

The Liberty CHAT Report



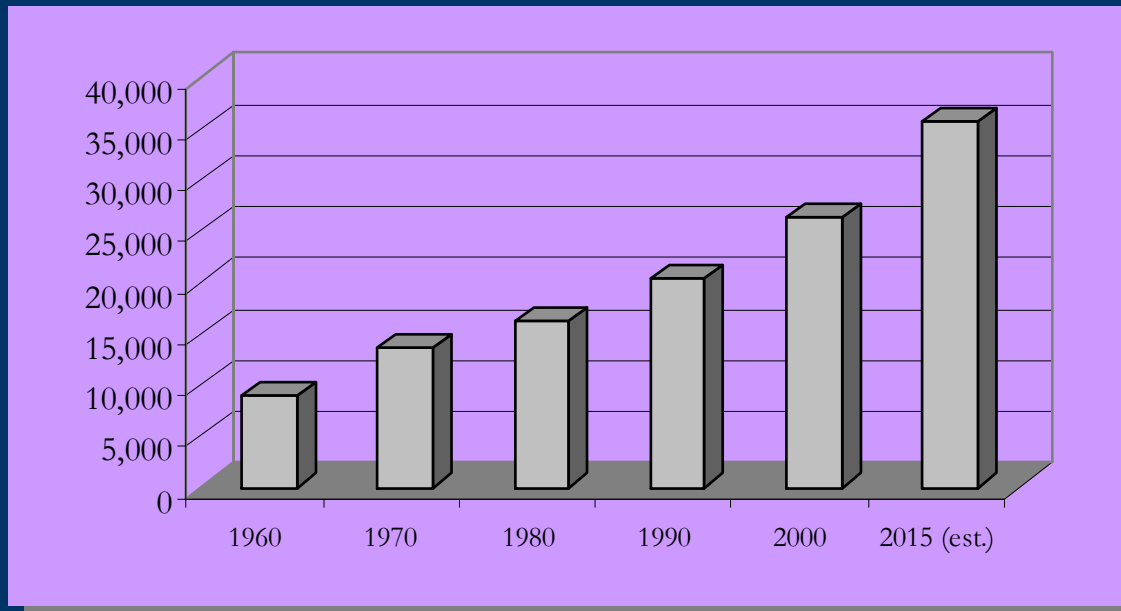
Aquila Community Housing Assessment Team

Martin H. Shukert, FAICP

April 8, 2005

Population Change

Liberty, 1960-2015



Source: US Census, RDG Planning & Design

- Since 1960 Liberty has experienced steady growth, displaying a 2.7% annual growth rate over a 40 year period.

- Even during the slow growth 1980s, Liberty grew by 2.3% annually.

- If the city maintains its 1990s growth rate of 2.5% annually its estimated 2015 population would be 38,416. However, because of an expanding population base, the city has grown at an estimated rate of 2.1% annually since 2000. Continuing this growth rate generates a 2015 population of 35,825.

Population Change

	Change in Population	% Growth During Decade	Annual Growth Rate
1960-1970	4,795	53.8%	4.4%
1970-1980	2,547	18.6%	1.7%
1980-1990	4,208	25.9%	2.3%
1990-2000	5,773	28.2%	2.5%
1960-2000	17,323	194.4%	2.7%

Population Change

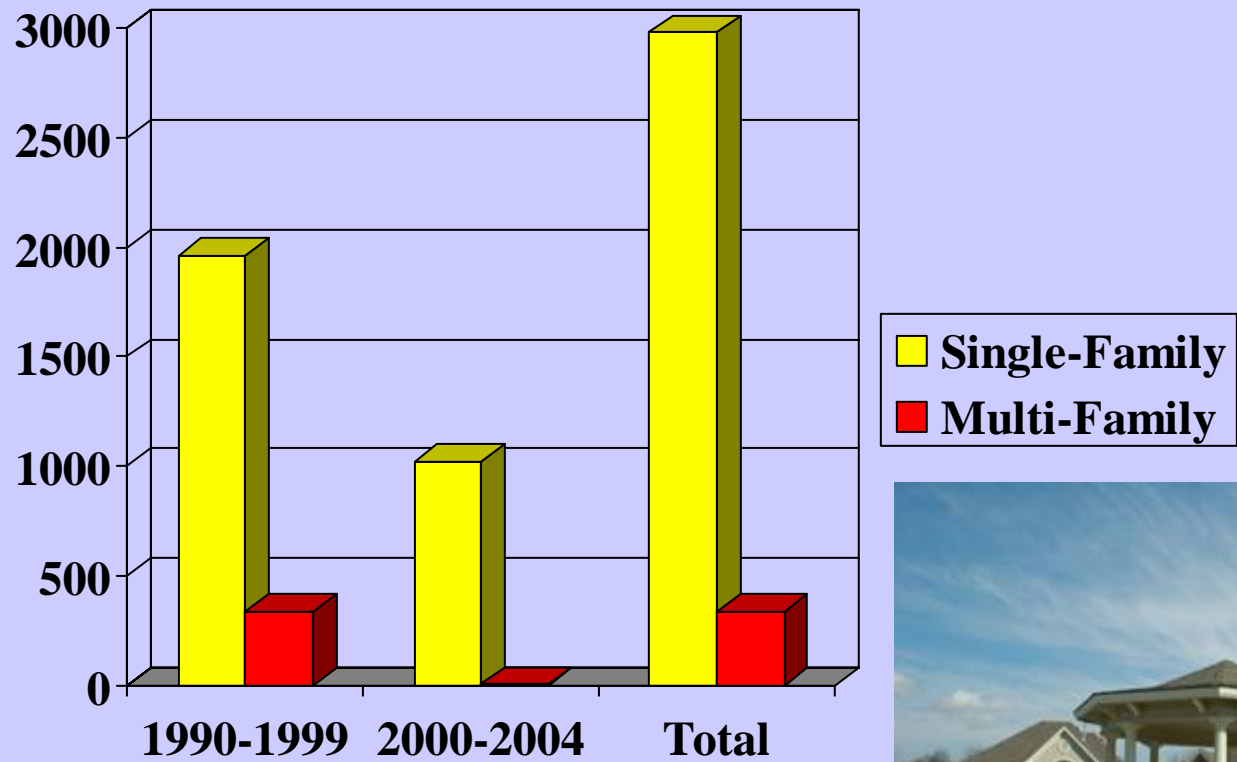
	1990(%)	2000 (%)	Change
Under 15	4,696 (23%)	5,953 (22.7%)	1,257
15-19	1,668 (8.2%)	2,261 (8.6%)	593
20-24	1,874 (9.2%)	1,755 (6.7%)	-119
25-34	3,482 (17%)	3,510 (13.4%)	28
35-44	3,223 (15.8%)	4,407 (16.8%)	1,523
45-54	2,079 (10.2%)	3,602 (13.7%)	1,184
55-64	1,435 (7.0%)	2,028 (7.7%)	593
65-74	1,171 (5.7%)	1,354 (5.2%)	183
75-84	571 (2.8%)	1,009 (3.8%)	438
85 and Over	260 (1.3%)	353 (1.3%)	93
Median		34.0	

Population Forecast

	2000	2005 Estimate	2010 Forecast	2015 Forecast
0% Migration	26,232	26,869	27,530	28,206
19% Migration	26,232	27,820	29,514	31,309
2.1% Annual Growth Rate	26,232	28,962	31,976	35,825
2.5% Annual Growth Rate	26,232	29,858	33,868	38,416

- In determining the 10 year population growth for Liberty we evaluate the predictive ability of both migration and growth rate analyses.
- During the 1990s, Liberty experienced an annual growth rate of 2.5%. This rate produces a population of 38,416 by 2015. However, a 2.1% growth rate more accurately predicts actual construction experienced since 2000.

