61 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$10,000-20,000	-4	-9	2	-4	-4	-19
\$20,000-30,000	3	0	0	0	0	3
\$30,000-40,000			-1	0	0	-1
<b>Total</b>	<b>-1</b>	<b>-9</b>	<b>2</b>	<b>-4</b>	<b>-4</b>	<b>-16</b>

**Market Rate Rental Housing Demand Analysis**

To capture the future demands of market rate family housing we have relied upon 2020 projections provided by Ribbon Demographics and have excluded households that earn less than \$30,000 per year, which would qualify for Section 8 and Section 42 housing. Of the households considered to not be low income, there is an overall projected demand for 19 additional market rate households.

<b>Renter Households Potential Demand</b>						
Age 15 to 61 Years						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$30,000-40,000	0	-6				-6
\$40,000-50,000	2	0	0	0	0	2
\$50,000-60,000	0	4	0	0	0	4
\$60,000+	6	0	1	2	10	19
<b>Total</b>	<b>8</b>	<b>-2</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>19</b>

Existing multifamily market rental rates within California range from \$350 to \$395 per month, with a median of \$395 and average of \$384 per month. Existing single family market rental rates within California range from \$525 to \$695 per month, with a median of \$600 and average of \$605 per month. A typical investor would have greater interest in constructing properties with higher rents and with consideration given to information provided by market participants, the greatest rental demand in California is for single family detached properties. Based on these criteria, our recommendation would be for additional single family detached rental housing and it is reasonable to assume rents for a new unit would be higher than currently achieved. The following tables report the minimum rent level required in order to construct a project based on a minimal improvement cost range of \$60,500 to \$82,500 per unit (including profit), land cost of \$5,000 per unit, operating expenses of \$3,000 per unit, and a 8.00% rate of return (capitalization rate).

Feasibility Rent Required for New Construction or Rehabilitation						
<b>Data Inputs</b>						
Construction cost	\$55,000	per unit	Building size	700 SF		
Land cost	\$5,000	per unit	Building size	1 units		
Operating expenses	\$3,000	per unit	Land size	1 units		
Overall rate (OAR)	8.0%		% Building rentable	100%		
Normal vacancy	10.0%		Incentive	10%		
<b>Calculations of Required Rent</b>						
			Units		Cost per unit	
Building and site improvement cost			1	X	\$55,000	= \$55,000
Plus Profit			10.00%	X	\$55,000	= \$5,500
Land cost			1	X	\$5,000	= \$5,000
<b>Total cost</b>						<b>\$65,500</b>
<b>Calculation of Feasibility Rent</b>						
Required NOI	\$65,500	X	8%	=		\$5,240
Add operating expenses	\$3,000	X	1	=		\$3,000
Effective gross income (EGI)						\$8,240
Vacancy and collection loss						<u>\$916</u>
Potential gross income						\$9,156
<b>Calculation of Minimum Required Rent for New Construction</b>						
	<b>PGI</b>	<b>Divided By</b>			<b># of Units</b>	
	\$9,156				1	
						<b>Required Annual Rent per Unit \$9,156</b>
						<b>Required Monthly Rent per Unit \$763</b>

Feasibility Rent Required for New Construction or Rehabilitation						
<b>Data Inputs</b>						
Construction cost	\$75,000	per unit	Building size	700 SF		
Land cost	\$5,000	per unit	Building size	1 units		
Operating expenses	\$3,000	per unit	Land size	1 units		
Overall rate (OAR)	8.0%		% Building rentable	100%		
Normal vacancy	10.0%		Incentive	10%		
<b>Calculations of Required Rent</b>						
			Units		Cost per unit	
Building and site improvement cost			1	X	\$75,000	= \$75,000
Plus Profit			10.00%	X	\$75,000	= \$7,500
Land cost			1	X	\$5,000	= \$5,000
<b>Total cost</b>						<b>\$87,500</b>
<b>Calculation of Feasibility Rent</b>						
Required NOI	\$87,500	X	8%	=		\$7,000
Add operating expenses	\$3,000	X	1	=		\$3,000
Effective gross income (EGI)						\$10,000
Vacancy and collection loss						<u>\$1,111</u>
Potential gross income						\$11,111
<b>Calculation of Minimum Required Rent for New Construction</b>						
	<b>PGI</b>	<b>Divided By</b>			<b># of Units</b>	
	\$11,111				1	
						<b>Required Annual Rent per Unit \$11,111</b>
						<b>Required Monthly Rent per Unit \$926</b>

