



Local Housing Summary Bentonville

Bentonville experienced dramatic growth between 2010 and 2016, adding nearly 3,000 households.¹

Attracted to the city's quality of life and employment opportunities, new residents have contributed energy and vitality. Demand for housing in the city—particularly in areas walkable to downtown—has increased significantly. What has been the result of increased demand? A tight housing market with increasing costs for renters and homebuyers alike.

The City of Bentonville has responded to its growth through community planning focused on density, land use and infrastructure improvements that support walkability and connectivity. While single-family homes remain common, according to local planning staff, multifamily housing developments now make up the city's largest number of permit applications.² Despite the city's approval of more multifamily units in the past decade, supply has not kept up with demand. Many residents worry the city's workforce is being priced out and new homes cannot serve a range of occupations.

WHAT SHOULD HOUSING IN BENTONVILLE BE LIKE? ³

Affordability matters to residents of Bentonville, among other regional stakeholders. When asked what housing should be like in their city, residents said housing should be affordable, community-oriented and sustainable. Here is a summary of their perspectives:

COMMUNITY-ORIENTED. Development should reflect community values and focus on neighborhoods. Housing should be inclusive and help preserve a “small-town feel,” which some residents believe is being lost as Bentonville grows.

SUSTAINABLE. Housing should be planned and designed to be energy efficient and environmentally healthy. A focus on sustainability should ensure land is used efficiently, and development planning should focus on addressing traffic concerns and transportation connections for residents and workers.

AFFORDABLE. Housing should be affordable to families at all income levels and provide mixed-income opportunities that foster close community ties.

About 30 percent of Bentonville’s population either live alone or with a roommate, suggesting a need for homes that serve singles.

WHAT HOUSING ISSUES MATTER MOST TO MEMBERS OF THE PUBLIC? ⁴

Bentonville residents thought local leaders and partners should address the following housing issues over the next 10 years:

NEED FOR A LOCAL HOUSING

POLICY. For the last several years, existing housing policies or programs in Bentonville resulted in a limited direction for the creation of new homes. For instance, Bentonville does not participate in the federal Community Development Block Grant program, which would provide financial support for infrastructure improvements, housing rehabilitations and community services for low- and moderate-income families.

HIGH HOUSING AND

TRANSPORTATION COSTS. Households in Bentonville pay above what is considered affordable for combined housing and transportation costs.⁵ The average household in Bentonville spends 52 percent of their income on these two costs. The average annual transportation cost is approximately \$12,200 for a household in Bentonville.⁶

NEED FOR MORE DIVERSE HOUSING

OPTIONS. While more multifamily units are being built ⁷, homes in Bentonville are predominantly detached, single-family homes. However, many Bentonville households do not require—or cannot afford—larger, single-family homes. About 30 percent of Bentonville’s population either live alone or with a roommate, suggesting a need for homes that serve singles. While new multifamily apartments

have been constructed, residents expressed a desire for more condominiums, townhomes and smaller-scale, single-family homes that are better-suited to meet increasingly varied needs and preferences of households.

WHAT CAN THE CITY OF BENTONVILLE DO TO ADDRESS ITS MOST PRESSING ISSUES?

DEVELOP A LOCAL HOUSING POLICY.

The City of Bentonville should prioritize housing planning and develop policies to guide its investments in new or rehabilitated affordable and workforce homes. Bentonville should participate in developing a regional housing compact and develop its local policy to align with broader regional goals. The city should review all of its existing policies that could impact housing and align these policies with its recently adopted community plan. Any new or expanded local policy development should include input from diverse stakeholders, including nonprofit and for-profit developers, community-based organizations and representatives from schools, employers and the chamber of commerce.

PARTICIPATE IN FEDERAL AND STATE HOUSING FINANCE PROGRAMS. The City of Bentonville should participate in all available federal and state programs, including the Community Development Block Grant, HOME Investment Partnership and Low-Income Housing Tax Credit programs. It should reinstate its block grant program as soon as possible, aligning its use with local policy goals.⁸

ESTABLISH FLEXIBLE REGULATORY STANDARDS AND OTHER TOOLS FOR MORE HOUSING TYPES.