Housing Production 1991-2004



Housing Production

1990-2004

	1990-1999		2000-2004		Total	
	Total	Annual Average	Total	Annual Average	Total	Annual Average
1-Family	1959	196	1020	204	2979	199
Multi-Family	335	34	4	0.8	339	23
Total	2294	229	1024	205	3318	221
Demolitions						
Net Increase						

Occupancy Changes, 1990-2000

	1990		2000		Net Change
	Number	% of Occupied Units	Number	% of Occupied Units	
Owner-Occupied	4,899	68.3	6,987	73.5	2,088
Renter-Occupied	2,276	31.7	2,524	26.5	248
Vacant	470		462		-8
Vacancy rate	6.1		4.6		
Total	7,175		9,973		2,798

The Process



- **Use population forecast, recent construction activity and assumptions about people per household generate ten-year overall housing demand.**
- **Consider the distribution of household income in Liberty**
- **Match income ranges with affordability price points, based on housing costs equal to 30% of adjusted gross income.**
- **Define price breakouts for new housing demand, based on the assumption that new construction should ideally be affordable to the existing household income distribution.**

Ten-Year Development Projection, Liberty

	2005-2010	2011-2015	Total
Population at End of Period	31,976	35,825	
HH Population at End of Period	30,714	34,077	
Average PPH	2.62	2.62	
HH Demand at End of Period	11,723	13,006	
Projected Vacancy Rate	4.63%	4.63%	
Unit Needs at End of Period	12,292	13,638	
Replacement Need	25	25	50
Cumulative Need During Period	1,238	1,371	2,609
Average Annual Construction	248	274	261

- Housing demand calculation is based on a stable number of people per household and a stable vacancy rate.

- The projected 2.1% growth rate will generate a need for about 2,600 units during the next ten years, or an annual average of 261 units. This compares with an annual average of about 205 units since 2000 and 221 units since 1990.

Income Distributions and Housing Affordability Ranges

Income Range	Number of Households	Affordable Range for Owner Units	Number of Owner Units	Affordable Range for Renter Units	Number of Renter Units	Total Affordable Units	Balance
\$0-25,000	1,797	\$0-50,000	81	\$0-400	792	873	-924
\$25-49,999	2,691	\$50,000-99,999	2293	\$400-800	1,517	3,810	1,119
\$50-74,999	2,393	\$100,00-149,999	2373	\$800-1,250	174	2,547	154
\$75-99,999	1,362	\$150,00-200,000	1355	\$1,250-1,500	26	1,381	19
\$100 – 150,00	823	\$200-300,000	649	\$1,500-2,500	15	664	-159
\$150,000+	445	\$300,000+	236	\$2,500+	0	236	-209
Median Household Income \$52,745							

Source: RDG Planning & Design

- Liberty has a shortage of housing in the very low and higher price ranges.
- The city is short 368 units with values over \$200,000 or rents over \$1,500.
- Some higher income earners may still be filling housing that may be affordable to more moderate income households.

Ten-Year Housing Development Program, Liberty

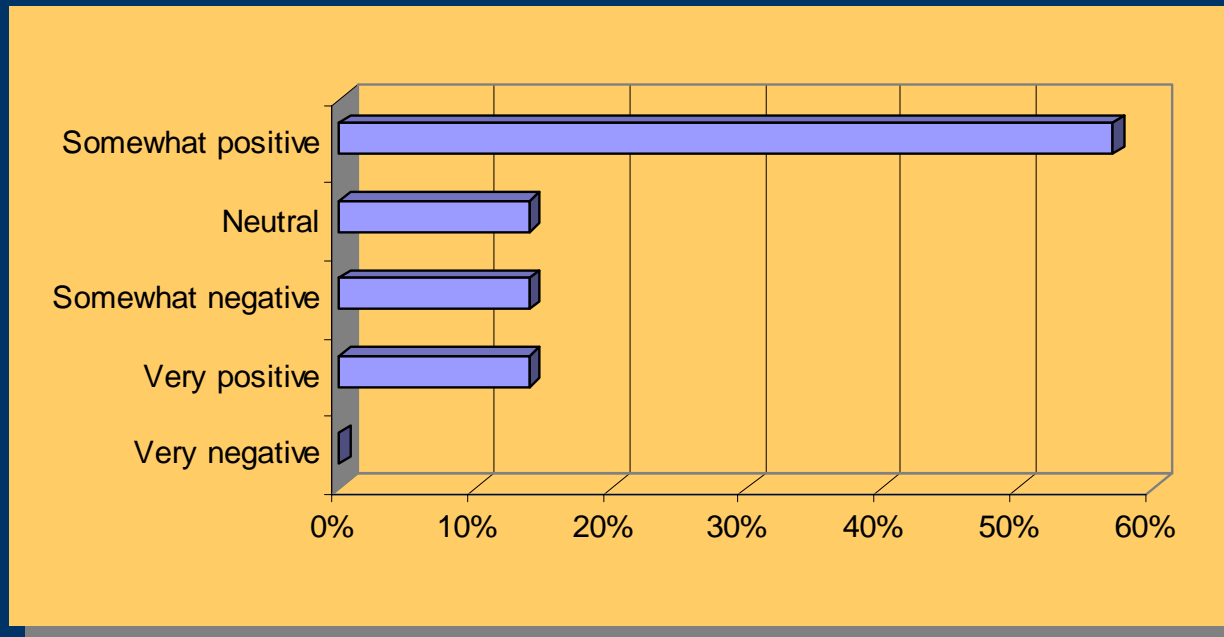
	2005-2010	2011-2015	Total
Total Need			
Total Owner Occupied	928	1,028	1,956
Affordable Low: 70-125,000	344	359	703
Affordable Moderate: 125-175,000	306	319	625
Moderate Market: 175-250,000	174	182	356
High Market: 250-400,000	99	110	209
High End: Over \$400,000	54	59	113
Total Renter Occupied	310	343	653
Affordable: Less than \$600	226	250	476
Market: Over \$600	84	93	177