As shown above, in order for the subject to be feasible for a typical developer, the average rental rate would have to be \$763 to \$926 per month based on construction costs of \$55,000 to \$75,000 per unit, respectively. The range of construction costs per unit represent a low to moderate range for construction grade quality. As described earlier, asking rates for new single family rentals range from \$525 to \$695 per month, which is below the required rent of \$763 per month in order to generate a return on cost. The difference of the feasible rent and the required rent would need to be supplemented by economic incentives in order to entice a developer to undertake a project.

The 2020 projections for renter households indicate that 75% of the future household demand will earn \$60,000 annually or more. The largest demographic creating new rental housing demand is the highest income bracket, which generally can afford higher rents; however, these are the residents that can also most likely afford homeownership. A prudent investor would typically not assume the risk in building higher priced rental homes in an unproven market as it is reasonable to deduce that these households would most likely choose rental housing in the larger nearby market of Jefferson City. For these reasons, we would not recommend additional market rate single family housing.

**Homeownership Housing Demand Analysis**

To capture the future demands of homeownership we have relied upon 2020 projections provided by Ribbon Demographics. There is an overall projected demand for an additional 20 owner households. The greatest needs for home ownership housing are within the two person households with an income of \$20,000 to \$30,000, which typically have trouble in obtaining the financing required for homeownership. Additionally, one person households earning more than \$60,000 annually, which tend to be single professionals, report an increase of nine new households. Based on the forecasted demand through 2020, building entry level starter homes and moderate priced “for sale” housing on a needs basis is concluded to be viable for the market area.

Total Owner Households Potential Demand						
Year 2020 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	-1	-3	0	0	0	-4
\$10,000-20,000	-8	-2	0	0	-4	-14
\$20,000-30,000	5	9	1	0	0	15
\$30,000-40,000	-3	-5	1	-7	0	-14
\$40,000-50,000	3	2	-5	3	0	3
\$50,000-60,000	5	1	0	-2	0	4
\$60,000+	9	4	7	7	3	30
Total	10	6	4	1	-1	20

**Would additional residential units in the downtown area complement the efforts to revitalize the downtown area of California?**

Downtown revitalization efforts could potentially increase the demand for residential units in the downtown area. However, due to there being stagnant household formation and a lack of employment growth, both primary drivers for housing demand, adding new housing to the market could over saturate the market and impact the performance of the existing properties. Without an economic environment for in-migration, new housing could potentially cannibalize existing properties causing increased vacancies across the spectrum of existing rental housing as tenants

choose to move from older projects to newer projects. Population and household growth is projected to remain stagnant through 2020 aiding in the loss of daytime population and consumer spending as residents leave the city for employment outside of the HMA.

### **What types of housing should be considered in the California Downtown Market Area?**

Based on the current occupancy rate (100%) with the one senior property having a waiting list of potential tenants indicates that the senior housing market is slightly underserved. The creation of new senior rental housing that is generally affordable and well located to essential services could absorb the existing and future market demand. However, as mentioned earlier the senior housing market is very shallow and it is projected that building a new project would most likely impact the performance of the existing tax credit project due to the limited number of senior households.

Current occupancy rates for low income housing show a slight imbalance with occupancy ranging from 73% to 100%. Additionally, demographic projections indicate a significant decrease in need for low income renter housing in the future, therefore the creation of new tax credit housing is not recommended.

Conversations with market participants regarding market rate rental housing indicates a balanced market. However, demographic projections indicate a slight increase in the need for good quality rental housing with the existing rental housing being older in age. However, as previously discussed, the demographic with the greatest demand also has the most options for housing whether rental or homeownership in regards to financing and/or location. Additionally, a comparison of current market rents and feasibility rents indicates that building market rate housing without government subsidies is not a feasible option at this time. Based on these factors, building market rate rental housing is not recommended at this time.