To support the construction of more housing types, the City of Bentonville should expand permitted uses (e.g., allow additional units on the same site or lot as single family homes throughout the city) that promote a wider



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HOUSING SNAPSHOT

INCOME

Median household income (2016): **\$76,447**

0-30% AMI: Total households: **1,454** | Share of households: **10%**

31-50% AMI: Total households: **1,356** | Share of households: **10%**

51-80% AMI: Total households: **2,321** | Share of households: **16%**

81-120% AMI: Total households: **2,790** | Share of households: **20%**

120%+ AMI: Total households: **6,181** | Share of households: **44%**

COST-BURDENED HOUSEHOLDS

Share of households paying 30%+ on housing costs: **26%**

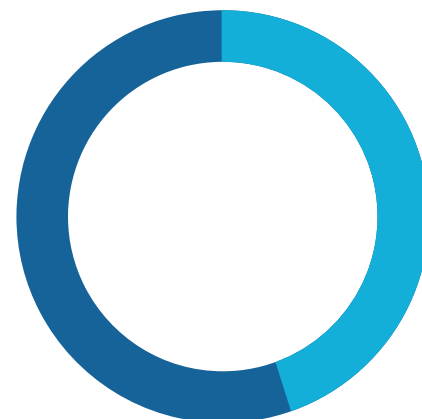
CHANGE IN MEDIAN (MIDPOINT) HOUSING COSTS VS. HOUSEHOLD INCOME OVER TIME

Median rent (2011-2016): **+13** percent

Median for-sale price (2010-2017): **+16** percent

Median household income (2011-2016): **+32** percent

HOUSEHOLDS



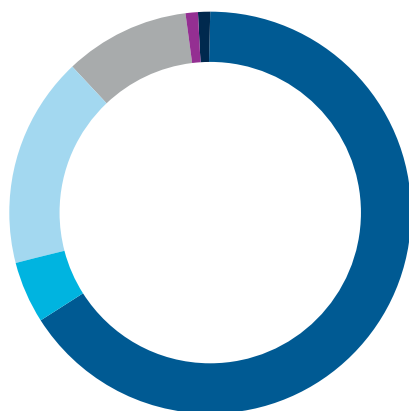
■ Renters: **44%**
■ Owners: **56%**

HOUSING AGE

Median year built: **1998**

Share of units built before 1980: **18%**

HOUSING STOCK



■ Detached, single-family homes: **66%**
■ Attached, single-family homes: **5%**
■ Small-scale, multifamily buildings (2—9 units): **17%**
■ Medium multifamily buildings (10—49 units): **10%**
■ Large-scale multifamily buildings (50+ units): **1%**
■ Other homes (mobile homes, houseboats, etc.): **1%**

RENTAL SUPPLY BY HOUSEHOLD MEDIAN INCOME

0-30% AMI: **27** affordable and available units for every 100 **extremely low-income** households

0-50% AMI: **62** affordable and available units for every 100 **very low-income** households

0-80% AMI: **92** affordable and available units for every 100 **low-income** households

0-120% AMI: **104** affordable and available units for every 100 **moderate-income** households

ANTICIPATED GROWTH PROJECTED GROWTH: 2010-2040

Households **+14,400**

Seniors **+1,400 households**

School-aged children **+5,300**

DOWNTOWN BENTONVILLE

Downtown Bentonville plays a major role in the regional economy.

Daytime employment swells to more than 24,000 workers, bringing a sizable share of the region's workforce to downtown Bentonville.⁹

Single-family homes have grown in downtown Bentonville in recent years, accompanied by a steep increase in for-sale prices. The average sale price of a home in downtown Bentonville more than doubled since 2010, reaching its highest point in 2016 (about \$314,000).¹⁰

A survey of Bentonville's workforce underscored that many workers would like to buy a home and

Downtown Market Snapshot

\$570

median multifamily rent (2017)

9%

lower than rents outside of downtown

\$306,573

average home sales price (2017)