- **About 36% (about 70 units annually) of the city's owner-occupied housing demand is for houses priced at or below \$125,000.**
- **Liberty has a need for about 476 affordable rental units by 2015.**
- **These calculations suggest a larger need for affordable housing than might be expected. They are based on the actual income distribution of Liberty in 2000.**

CHAT Participants Perception Survey

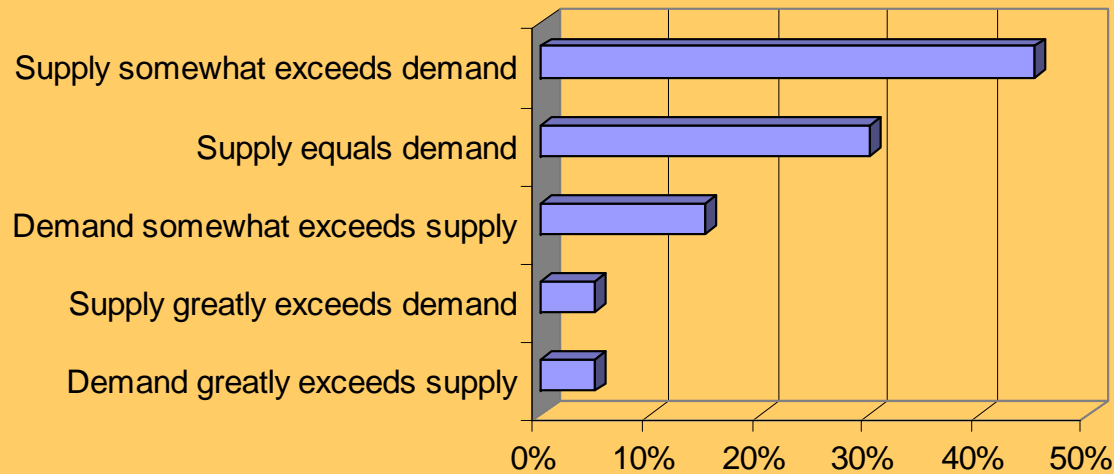
The effect of the economy on housing demand

- 57% of respondents felt that the local economy was having a moderately positive effect on housing demand in the city.
- Some respondents were unclear whether the reference was to the local or regional economy.



N=21

CHAT Participants Perception Survey

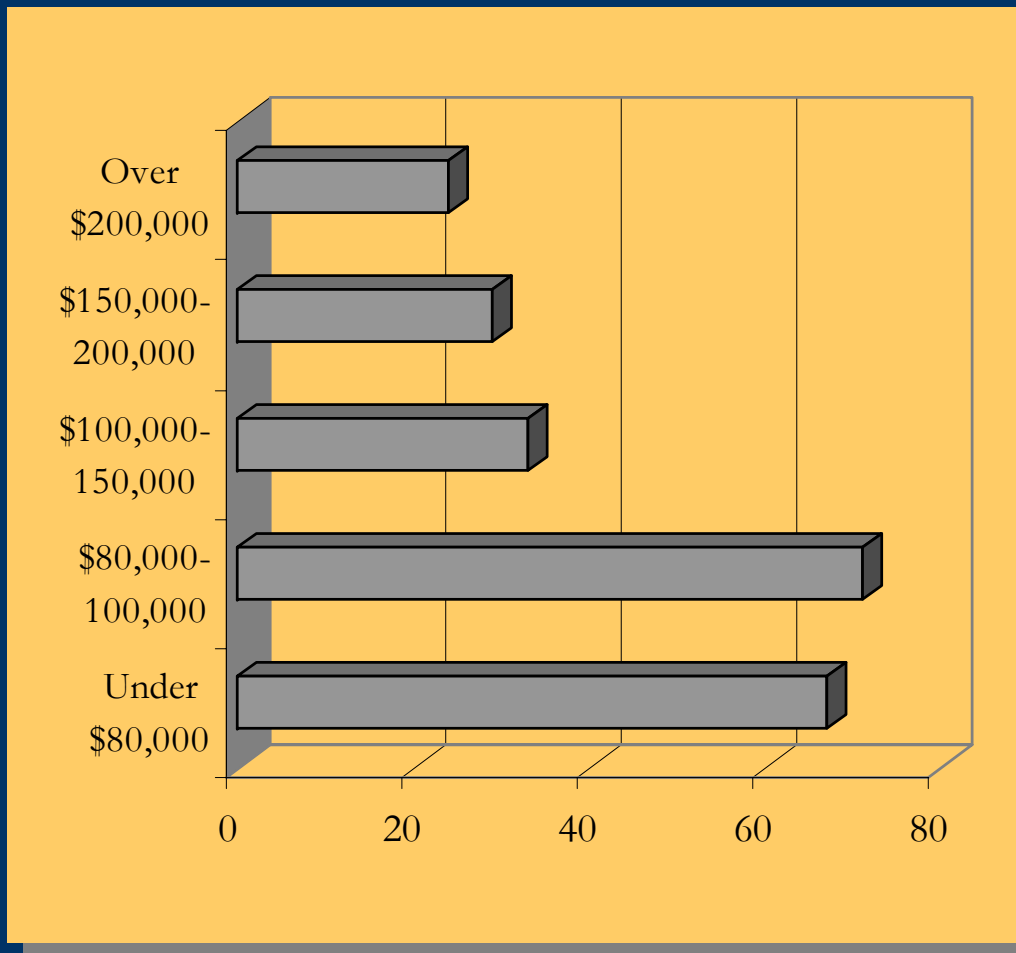


Market for single-family housing.

- 75% of respondents felt that supply either equaled or exceeded demand for single-family housing.

N=21

CHAT Participants Perception Survey



Undersupplies in Owner-Occupied Housing

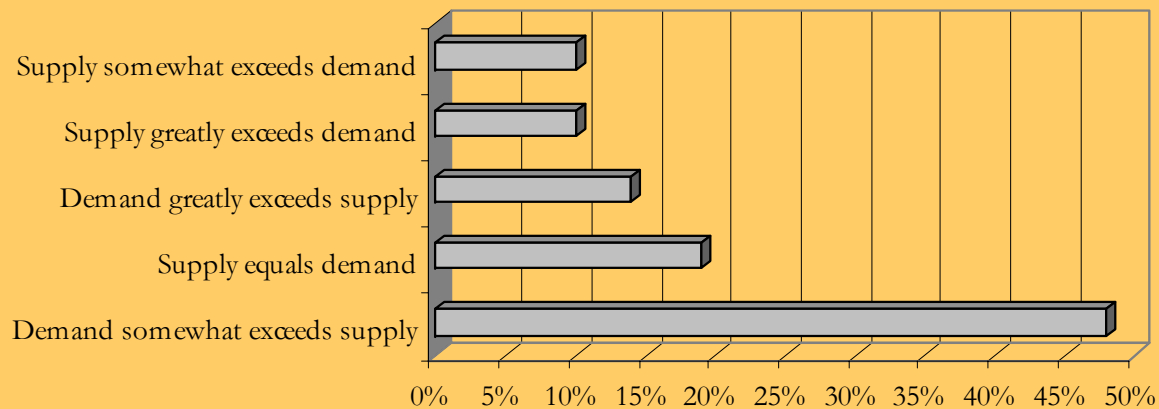
- Nearly 70% of the respondents perceived an undersupply of housing priced below \$100,000.
- Majorities reported a balanced market for homes priced over \$150,000.