Single family home ownership appears to have increasing demand in California, which could be part of the strategy in the revitalization of the downtown area. However, single family housing is typically located outside of the downtown core with a focus on larger lots, increased privacy, less traffic, etc. An analysis of single family development potential is outside of the scope of this assignment as it does not readily impact the downtown housing options or the affordability of the rental market in California.

### **Where are the potential locations for new residential units in the downtown revitalization area?**

We have identified the following properties as potential locations for residential units as warranted by market demand. Our search for developable areas within the identified study area identified mostly infill locations due to the majority of the DREAM defined area being largely built out. It is possible that aging buildings could present opportunities for razing and redevelopment assuming feasibility issues are supplemented with economic incentives. Discussions with market participants revealed that the former hospital could be a potential property for redevelopment. However, as previously mentioned, the property is reportedly in need of structural repairs that makes most conversion uses not feasible without government subsidies. The following pictures represent properties and sites in the DREAM defined area that could potentially be redeveloped.



Vacant Building at the southeast corner of Smith Street and Oak Street



Vacant Building at the southwest corner of North High Street and East Main Street



Vacant Building at the southwest corner of North High Street and East 3<sup>rd</sup> Street



Vacant Building on West North Street between North Oak Street and North Owen Street



Vacant former hospital at the southwest corner of East South Street and North High Street



Vacancies at the northwest corner of East Madison Street and North High Street



Vacancies at the northwest corner of East Madison Street and North High Street



Vacancies along the east side of North Oak Street of West Smith Street

## EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

**Extraordinary Assumption:** An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

This market study is subject to the following special assumptions and limiting conditions:

- There are no extraordinary assumptions employed in this report.

**Hypothetical Condition:** That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

- There are no hypothetical conditions employed in this report.

### **Other Assignment Conditions:**

- ESRI recently released 2010 demographic data for select reports. We have used the 2010 demographic data when available with certain analytical points relying on data from the 2000 Census that is trended to a current date. Due to changing demographics and the use of both 2000 and 2010 Census data, the best available information was used from various sources. In addition, due to the 2010 Census being published, ESRI no longer publishes historical demographic data for certain categories. In all cases, we have used the best available information when possible.

# ADDENDA



# Market Profile

California City, MO  
California city, MO (2910468)  
Place

California city,...

Population Summary	
2000 Total Population	4,070
2010 Total Population	4,278
2014 Total Population	4,307
2014 Group Quarters	95
2019 Total Population	4,332
2014-2019 Annual Rate	0.12%
Household Summary	
2000 Households	1,655
2000 Average Household Size	2.39
2010 Households	1,727
2010 Average Household Size	2.42
2014 Households	1,742
2014 Average Household Size	2.42
2019 Households	1,753
2019 Average Household Size	2.42
2014-2019 Annual Rate	0.13%
2010 Families	1,096
2010 Average Family Size	3.05
2014 Families	1,105
2014 Average Family Size	3.05
2019 Families	1,103
2019 Average Family Size	3.06
2014-2019 Annual Rate	-0.04%
Housing Unit Summary	
2000 Housing Units	1,786
Owner Occupied Housing Units	64.8%
Renter Occupied Housing Units	27.9%
Vacant Housing Units	7.3%
2010 Housing Units	1,909
Owner Occupied Housing Units	58.1%
Renter Occupied Housing Units	32.4%
Vacant Housing Units	9.5%
2014 Housing Units	1,929
Owner Occupied Housing Units	59.4%
Renter Occupied Housing Units	30.8%
Vacant Housing Units	9.7%
2019 Housing Units	1,948
Owner Occupied Housing Units	59.7%
Renter Occupied Housing Units	30.3%
Vacant Housing Units	10.0%
Median Household Income	
2014	\$37,318
2019	\$42,672
Median Home Value	
2014	\$89,979
2019	\$119,541
Per Capita Income	
2014	\$18,756
2019	\$21,628
Median Age	
2010	36.5
2014	37.1
2019	37.8

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.