Source: Center for Business and Economic Research, University of Arkansas, 2018

KEY OPPORTUNITIES

Development of homes on publicly owned property

Closer partnerships with large-scale employers to promote affordability

Creating regional examples of high-quality, well-designed homes



**Nearly all of downtown
Bentonville is located
within a quarter mile of an
on-street or off-street trail
or other bicycle facility.**

live closer to work, but higher costs are beginning to create a barrier (even for those earning above the area median income of about \$65,000).¹¹

Recent policy changes in Bentonville, namely its adoption of a form-based code to promote a greater mix of uses and connectivity, may begin to improve its overall walkability over time.¹² Downtown Bentonville is well-served by the region's extensive trail network and bicycle infrastructure. Nearly all of downtown is located within a quarter mile of an on-street or off-street trail or other bicycle facility.

Both the City of Bentonville and Benton County own large physical footprints in downtown, totaling about 9 acres. About one-third of these acres are owned by Benton County. While most of these sites are currently in use and not immediate development opportunities, they could be strong candidates for residential or mixed-use development over time due to their location downtown. Because of the county's large presence, there is a strong need to coordinate use of publicly owned property in this district through a joint surplus property policy.

Another opportunity lies with large employers who are willing to support housing opportunities. Partnerships such as, "Live Near Your Work," or other employer-assisted housing programs could be explored. In addition, recent efforts such as the Housing Northwest Arkansas Professional Design Competition and the ArtSpace project are opportunities to demonstrate what high-quality, well-designed mixed-use and attainable live-work units could look like in downtown.

FOOTNOTES

- ¹ 2010 U.S. Decennial Census and 2012–2016 American Community Survey 5-Year Estimates.
- ² Interview with City of Bentonville staff, November 2018.
- ³ In June 2018, a public workshop was held at the Bentonville Community Center to discuss growth, housing, and affordability. Participants identified key concerns related to population growth, and its impact on affordable and available housing options in the city. Workshop participants shared the values that they thought most important to guiding future housing policies and development, in Bentonville and across the region. Values were presented and voted on by all attendees.
- ⁴ In October 2018, a public workshop was held at the Bentonville Community Center to ask community members to prioritize housing issues that require action in the next 10 years.
- ⁵ The H+T Index measures combined housing and transportation costs for a typical household in the City of Bentonville. It sets the benchmark at no more than 45 percent of household income spent on combined housing and transportation costs.
- ⁶ Center for Neighborhood Technology, Housing and Transportation Affordability Index. Available at <https://htaindex.cnt.org>. Center for Neighborhood Technology sets the benchmark at no more than 45 percent of household income spent on combined housing and transportation costs.
- ⁷ 2012–2016 American Community Survey 5-Year Estimates.
- ⁸ As of 2015, the last year for which data is available from the U.S. Department of Housing and Urban Development for the city, the City of Bentonville's CDBG allocation was approximately \$160,000. Additionally, if Bentonville participated in the CDBG program, it would also be eligible to apply for Section 108 Loan Guarantee Funds, which could provide approximately \$1 million in financing for eligible activities.
- ⁹ "Measuring the Vitality of Downtowns in Bentonville, Fayetteville, Rogers, Siloam Springs, and Springdale." Center for Business and Economic Research, University of Arkansas, October 2017.
- ¹⁰ Data from Center for Business and Economic Research, University of Arkansas, 2018.
- ¹¹ Downtown Bentonville Workforce Housing Study (2017). Prepared by the Tuck School of Business at Dartmouth College.
- ¹² According to the Form-Based Code Institute, "a form-based code is a land development regulation that fosters predictable built results and a high-quality public realm by using physical form (rather than separation of uses [used in conventional zoning]) as the organizing principle for the code."

SOURCES

2007–2011 and 2012–2016 American Community Survey Five-Year Estimates; 2012–2016 American Community PUMS Five-Year Estimates; Center for Business and Economic Research at the University of Arkansas; Center for Neighborhood Technology H+T Index; and NWARPC 30-year growth forecasts. | Notes: All projected growth forecasts have been rounded to the nearest hundred. Figures are in 2016 and 2017 inflation-adjusted dollars.