N=21

CHAT Participants Perception Survey

Liberty's current market for rental housing.

•62% of respondents felt that rental demand either somewhat or greatly exceeded supply.

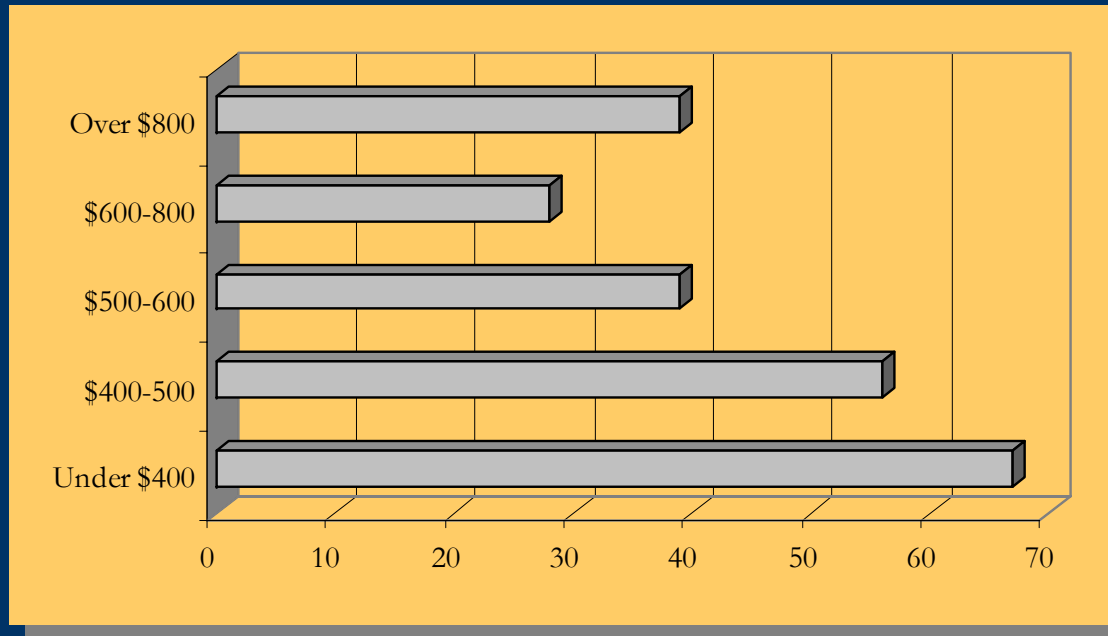


N=21

CHAT Participants Perception Survey

Undersupplies in Rental Housing

- A strong majority (67%) of respondents had identified an undersupply of rental housing priced below \$400

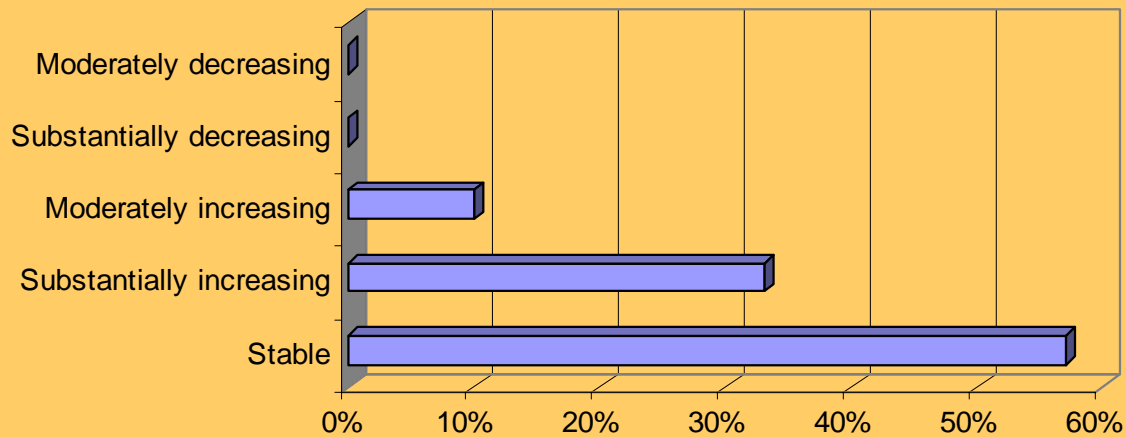


N=21

CHAT Participants Perception Survey

Trends in single-family home prices

- The majority of respondents (90%) felt that home prices have been moderately to substantially increasing.

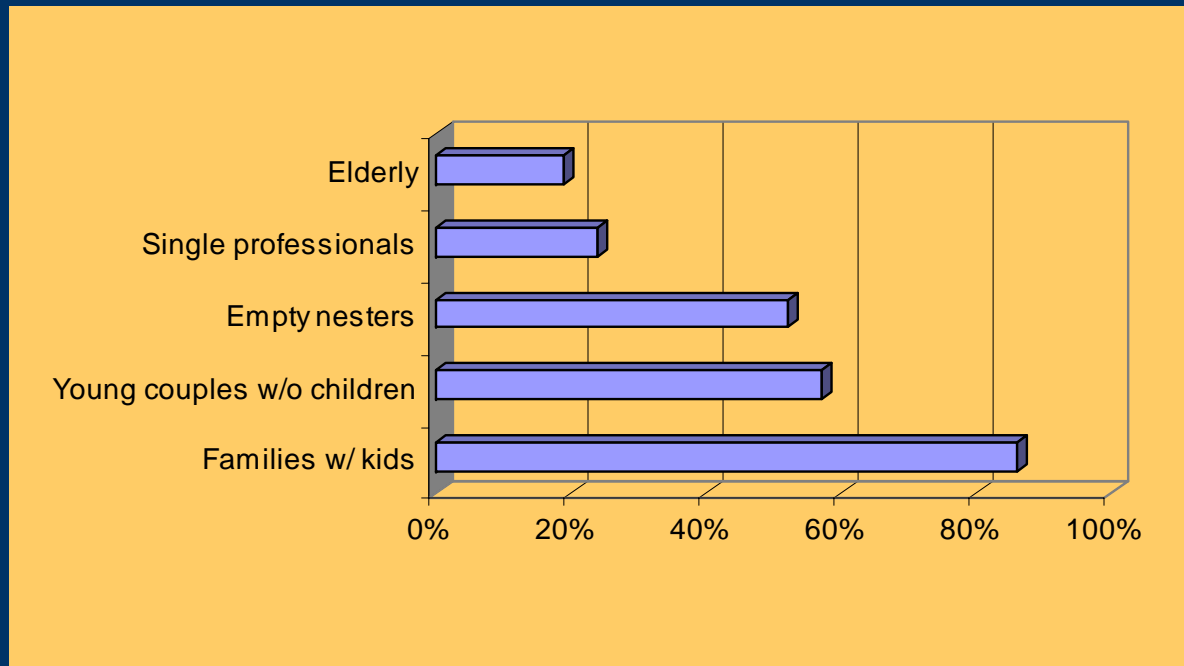


N=21

CHAT Participants Perception Survey

Current housing supply meets needs of potential homebuyers

- The majority of respondents felt that elderly housing and housing for single professionals was not being met