# Market Profile

California City, MO  
California city, MO (2910468)  
Place

California city,...

## 2014 Households by Income

Household Income Base	1,741
<\$15,000	23.8%
\$15,000 - \$24,999	12.5%
\$25,000 - \$34,999	10.9%
\$35,000 - \$49,999	14.2%
\$50,000 - \$74,999	23.5%
\$75,000 - \$99,999	8.3%
\$100,000 - \$149,999	4.9%
\$150,000 - \$199,999	0.8%
\$200,000+	1.1%

Average Household Income \$46,064

## 2019 Households by Income

Household Income Base	1,752
<\$15,000	22.4%
\$15,000 - \$24,999	9.2%
\$25,000 - \$34,999	9.5%
\$35,000 - \$49,999	15.0%
\$50,000 - \$74,999	22.9%
\$75,000 - \$99,999	11.2%
\$100,000 - \$149,999	6.5%
\$150,000 - \$199,999	1.4%
\$200,000+	1.8%

Average Household Income \$53,057

## 2014 Owner Occupied Housing Units by Value

Total	1,146
<\$50,000	16.2%
\$50,000 - \$99,999	42.2%
\$100,000 - \$149,999	26.2%
\$150,000 - \$199,999	8.8%
\$200,000 - \$249,999	3.4%
\$250,000 - \$299,999	1.4%
\$300,000 - \$399,999	1.0%
\$400,000 - \$499,999	0.3%
\$500,000 - \$749,999	0.3%
\$750,000 - \$999,999	0.0%
\$1,000,000 +	0.1%

Average Home Value \$103,338

## 2019 Owner Occupied Housing Units by Value

Total	1,161
<\$50,000	11.4%
\$50,000 - \$99,999	30.9%
\$100,000 - \$149,999	19.7%
\$150,000 - \$199,999	15.3%
\$200,000 - \$249,999	9.6%
\$250,000 - \$299,999	5.0%
\$300,000 - \$399,999	4.4%
\$400,000 - \$499,999	1.5%
\$500,000 - \$749,999	1.7%
\$750,000 - \$999,999	0.4%
\$1,000,000 +	0.1%

Average Home Value \$150,345

**Data Note:** Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.



# Market Profile

California City, MO  
 California city, MO (2910468)  
 Place

California city,...

2010 Population by Age		California city,...
Total		4,278
0 - 4		7.9%
5 - 9		7.5%
10 - 14		6.8%
15 - 24		13.3%
25 - 34		12.5%
35 - 44		12.6%
45 - 54		12.8%
55 - 64		8.9%
65 - 74		7.8%
75 - 84		6.1%
85 +		3.8%
18 +		73.7%
2014 Population by Age		
Total		4,307
0 - 4		7.3%
5 - 9		7.2%
10 - 14		7.1%
15 - 24		12.8%
25 - 34		13.0%
35 - 44		12.7%
45 - 54		12.7%
55 - 64		10.1%
65 - 74		7.9%
75 - 84		5.6%
85 +		3.7%
18 +		74.6%
2019 Population by Age		
Total		4,329
0 - 4		7.3%
5 - 9		6.8%
10 - 14		6.9%
15 - 24		12.1%
25 - 34		13.6%
35 - 44		11.7%
45 - 54		12.1%
55 - 64		11.7%
65 - 74		8.0%
75 - 84		6.2%
85 +		3.6%
18 +		75.1%
2010 Population by Sex		
Males		2,002
Females		2,276
2014 Population by Sex		
Males		2,044
Females		2,263
2019 Population by Sex		
Males		2,068
Females		2,261

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.



# Market Profile

California City, MO  
 California city, MO (2910468)  
 Place

California city,...