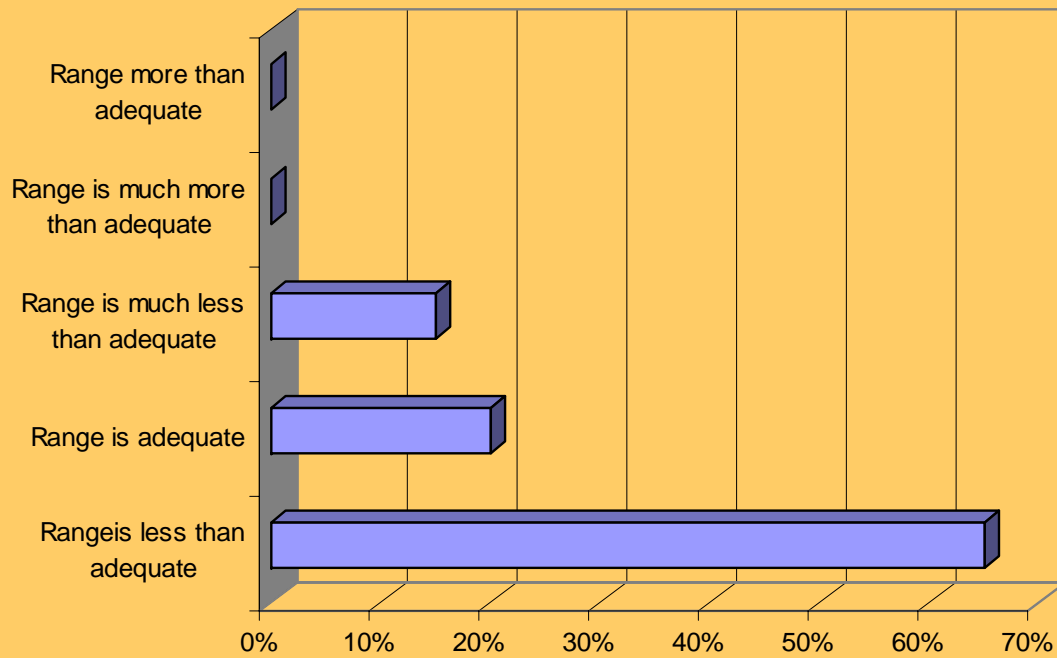
N=21

CHAT Participants Perception Survey

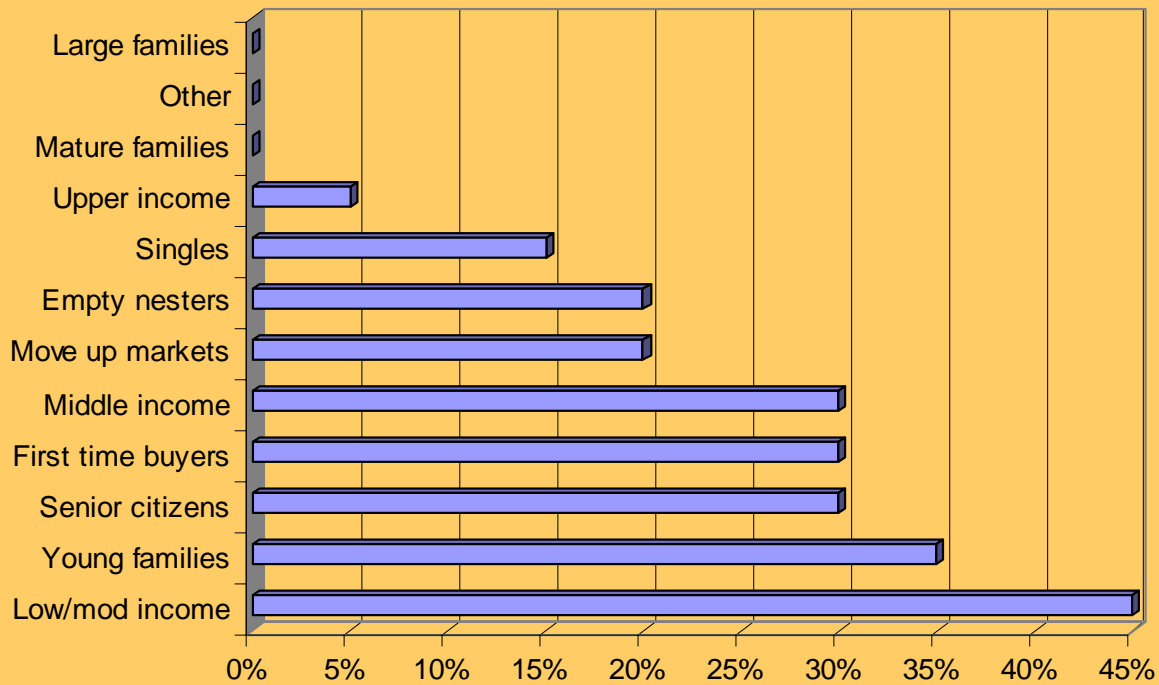
How well are the housing needs of the elderly being met.

•80% felt that elderly housing needs were being met.

•No one felt that range of elderly housing was adequate.



CHAT Participants Perception Survey



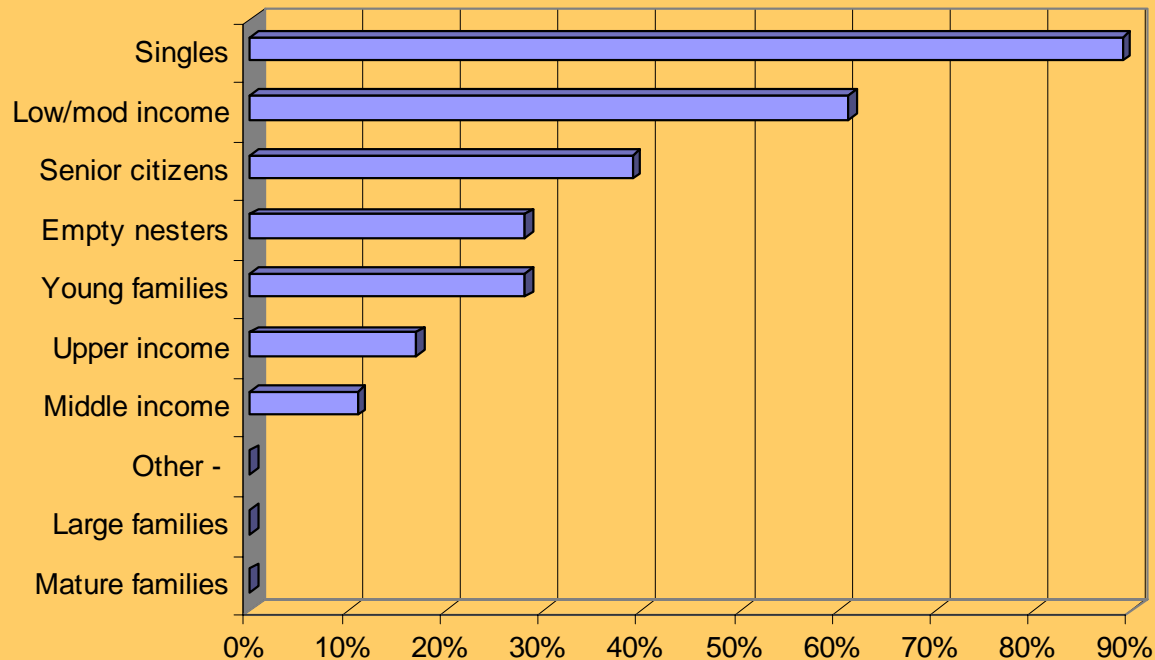
Need for housing in Liberty

- Low to moderate income households were seen as the most important target market for the city.
- Larger and mature families were not seen as an important market in the city.

N=21

CHAT Participants Perception Survey

Target Groups for Renter-Occupied Housing



- Singles and low/moderate income households are mentioned most often as a major target for rental housing.

- Mature and large families were seen as the least likely to be targeted for rental housing.

N=21

CHAT Participants Perception Survey

Most Desirable New Housing Products

Affordable, small single-family houses	75%
Mixed Density	55%
Downtown	50%
Independent Living Senior Housing	50%
Executive/Luxury	40%
Townhouses/Duplex	30%
Middle-sized, 3 BR houses	30%
High-end Apartments	30%
Low and moderate-income apartments	25%
Large houses	20%
Other	0%

N=21

CHAT Participants Perception Survey

Trend toward rehabilitation of existing homes.

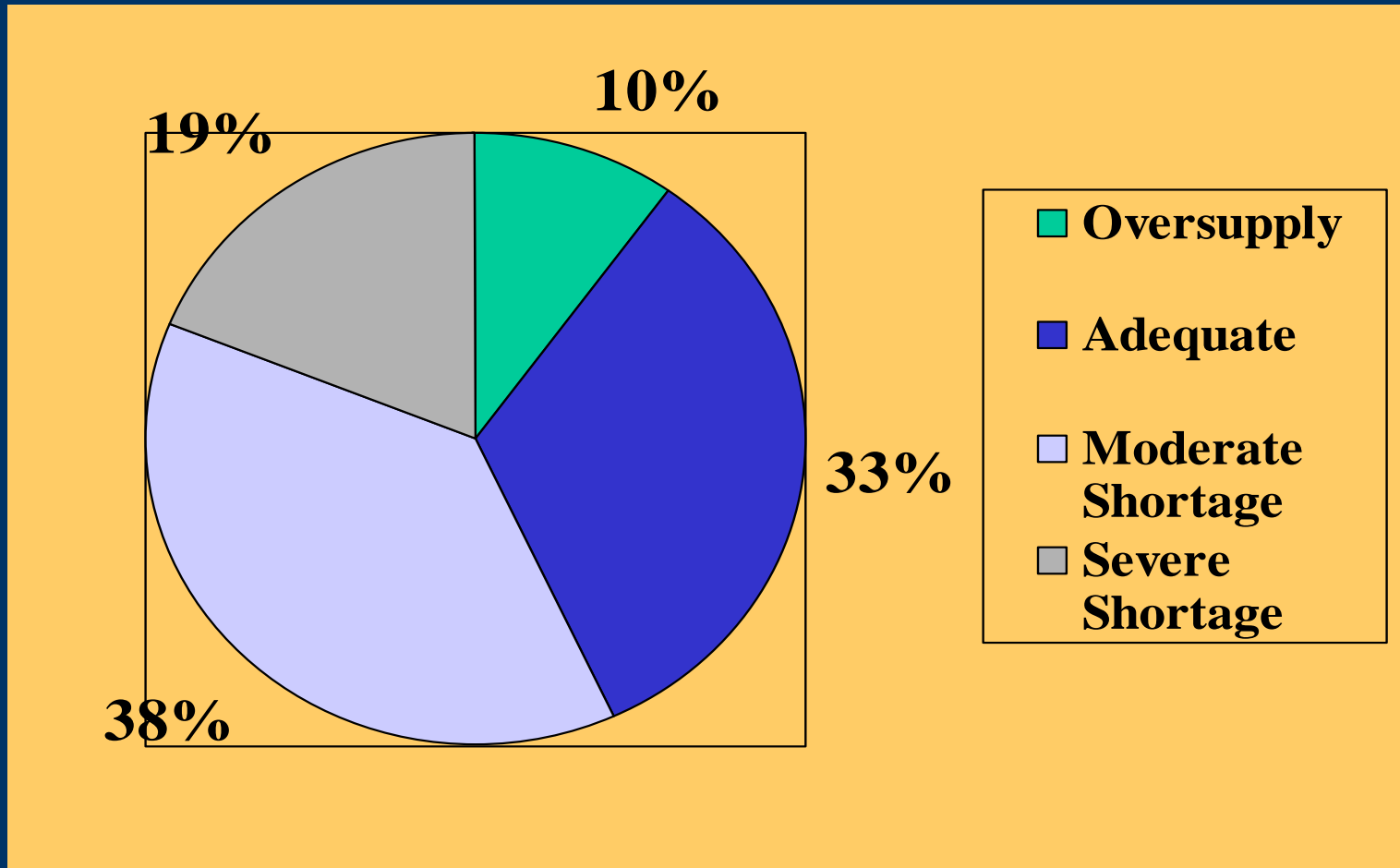
Yes	80%
No	20%

Public Sector involvement in the housing market.

Yes	50%
No	50%

CHAT Participants Perception Survey

Lot Supply



N=21

CHAT Participants Perception Survey

Ratings of Various Actions

5 to 1 scale (5 being very appropriate and 1 not appropriate)

Rehab Loans	3.74
Development of infrastructure	3.68
Historic Preservation	3.53
Mortgage Assistance	2.79
Downpayment assistance	2.63
Section 8	2.56
Grants	2.47
Construction Financing	2.32
Land acquisition	2.16

N=20

Housing Resources and Assets

- **The Character of Community**
- **Moderate Growth Rate**
- **The Blueprint for Liberty**
- **Local Development Community**
- **Regional Growth**
- **Liberty's Public Schools**
- **Central City Investment**

The Character of Community

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth
- Liberty's Public Schools
- Central City Investment

DESPITE its growth, Liberty is unusual in maintaining the sense of connectedness and intimacy that are among the greatest values of the traditional American town. This is reinforced by a web of streets that provides quick access from one area to another; and a deployment of major public places that cause residents to visit all parts of the city. The potential for a community-wide greenway system can further reinforce this identity.