## 2010 Population by Race/Ethnicity

Total	4,278
White Alone	91.3%
Black Alone	0.8%
American Indian Alone	0.3%
Asian Alone	0.5%
Pacific Islander Alone	0.2%
Some Other Race Alone	5.7%
Two or More Races	1.3%
Hispanic Origin	10.4%
Diversity Index	32.3

## 2014 Population by Race/Ethnicity

Total	4,308
White Alone	90.0%
Black Alone	0.8%
American Indian Alone	0.3%
Asian Alone	0.5%
Pacific Islander Alone	0.3%
Some Other Race Alone	6.6%
Two or More Races	1.6%
Hispanic Origin	12.1%
Diversity Index	36.1

## 2019 Population by Race/Ethnicity

Total	4,332
White Alone	88.2%
Black Alone	0.8%
American Indian Alone	0.3%
Asian Alone	0.5%
Pacific Islander Alone	0.3%
Some Other Race Alone	8.1%
Two or More Races	1.9%
Hispanic Origin	14.5%
Diversity Index	41.5

## 2010 Population by Relationship and Household Type

Total	4,278
In Households	97.6%
In Family Households	80.7%
Householder	25.6%
Spouse	18.6%
Child	31.6%
Other relative	2.3%
Nonrelative	2.6%
In Nonfamily Households	16.9%
In Group Quarters	2.4%
Institutionalized Population	2.2%
Noninstitutionalized Population	0.2%

**Data Note:** Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.



## Market Profile

California City, MO  
 California city, MO (2910468)  
 Place

California city,...

### 2014 Population 25+ by Educational Attainment

Total	2,828
Less than 9th Grade	6.2%
9th - 12th Grade, No Diploma	8.3%
High School Graduate	35.0%
GED/Alternative Credential	5.0%
Some College, No Degree	19.7%
Associate Degree	5.7%
Bachelor's Degree	14.6%
Graduate/Professional Degree	5.6%

### 2014 Population 15+ by Marital Status

Total	3,379
Never Married	20.4%
Married	58.2%
Widowed	11.7%
Divorced	9.7%

### 2014 Civilian Population 16+ in Labor Force

Civilian Employed	92.7%
Civilian Unemployed	7.3%

### 2014 Employed Population 16+ by Industry

Total	1,740
Agriculture/Mining	4.3%
Construction	5.9%
Manufacturing	15.8%
Wholesale Trade	0.9%
Retail Trade	8.5%
Transportation/Utilities	1.6%
Information	1.7%
Finance/Insurance/Real Estate	7.9%
Services	38.0%
Public Administration	15.2%

### 2014 Employed Population 16+ by Occupation

Total	1,740
White Collar	53.4%
Management/Business/Financial	11.6%
Professional	19.6%
Sales	8.2%
Administrative Support	14.0%
Services	20.2%
Blue Collar	26.4%
Farming/Forestry/Fishing	2.1%
Construction/Extraction	4.8%
Installation/Maintenance/Repair	3.7%
Production	10.5%
Transportation/Material Moving	5.2%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

February 23, 2015



## Market Profile

California City, MO  
 California city, MO (2910468)  
 Place

	California city,...
<b>2010 Households by Type</b>	
Total	1,727
Households with 1 Person	32.0%
Households with 2+ People	68.0%
Family Households	63.5%
Husband-wife Families	46.0%
With Related Children	20.3%
Other Family (No Spouse Present)	17.4%
Other Family with Male Householder	4.4%
With Related Children	3.1%
Other Family with Female Householder	13.0%
With Related Children	9.7%
Nonfamily Households	4.5%
All Households with Children	33.8%
Multigenerational Households	3.0%
Unmarried Partner Households	7.3%
Male-female	6.9%
Same-sex	0.4%
<b>2010 Households by Size</b>	
Total	1,727
1 Person Household	32.0%
2 Person Household	32.7%
3 Person Household	13.5%
4 Person Household	11.8%
5 Person Household	5.8%
6 Person Household	2.5%
7 + Person Household	1.7%
<b>2010 Households by Tenure and Mortgage Status</b>	
Total	1,727
Owner Occupied	64.2%
Owned with a Mortgage/Loan	39.7%
Owned Free and Clear	24.5%
Renter Occupied	35.8%

**Data Note:** Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.



# Market Profile

California City, MO  
 California city, MO (2910468)  
 Place

California city,...

## Top 3 Tapestry Segments

1. Heartland Communities
2. Traditional Living (12B)
3. Prairie Living (6D)

## 2014 Consumer Spending

Apparel & Services: Total \$	\$1,566,191
Average Spent	\$899.08
Spending Potential Index	40
Computers & Accessories: Total \$	\$270,523
Average Spent	\$155.29
Spending Potential Index	61
Education: Total \$	\$1,439,888
Average Spent	\$826.57
Spending Potential Index	56
Entertainment/Recreation: Total \$	\$3,819,438
Average Spent	\$2,192.56
Spending Potential Index	68
Food at Home: Total \$	\$6,041,625
Average Spent	\$3,468.21
Spending Potential Index	68
Food Away from Home: Total \$	\$3,493,608
Average Spent	\$2,005.52
Spending Potential Index	63
Health Care: Total \$	\$5,817,117
Average Spent	\$3,339.33
Spending Potential Index	72
HH Furnishings & Equipment: Total \$	\$1,772,478
Average Spent	\$1,017.50
Spending Potential Index	57
Investments: Total \$	\$2,480,675
Average Spent	\$1,424.04
Spending Potential Index	53
Retail Goods: Total \$	\$28,664,785
Average Spent	\$16,455.10
Spending Potential Index	66
Shelter: Total \$	\$16,300,683
Average Spent	\$9,357.45
Spending Potential Index	58
TV/Video/Audio: Total \$	\$1,501,407
Average Spent	\$861.89
Spending Potential Index	68
Travel: Total \$	\$1,953,680
Average Spent	\$1,121.52
Spending Potential Index	59
Vehicle Maintenance & Repairs: Total \$	\$1,237,181
Average Spent	\$710.21
Spending Potential Index	65

**Data Note:** Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2011 and 2012 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

February 23, 2015



# ACS Housing Summary

California City, MO  
California city, MO (2910468)  
Geography: Place

	2008-2012 ACS Estimate	Percent	MOE(±)	Reliability
<b>TOTALS</b>				
Total Population	4,285		16	High
Total Households	1,901		113	High
Total Housing Units	2,007		105	High
<b>OWNER-OCCUPIED HOUSING UNITS BY VALUE</b>				
Total	1,087	100.0%	111	High
Less than \$10,000	11	1.0%	17	Low
\$10,000 to \$14,999	24	2.2%	30	Low
\$15,000 to \$19,999	9	0.8%	15	Low
\$20,000 to \$24,999	24	2.2%	26	Low
\$25,000 to \$29,999	8	0.7%	14	Low
\$30,000 to \$34,999	52	4.8%	47	Low
\$35,000 to \$39,999	0	0.0%	11	Low
\$40,000 to \$49,999	58	5.3%	47	Low
\$50,000 to \$59,999	12	1.1%	15	Low
\$60,000 to \$69,999	79	7.3%	52	Low
\$70,000 to \$79,999	76	7.0%	52	Low
\$80,000 to \$89,999	123	11.3%	52	Medium
\$90,000 to \$99,999	104	9.6%	63	Medium
\$100,000 to \$124,999	197	18.1%	63	Medium
\$125,000 to \$149,999	84	7.7%	55	Medium
\$150,000 to \$174,999	74	6.8%	44	Medium
\$175,000 to \$199,999	62	5.7%	37	Medium
\$200,000 to \$249,999	60	5.5%	35	Medium
\$250,000 to \$299,999	13	1.2%	20	Low
\$300,000 to \$399,999	17	1.6%	20	Low
\$400,000 to \$499,999	0	0.0%	11	Low
\$500,000 to \$749,999	0	0.0%	11	Low
\$750,000 to \$999,999	0	0.0%	11	Low
\$1,000,000 or more	0	0.0%	11	Low
Median Home Value	\$96,500		N/A	
Average Home Value	\$104,630		\$16,576	High
<b>OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS</b>				
Total	1,087	100.0%	111	High
Housing units with a mortgage/contract to purchase/similar debt	663	61.0%	101	High
Second mortgage only	0	0.0%	11	Low
Home equity loan only	113	10.4%	50	Medium
Both second mortgage and home equity loan	0	0.0%	11	Low
No second mortgage and no home equity loan	550	50.6%	96	High
Housing units without a mortgage	424	39.0%	98	Medium
<b>AVERAGE VALUE BY MORTGAGE STATUS</b>				
Housing units with a mortgage	\$109,742		\$25,127	Medium
Housing units without a mortgage	\$96,637		\$34,071	Medium