Moderate Growth Rate

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth
- Liberty's Public Schools
- Central City Investment

SOME people in Liberty are attached to the traditional character of a small town near but separate from the Kansas City metropolitan area – the Liberty of the past. Others would like to see growth as rapid as that of other parts of the Northlands. Liberty's growth has in fact fallen between these poles and has been “just about right” – enough to support the needs of a quality community, but not so much as to cause strain on basic systems. This moderate growth rate has helped Liberty maintain its community character.

The Blueprint

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth
- Liberty's Public Schools
- Central City Investment

LIBERTY'S 1999 comprehensive plan, The Blueprint for Liberty, has created its share of recent controversy, particularly around implementation issues and setback requirements. However, this plan is based on 12 principles that, at their heart, attempt to define the city's distinguishing patterns and to use these relationships to shape future growth. The application of these principles may be fine-tuned. However, the city has established a framework that will, over time, can guide contemporary development toward the creation of a connected and unified city.

Local Development Community

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth
- Liberty's Public Schools
- Central City Investment

M

ANY of Liberty's builders and developers are from the city and care passionately about it. That passion and commitment is evident even when they are opposed to a specific public policy. Kansas City's Home Builders Association is made up of many such builders, and their commitment to quality is evident throughout the metropolitan area. Liberty's local development community is a distinct asset.

Regional Growth

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth**
- Liberty's Public Schools
- Central City Investment

OVERALL development has increased dramatically in the northern part of the Kansas City Metro. This has produced greater housing diversity in the region (if not specifically in Liberty), more commercial attractions, and expanded employment. Liberty gains from the adjacency of these assets and from its location in the Northlands.

Liberty's Public Schools

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth
- Liberty's Public Schools
- Central City Investment

LIBERTY'S public school system has a strong reputation for excellence and is a major attraction to family households. However, the Liberty school district extends across I-35 into rapidly growing areas of Kansas City. This has helped encourage rapid residential growth in this area.

Central City Investment

- The Character of Community
- Moderate Growth Rate
- The Blueprint for Liberty
- Local Development Community
- Regional Growth
- Liberty's Public Schools
- Central City Investment

LIBERTY'S five historic districts and other established neighborhoods have experienced substantial reinvestment activity. These superb legacy houses, some of which are over 150 years old, have attracted homeowners and historic house enthusiasts who have restored single-family occupancy to many homes that had previously been converted to multi-family occupancy.



Strategic Issues and Opportunities

- **Lack of Housing Diversity**
- **Housing Production and Growth Rate**
- **Conventional versus Traditional Development**
- **Uniform Impact Fees**
- **Land Supply and the South Development Area**
- **Multifamily Housing Markets**
- **Older Housing and Generational Change**
- **Downtown Residential**

Lack of Housing Diversity

MOST observers consider Liberty's new housing market to be highly focused in middle price ranges, with gaps at both the "affordable" and high-end of the price spectrum. Entry-level new houses in Liberty are rarely priced below \$160,000, while \$500,000 appears to be the ceiling for much existing construction.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Lack of Housing Diversity

Obstacles to the production of moderately-priced housing in Liberty include:

- The basic upward creep of construction costs.
- Land and infrastructure costs.
- Impact fees for transportation and sewers.

To date, low home mortgage rates have allowed moderate income households to purchase houses with relatively high sales prices. A substantial increase in interest rates is likely to depress this market.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Lack of Housing Diversity

On the other hand, high-end housing in the Kansas City area tends to gravitate toward:

- Developments with a substantial amenity, such as a major golf course, lake, or similar feature.
- Rural or fringe areas permitting very large estate lots.

Lacking either a major amenity or a substantial amount of rural estate land, Liberty has not successfully attracted very high-cost housing. Nevertheless, new housing production in Liberty has produced a very substantial supply in the \$200,000-\$400,000 range.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Production and Growth Rate

L

IBERTY'S historic annual growth rate since 1960 has been over 2.5%. However, this growth rate, projected into the future, will generate a demand that exceeds recent production. It is likely that some of Liberty's construction potential is being diverted elsewhere, specifically across I-35 in Kansas City and to other Northlands communities. Liberty's current course will create a steadily lower growth rate. This may be acceptable to the community, but declining annual growth should be a clearly understood outcome of current trends.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Conventional versus Traditional Development

THE BLUEPRINT FOR LIBERTY places a major emphasis on Traditional Neighborhood Development (TND), creating a major debate and controversy about the relative merits and roles of traditional (or New Urban) versus conventional suburban development. The Blueprint designates most of the city's new growth area for TND; the homebuilding community, on the other hand, opposes what it considers an exclusive reliance on one type of development design.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential



Conventional versus Traditional Development

The city's implementing regulations, on the other hand, are relatively mild. Some components, such as reducing the maximum length of blocks, are good practices that improve neighborhood access and connectivity. Others, such as reducing required street width, can reduce the cost of development. The TND standards also permit (but do not require) narrower lots. However, much of the recent controversy has focused around a requirement that garages be set back at least five feet behind the plane of the front door of a house.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Conventional versus Traditional Development

This regulation has the laudable goal of reducing the dominance of garages along city streets. However, its short-term application has encountered major opposition from builders, who now must develop new home designs for what they see as an approach that has not been proven in the market.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Uniform Impact Fees

LIBERTY utilizes impact fees to finance transportation and sewer improvements. The theory of impact fees states that development contributes to infrastructure costs in proportion to the demand created for public facilities. In theory, a single home creates the same number of trips, for example, whether it stands on a small or large lot. Thus, the total impact fee is the same for all units.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Uniform Impact Fees

While logical, this theory creates a disincentive for affordable housing. A \$7,000 impact fee has a much greater proportionate impact on a moderately priced home than on higher cost houses. TND standards permit smaller lots, reducing land and, to some degree, infrastructure cost per unit. But the level impact fee is a relatively “regressive” exaction.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Land Supply and the South Development Area

LIBERTY'S supply of land with interceptor sewer service is relatively limited. The Creekwood and Cedars subdivisions will take up a relatively large share of remaining land with existing urban services. The city has responded with the South Liberty Parkway project, providing arterial access to its south development area.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Land Supply and the South Development Area

However, this area includes four drainage sub-basins that require interceptor sewer service. Developers and builders consider the front-end costs of developing these sewers to be beyond their capabilities. One builder called the South Liberty Parkway “a road to nowhere.” An infrastructure development concept may be necessary to take full advantage of the benefits of the Parkway.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Multifamily Housing Markets

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets**
- Older Housing and Generational Change
- Downtown Residential

LIBERTY'S housing stock is dominated by single-family development. While a substantial multifamily project is pending, the most recent apartment development was built in the late 1980s. Attached or semi-attached housing appears to be emerging as a market, evidenced by the reception to projects like the excellent Claywood Villas patio homes. Interestingly, Liberty has had relatively little multifamily development interest, suggesting that the apartment demand is being met in surrounding areas. However, the relative lack of these housing types makes it difficult for singles or young households to establish themselves in the community.