Source: U.S. Census Bureau, 2008-2012 American Community Survey

Reliability: High Medium Low

March 04, 2015



# ACS Housing Summary

California City, MO  
 California city, MO (2910468)  
 Geography: Place

	2008-2012 ACS Estimate	Percent	MOE(±)	Reliability
<b>RENTER-OCCUPIED HOUSING UNITS BY CONTRACT RENT</b>				
Total	814	100.0%	132	High
With cash rent	781	95.9%	130	High
Less than \$100	0	0.0%	11	Low
\$100 to \$149	76	9.3%	58	Low
\$150 to \$199	0	0.0%	11	Low
\$200 to \$249	109	13.4%	63	Medium
\$250 to \$299	60	7.4%	63	Low
\$300 to \$349	42	5.2%	31	Low
\$350 to \$399	87	10.7%	57	Medium
\$400 to \$449	229	28.1%	88	Medium
\$450 to \$499	60	7.4%	54	Low
\$500 to \$549	44	5.4%	32	Low
\$550 to \$599	32	3.9%	27	Low
\$600 to \$649	19	2.3%	24	Low
\$650 to \$699	13	1.6%	15	Low
\$700 to \$749	0	0.0%	11	Low
\$750 to \$799	0	0.0%	11	Low
\$800 to \$899	0	0.0%	11	Low
\$900 to \$999	0	0.0%	11	Low
\$1,000 to \$1,249	0	0.0%	11	Low
\$1,250 to \$1,499	10	1.2%	17	Low
\$1,500 to \$1,999	0	0.0%	11	Low
\$2,000 or more	0	0.0%	11	Low
No cash rent	33	4.1%	29	Low
Median Contract Rent	\$404		N/A	
Average Contract Rent	\$376		\$92	Medium
<b>RENTER-OCCUPIED HOUSING UNITS BY INCLUSION OF UTILITIES IN RENT</b>				
Total	814	100.0%	132	High
Pay extra for one or more utilities	732	89.9%	122	High
No extra payment for any utilities	82	10.1%	47	Medium
<b>HOUSING UNITS BY UNITS IN STRUCTURE</b>				
Total	2,007	100.0%	105	High
1, detached	1,319	65.7%	119	High
1, attached	27	1.3%	27	Low
2	117	5.8%	50	Medium
3 or 4	310	15.4%	99	Medium
5 to 9	14	0.7%	21	Low
10 to 19	117	5.8%	60	Medium
20 to 49	0	0.0%	11	Low
50 or more	9	0.4%	15	Low
Mobile home	94	4.7%	59	Medium
Boat, RV, van, etc.	0	0.0%	11	Low

Source: U.S. Census Bureau, 2008-2012 American Community Survey

Reliability: High Medium Low

March 04, 2015



# ACS Housing Summary

California City, MO  
 California city, MO (2910468)  
 Geography: Place

	2008-2012 ACS Estimate	Percent	MOE(±)	Reliability
<b>HOUSING UNITS BY YEAR STRUCTURE BUILT</b>				
Total	2,007	100.0%	105	
Built 2010 or later	0	0.0%	11	
Built 2000 to 2009	137	6.8%	60	■
Built 1990 to 1999	331	16.5%	83	■
Built 1980 to 1989	283	14.1%	96	■
Built 1970 to 1979	197	9.8%	91	■
Built 1960 to 1969	268	13.4%	77	■
Built 1950 to 1959	363	18.1%	99	■
Built 1940 to 1949	47	2.3%	34	■
Built 1939 or earlier	381	19.0%	87	■
Median Year Structure Built	1968		N/A	
<b>OCCUPIED HOUSING UNITS BY YEAR HOUSEHOLDER MOVED INTO UNIT</b>				
Total	1,901	100.0%	113	
Owner occupied				
Moved in 2010 or later	53	2.8%	36	
Moved in 2000 to 2009	535	28.1%	106	■
Moved in 1990 to 1999	258	13.6%	96	■
Moved in 1980 to 1989	92	4.8%	45	■
Moved in 1970 to 1979	55	2.9%	34	■
Moved in 1969 or earlier	94	4.9%	55	■
Renter occupied				
Moved in 2010 or later	217	11.4%	103	
Moved in 2000 to 2009	546	28.7%	121	■
Moved in 1990 to 1999	51	2.7%	57	■
Moved in 1980 to 1989	0	0.0%	11	■
Moved in 1970 to 1979	0	0.0%	11	
Moved in 1969 or earlier	0	0.0%	11	
Median Year Householder Moved Into Unit	2004		N/A	
<b>OCCUPIED HOUSING UNITS BY HOUSE HEATING FUEL</b>				
Total	1,901	100.0%	113	
Utility gas	1,249	65.7%	115	■
Bottled, tank, or LP gas	0	0.0%	11	
Electricity	625	32.9%	120	■
Fuel oil, kerosene, etc.	0	0.0%	11	
Coal or coke	0	0.0%	11	
Wood	27	1.4%	21	■
Solar energy	0	0.0%	11	
Other fuel	0	0.0%	11	
No fuel used	0	0.0%	11	



# ACS Housing Summary

California City, MO  
 California city, MO (2910468)  
 Geography: Place

	2008-2012 ACS Estimate	Percent	MOE(±)	Reliability
<b>OCCUPIED HOUSING UNITS BY VEHICLES AVAILABLE</b>				
Total	1,901	100.0%	113	
Owner occupied				
No vehicle available	44	2.3%	45	
1 vehicle available	275	14.5%	82	
2 vehicles available	578	30.4%	101	
3 vehicles available	102	5.4%	61	
4 vehicles available	68	3.6%	40	
5 or more vehicles available	20	1.1%	23	
Renter occupied				
No vehicle available	90	4.7%	63	
1 vehicle available	569	29.9%	126	
2 vehicles available	113	5.9%	69	
3 vehicles available	12	0.6%	18	
4 vehicles available	30	1.6%	37	
5 or more vehicles available	0	0.0%	11	
Average Number of Vehicles Available	1.6		0.2	

**Data Note:** N/A means not available.

**2008-2012 ACS Estimate:** The American Community Survey (ACS) replaces census sample data. Esri is releasing the 2008-2012 ACS estimates, five-year period data collected monthly from January 1, 2008 through December 31, 2012. Although the ACS includes many of the subjects previously covered by the decennial census sample, there are significant differences between the two surveys including fundamental differences in survey design and residency rules.

**Margin of error (MOE):** The MOE is a measure of the variability of the estimate due to sampling error. MOEs enable the data user to measure the range of uncertainty for each estimate with 90 percent confidence. The range of uncertainty is called the confidence interval, and it is calculated by taking the estimate +/- the MOE. For example, if the ACS reports an estimate of 100 with an MOE of +/- 20, then you can be 90 percent certain the value for the whole population falls between 80 and 120.

**Reliability:** These symbols represent threshold values that Esri has established from the Coefficients of Variation (CV) to designate the usability of the estimates. The CV measures the amount of sampling error relative to the size of the estimate, expressed as a percentage.

- High Reliability: Small CVs (less than or equal to 12 percent) are flagged green to indicate that the sampling error is small relative to the estimate and the estimate is reasonably reliable.
- Medium Reliability: Estimates with CVs between 12 and 40 are flagged yellow—use with caution.
- Low Reliability: Large CVs (over 40 percent) are flagged red to indicate that the sampling error is large relative to the estimate. The estimate is considered very unreliable.