Older Housing and Generational Change

MUCH OF LIBERTY'S future affordable housing supply may be found in central city neighborhoods south of Kansas Street and Liberty Drive and north of Highway 291; and southeast of Birmingham Road and 291. Many of these homes are owned by older households, and may be transitioning to new buyers in the future. However, these relatively small, postwar units may not meet the preferences and tastes of a younger market, and may require rehabilitation that few households are eager to undertake.

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential

Downtown Residential

- Lack of Housing Diversity
- Housing Production and Growth Rate
- Conventional versus Traditional Development
- Uniform Impact Fees
- Land Supply and the South Development Area
- Multifamily Housing Markets
- Older Housing and Generational Change
- Downtown Residential**

T

HE LIBERTY SQUARE Historic District provides opportunities for upper level housing conversion and infill housing opportunities on surrounding blocks. Upper level reuse is inhibited by both costs and the lack of dedicated parking, while infill development will require special development expertise. The city is currently in the process of developing a Downtown Development Plan. This plan should include housing development as an integral part of a downtown development strategy.

Liberty Area Housing Objectives

A housing program for Liberty should:

1. Resolve and move beyond the TND versus conventional development controversy by providing house design flexibility while strengthening the framework principles of the Blueprint for Liberty.
2. Promote greater diversity in the city's housing supply by providing a greater variety of housing prices and types.
3. Adapt the city's older housing stock for the needs of a new generation of homebuyers.
4. Bring about infrastructure extensions that are a necessary condition for growth to occur in the South Liberty Parkway development area.
5. Encourage housing production adequate to maintain Liberty's historic development rate.

Liberty Area Housing Objectives

6. Strengthen Downtown by encouraging adaptive reuse of upper levels of buildings and infill development on potentially available sites in and around the center of the city.
7. Assure strong and collaborative relationships between the city and the private housing development community.

Resolution of the TND Issue

The Blueprint establishes patterns that will maintain the special character of Liberty. These “framework patterns” include street connectivity, greenway and trail linkages, efficient land use, and a range of housing types. They are ultimately more basic in shaping community than some implementing details. The large ideas receive broad agreement, while controversies have swirled around the details.

Soon, a review of the Blueprint will begin with a planning forum. This important review should maintain and strengthen the plan’s key principles, even while examining areas of flexibility on such details as housing design and setbacks.

Resolution of the TND Issue

The garage setback issue, in particular, has attracted the most attention. Ultimately, the primary issue, as identified by several participants in the CHAT process, has been that the setback change requires new plans and has “thrown builders off their game.”

Reducing the dominance of the garage can create more attractive and social streets. However, this change might be more acceptable to builders if phased in over a period of time rather than happening all at once. This provides an opportunity to develop and test new home designs.

Resolution of the TND Issue

On the other hand, builders should be more aware that the TND standards proposed by the city are more permissive than restrictive. For example, the standards permit, but do not mandate, reduced lot widths and sizes.

Many of the Blueprint's principles are appropriate for both conventional development and TND's. The forum and review process are a vital opportunity for a dialogue to develop that identifies and strengthens areas of agreement and adjusts details that seem to be creating significant conflicts.

Variable Impact Fees

The current uniform impact fee tends to work against the development of affordable housing. The structure of the fee should be revised to eliminate this disincentive. One direction might be relating the impact fee to density rather than the housing unit.

This can be justified on the basis that:

- Low-density development spreads development out, requiring more vehicle miles of travel and discouraging alternative means of transportation.
- Higher densities require fewer feet of utility mains per unit, thereby reducing construction costs.

This restructuring of the impact fee may require voter approval, but is an important step toward encouraging development types that the city's comprehensive plan and proposed UDO clearly consider desirable public policy.

South Liberty Parkway Wastewater District

The City of Liberty, with property owners and developers, should create a special wastewater utility district in the south growth corridor to provide front-end financing for the interceptor sewers necessary to open this strategic area to development. The district concept:

- Uses the Blueprint's land use concept to establish the yield of land served by a south side interceptor system.
- Institutes a benefit fee program, establishing an assessment per acre based on dividing the cost of the sewer project by district-wide yield. The city issues bonds for front-end financing, paid back by fees paid at the time of development of individual parcels.

Neighborhood Reinvestment Corporation

Liberty should consider creating a Neighborhood Reinvestment Corporation to carry out highly focused project types that the private sector by itself does not deliver. An NRC should have a close relationship with local lenders, who will provide construction financing and are likely to participate in mortgage lending. An NRC should work across income ranges as needed.

Neighborhood Reinvestment Corporation

An NRC may initially become involved in two types of programs, each designed to adapt existing housing to the needs of a new generation of owners:

Acquisition/rehab/resale by which houses are acquired and sold in a rehabilitated or “turnkey” state to owner-occupants. This reflects the availability of houses needing rehabilitation and the limited number of prospective buyers who want to carry out such a major project. It applies particularly well to postwar Central Liberty neighborhoods.

Transitional senior ownership, by which a senior’s house becomes equity in a new affordable independent living setting, freeing the house for the acquisition/rehab/resale program.

Specific Project Focuses

Acquisition/Rehab/Resale

This program works best when candidate houses can be purchased at relatively low cost – a condition that may occur in post-World War II neighborhoods with small houses like Liberty Heights. Under the program, the NRC purchases existing houses, completely rehabilitates them, and resells them to new homebuyers. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low and moderate income buyers may be assisted by CDBG “soft-second” loans. However, completed homes may also be sold on the regular market. Realtors could participate by reducing commissions on selected projects.

City infrastructure investment, including street resurfacing or reconstruction, lighting, and landscape features, can further add value to these efforts.

Specific Project Focuses

Transitional Senior Ownership

This concept program provides affordable independent living settings to moderate income seniors while providing a supply of houses for reuse in the acquisition/rehab/resale program.

- The NRC builds an affordable independent living project in a cottage or attached townhome configuration with maintenance provided.**
- The resident conveys their previous home to the NRC. The equity value of the home is credited toward purchase of the unit in the new senior development.**
- Monthly payments in the new project are the gap between the nominal value of the unit and the equity value of the previous house**
- The NRC then rehabs and resells the original house to a new homebuyer.**

Downtown Residential

Downtown residential development should be a priority in the central district planning process that the City is currently undertaking. Components of a Downtown housing program should include:

- **Upper level adaptive reuse. Primary needs here involve financing packages that address economic feasibility; and city or business district cooperation to provide dedicated or shared parking to support residential use.**
- **Infill development on underused sites. This will require creation of an authority with the ability to assemble and convey property for redevelopment.**